



**Prior (UNDERLYING) Lien Addendum**

**Escrow #** \_\_\_\_\_

Prior Lender _____	Loan Number _____
Lender Name _____	P&I Payment \$ _____
Address _____	Reserve Payment \$ _____
City, State, Zip _____	Reserve covers: tax Y / N ins Y / N
Name on loan _____	Total Payment \$ _____

**\*PROVIDE A COPY OF THE MOST RECENT STATEMENT/COUPON FROM THE LENDER\***

The Company shall disburse the principal and interest payment, applicable reserve funds and any fees on the prior loan as stated above from the monthly payments received from Payor. Payee is responsible for immediately providing to the Company any notices from the lender concerning said prior loan.

<input type="checkbox"/> <b>Wrap (Payee receives a portion of the payment)</b> <input type="checkbox"/> <b>Exact Wrap (100% of payment goes to prior loan)</b> The unpaid principal balance on the account held by the Company shall remain identical to the unpaid balance of the above-described prior lien. No running balance shall be maintained by the Company on this account. Any information on the status of the prior lien must be obtained from the Payee herein for the benefit of the Payor, including annual interest figures and tax information. The prior lender's figures shall always prevail. <input type="checkbox"/> <b>Impound Account</b> The prior lender is holding reserves for taxes and/or insurance. In addition to the regular principal and interest payments, Payor shall pay the Company an amount sufficient to pay the required reserve amount set by the prior lienholder. Payee agrees to immediately forward to the Company any statements received concerning the reserve amount. Any adjustments or refunds received by Payee shall be returned to Payor. The Company is not responsible for securing any portion of any refund for Payor or Payee.
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Any prepayment or balloon payments shall be disbursed as follows:

- All to prior lender.
- The above (standard) amount to the prior lender and the balance to Payee.
- All to Payee.

Upon payment in full to this account the Company will require a payoff statement from the prior lender and disburse available funds first to the prior lender up to the amount required to pay off the prior loan. Any amount still owing on the prior loan shall be the responsibility of the Payee.

Upon payment in full of the prior lien requiring Reserve Payments, the Parties agree that either

- The Payor will be responsible for all taxes and insurance.
- The Parties will set up a Reserve Account with the Company.

**Terms and Conditions:**

Prior Liens/ Wraps. If a portion of a payment is to be distributed to any third party due to prior liens, Parties agree they are fully responsible for such liens. The company agrees to remit payments to the prior lienholders provided funds are available. The company assumes no responsibility for how payments are applied to underlying debt or obligation or verification of receipt and application of said payments by prior lienholders or failure of any such payments to fully discharge said obligations. Payee will 1) Keep all such payments current. 2) Verify that all lienholders apply payments correctly. 3) Correct any problems that may arise with lienholders. 4) Advise the company of any changes in lienholder’s address or payments due on liens. 5) Cause said lien(s) to be fully paid on or before the date on which Payee shall have paid in full the deferred balance due on this account. 6) Be responsible for ensuring prior liens are paid in full prior to or concurrently with accepting payoff on this account. If a payment received by the company is not sufficient to pay any lien connected with the property when due, Payee is responsible for and agrees to pay amount necessary to keep liens(s) current. All parties agree to immediately forward to the company all correspondence they receive from lienholders. Payor fully acknowledges any liens listed against property. If this account or any prior liens/debt become delinquent by 30 or more days, or have late fees or other penalties outstanding, the company may terminate this agreement with 30 days written notice. Payee