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INSTALLMENT CONTRACT
COLLECTION AGREEMENT

Contract No. \_\_\_\_\_

This is your authorization to set up an installment collection account, and the following original documents are deposited herewith:

- Deed of Trust Note
Deed of Trust
Request for Full Reconveyance
Deed of Full Reconveyance
Promissory Note
Contract
Mortgage
Satisfaction of Mortgage
Warranty/QuitClaim Deed
Request for Partial Reconveyance \*
Deed of Partial Reconveyance\*
Other :

In addition to the above documents the following First Mortgage Exhibit form(s) are deposited regarding amounts due in addition to the below:

- Addendums Attached: Exhibit A- Special Payment Provisions
Exhibit B- Reserves
Exhibit C-Wrap Notes

The contract shall collect sums in the following manner, pursuant to the legal documents provided above.

Beginning Principal Balance: \$
Annual Interest Rate: %
365 day / 360 day
365 day interest will pay interest due from the last interest paid to date through the date a payment is received by First Mortgage. Interest paid will vary from month to month. 360 will pay 30 days of interest no matter what date the payment is processed. 360 is used in bank lending.

Payable in Installments of \$ With interest beginning

Installments due on the of each month, beginning Maturity Date:

Monies paid shall satisfy future monthly installments in their scheduled order, OR: Only one installment, and if that installment has been satisfied, none

If Only one installment is checked any excess paid will apply as principal reduction (after any fees, reserves or interest due have been applied), not advancing the due date to infinite future installments due under the Note.

Late Charges of after

Special Provisions:

Physical Address:

Legal Description:

Special Instructions

First Mortgage, Inc. reserves the right to assign and/or transfer all its duties in this installment contract provided that ten (10) days written notification of its intent to assign and/or transfer is sent to the parties signed below at the addresses indicated.

First Mortgage, Inc. is a representative of Payer only for the purposes of disbursement of the documents and for Payee/Beneficiary for the purpose of receipt and disbursement of funds collected hereunder at Payee/Beneficiary's direction. Provided however, that all funds directed to be paid to underlying deeds of trust secured by the property subject to this collection contract shall be redirected only by the written request of the Payer and the Payee/Beneficiary. The undersigned have read the foregoing agreement including the GENERAL PROVISIONS on page 2, and understand the content thereof and acknowledge that the terms of the collection agreement are satisfactory.

First Mortgage, Inc. is hereby relieved of all liability except for the receipt and disbursement of the funds and documents provided for herein.

First Mortgage, Inc. hereby, without accepting any liability other than previously noted, expressly assumes no liability for prepayment penalty clauses, due on sale clauses, balloon payments, or for securing any releases or paying any amounts owing to release deeds of trust paid by a wrap-around deed of trust.

Upon execution of this contract the parties herein agree to pay fees in accordance with the current/future fee schedules.

(Fees Subject to Change Without Notice) Unless otherwise instructed, all service charges will be charged to Payer/Buyer

One Time Set Up Fee Paid collect from first pay to be paid by:

For audit purposes: Fees to be paid in addition to payments

Service Fee to be paid by: Yes No

Each party to this contract is required to fill out a Customer Information Form to provide any bank, mailing information and verify Tax Identification Numbers.

Dated:

Dated:

Payer/Trustor Printed Name Signature

Payee/Beneficiary Printed Name Signature

Payer/Trustor Printed Name Signature

Payee/Beneficiary Printed Name Signature

Received and accepted by First Mortgage Inc. this day of
By Received Fees:

## GENERAL PROVISIONS

- 1) FIRST MORTGAGE, INC. shall not be liable for any error of judgement or for any act done or omitted by it in good faith.
- 2) FIRST MORTGAGE, INC., is authorized to accept the payment of any installment, however, in the event that any check delivered to you by the Payer shall be dishonored by the bank on which it is drawn, you shall accept no payment in lieu of said check unless it is accompanied by a service fee of \$50.00. You need not redeposit any dishonored check and you may thereafter require all future payments to be made in cash or by cashier's check.
- 3) In consideration of the prompt remittance of the payments by FIRST MORTGAGE, INC. to the Payee without waiting for any checks by the Payer to be honored by the bank on which it is drawn, Payee agrees to hold FIRST MORTGAGE, INC. harmless from any loss FIRST MORTGAGE, INC. may sustain by reason of Payer's bank failing to honor such check. FIRST MORTGAGE, INC. reserves the right to delay disbursement of any payment received hereunder until it is honored by the bank on which it is drawn. All funds received in this installment collection account may be deposited with other installment collection account funds of FIRST MORTGAGE, INC. with any State or National Bank. All disbursements shall be made by check of FIRST MORTGAGE, INC.
- 4) In consideration of payments received they will not be disbursed to payee until the following business day. FIRST MORTGAGE, INC. shall not be required to disburse funds to payee prior to funds received.
- 5) Parties will be liable to reimburse or make amends to FIRST MORTGAGE, INC., its customers, or clients any funds received by them that they are not entitled to by the instructions current in FIRST MORTGAGE, INC.'s files. FIRST MORTGAGE, INC. is hereby authorized to withhold any such sums plus interest at the legal allowable maximum rate from any future funds due to the party or parties receiving the misdisbursed/misapplied funds.
- 6) Parties receiving funds to which they are not entitled, are required to reimburse or make amends in a timely fashion to FIRST MORTGAGE, INC., its customers, or clients as required by FIRST MORTGAGE, INC. In the event of any controversy, whether or not resulting in litigation, or in the event of any action taken to recover funds misdisbursed/misapplied, FIRST MORTGAGE, INC shall be entitled to actual attorney's fees and reimbursement for its expenses.
- 7) When the obliged evidence by the documents handed you is fully satisfied, FIRST MORTGAGE, INC shall without further written consent, mark all documents "Paid in Full" and deliver them to the Payer or his agent as designated in writing.
- 8) In the event of default, FIRST MORTGAGE, INC. is hereby authorized, subject to paragraphs A and B below, to deliver by certified mail or personally, the instrument(s) and/or documents herein mentioned to any one of the Beneficiaries/Payees or their agent at any address given herein or such other address as any one of the Beneficiaries/Payees designates in writing:
  - (A) Immediately, at the Beneficiaries/Payees written request, if delinquent thirty (30) days or more from payment due date or otherwise outlined in the Special Instructions and or Note of this collection account.
  - (B) At the option of FIRST MORTGAGE, INC. when installments due, by the buyer or seller, have been delinquent for two (2) months or more.
  - (C) At the option of the seller upon default of the maturity date. Payee is required to notify FIRST MORTGAGE, INC. is not allowed to accept monthly only the balance due in full. Payee is also required to notify payer of the required final payment date and when default of that date occurs. Any fees due to FIRST MORTGAGE, INC., caused by the payer or payee, are required to be paid before release of documents will occur.Subsequent payments or documents received by FIRST MORTGAGE, INC. may, at its option be held by FIRST MORTGAGE, INC. until payee acknowledges that the default is cured or cancelled. FIRST MORTGAGE, INC. is not required to notify payer prior to termination.
- 9) The fee and charges due FIRST MORTGAGE, INC., including all expenditures authorized, shall be the responsibility of the payer/ trustor and the payee/ beneficiary jointly and severally.
- 10) In the event no activity occurs for a period of 12+ months, account may be placed in dormant status. Annual fees will continue to accrue at the current published rate. FIRST MORTGAGE, INC. may retain documents until it is paid its fees, and other claims in connection with the account, due from a party entitled to delivery.
- 11) All interest computations are to be made on the basis of a 365-day year, except for leap year, unless otherwise specified on the face of this contract. Payments are posted as of the date received in the FIRST MORTGAGE, INC. office during normal business hours. Payments will be applied to First Mortgage, Inc., fees first, then to reserves, late charges (if any) then to interest, the remainder, if any, to principal.
- 12) FIRST MORTGAGE, INC. is not obligated to accept any payment that does not represent a complete installment as set forth herein, unless authorized in writing by Beneficiary/Payee. In the event such authorization is given, it may result in additional installment collection charges which will be borne by Payer. In the event late payment monitoring is requested, FIRST MORTGAGE, INC. shall notify Payee and Payer. Unless late payment monitoring has been requested, a full service contract executed and all fees paid, FIRST MORTGAGE, INC. has no duty to notify any party to this contract of lack of payment.
- 13) FIRST MORTGAGE, INC. is hereby authorized to accept prepaid installments due under the following conditions only:
  - (A) Each prepaid installment shall be in the exact amount of the regular installments set forth herein.
  - (B) Each prepaid installment which is to apply toward a regular installment shall be accompanied by a written notice of Payers intent and shall be credited to principal and interest, including fees and reserves if applicable, as if the payment had been made according to the regular terms of the installment collection agreement.
  - (C) Any prepayment not made in accordance with A and B above will be treated as a payment received in addition to the normal amortization, required by the installment collection agreement, and will be applied first to accrued interest and the remainder to principal, and will not advance the due date proportionately.
  - (D) If the check box on page 1 is not selected, excess will be allowed to advance against the future due dates.
- 14) If any party to this agreement sells or contracts to sell the property described in the installment collection documents handed you, or applies for a loan on same during the pendency of this installment collection account, you are authorized to furnish lender, closing agent, or any other authorized persons, any information concerning the status of this installment collection account, including, but not limited to a certified copy of the installment collections agreement and copies of any other documents contained in your files. All parties hereto agree that FIRST MORTGAGE, INC. shall not be held responsible for the violation of any acceleration or alienation clause contained in any of the installment collection documents, even though FIRST MORTGAGE, INC. may have furnished information which helped facilitate the violation.
- 15) The creation of any rights in third parties regarding this collection agreement shall not bind FIRST MORTGAGE, INC., unless agreed to in writing by FIRST MORTGAGE, INC., however, FIRST MORTGAGE, INC. may at its discretion, upon payment of its assignment fee and satisfactory notice of assignment given to it, make a reasonable effort to comply with such assignment or creation of rights. FIRST MORTGAGE, INC. shall not under any circumstances and in any manner be liable to the parties hereto or any third party, for any damages arising out of or related to its acts connected with such assignments or creation of rights. FIRST MORTGAGE, INC. shall not be held to notice of any restrictions upon or prohibition against any such assignment or creation of rights contained in any document deposited hereunder.
- 16) The parties hereto agree that FIRST MORTGAGE, INC. shall have no responsibility as to the collections and payment of any fire insurance premiums and/or taxes, assessments and space rent, EXCEPT when a reserve account for payment of same has been established. Payment of the same will then be made upon receipt of appropriate billing from Beneficiary/Trustor. In the event said billings are not received in a timely manner, FIRST MORTGAGE, INC. shall not be held responsible for the effects of any resulting cancellations, late charges, or penalties. FIRST MORTGAGE, INC. shall be released of any and all responsibility in the event there are insufficient funds on hand at the time said billings are to be paid. If said billings are paid by Payees and the amounts thereof added to the unpaid balance of the accounts, FIRST MORTGAGE, INC. does not have the duty to determine increase to the principal and interest payment, but shall only add the taxes or insurance payment as provided by the security document when notified in writing, with interest thereon to accrue from the date said notice is received by FIRST MORTGAGE, INC.
- 17) If a controversy shall arise between the parties hereto or with any third person, FIRST MORTGAGE, INC. may await the outcome of such controversy by final legal proceedings, or otherwise, as FIRST MORTGAGE, INC. may deem appropriate, or FIRST MORTGAGE, INC. may institute such interpleader or other proceedings as it may deem proper, and in such event FIRST MORTGAGE, INC. shall not be liable for interest or damages. In the event of any controversy, whether or not resulting in litigation, or in the event of any action to recover FIRST MORTGAGE, INC.'s expenses or charges from either or both parties hereto, FIRST MORTGAGE, INC. shall be entitled to actual attorney's fees and reimbursement for its expenses.
- 18) Notwithstanding anything to the contrary therein appearing, FIRST MORTGAGE, INC. shall have no duty to know or determine the performance or nonperformance of any term or condition of any contract or agreement between the parties hereto, and its duties and responsibilities are limited to those specifically stated herein. FIRST MORTGAGE, INC. shall have no responsibility for the authenticity, validity, or sufficiency of any document deposited, or for the accuracy of any description of any document deposited, the description having been supplied by the parties. FIRST MORTGAGE, INC.'s sole duty with respect to such documents is to hold and dispose of the same herein provided. In the event of conflict or omission between the installment collection documents deposited herewith and this installment collection agreement, the installment collection agreement shall control as to FIRST MORTGAGE, INC. It is expressly understood that FIRST MORTGAGE, INC. assumes no responsibility in respect to notice, demand, notice of nonpayment, protest, notice of protest, suit, probate or bankruptcy claim, statutes of limitation, insurance, taxes, assessments, liens, or endorsements, heretofore made. In addition, FIRST MORTGAGE, INC. assumes no responsibility for the correctness or completeness or consistency of the instruments and/or documents placed in their custody.
- 19) FIRST MORTGAGE, INC. is under no obligation to give notice as to changes of interest of ownerships, lapses of insurance, the state of payment of taxes or assessments, or other encumbrances, condemnations, fire, or the condition of any property mentioned in the document handed them. The giving of such notice or notices by FIRST MORTGAGE, INC. shall not be deemed to be an assumption by FIRST MORTGAGE, INC. of any obligation as to the giving of any subsequent notice or notices.
- 20) In addition to the installment collection fees paid or agreed upon at the inception of this installment collection account, the parties hereto, jointly and severally, agree to pay reasonable compensation for any incidental services not set forth in these instructions. You are hereby given a lien upon all funds, documents, and other property held by you hereunder to secure the payment of all your fees and expenses or funds disbursed and dishonored. Parties hereto agree to pay collection fees according to the published rates of FIRST MORTGAGE, INC., which may change from time to time. Any interest earned on funds held for disbursement shall accrue to the benefit of FIRST MORTGAGE, INC., unless otherwise directed in writing by the beneficiary, such direction may result in additional charges.
- 21) As used in these instructions, the words "Beneficiary", "Trustor", "Seller", "Buyer", "Payee", and "Payer shall include both the singular and the plural.
- 22) This agreement is binding upon the heirs, executors, administrators, successors, and assigns of all parties hereto.
- 23) FIRST MORTGAGE, INC. assumes no responsibility for determining that the parties to this collection agreement have complied with any requirement of any State, Federal or Municipality law or regulation including, but not limited to, the Truth in Lending, Consumer Credit Protection Act (P.L 90-321) or any similar laws.

**Initial here:**

\_\_\_\_\_  
Payer/Trustor

\_\_\_\_\_  
Payer/Trustor

\_\_\_\_\_  
Payee/Beneficiary

\_\_\_\_\_  
Payee/Beneficiary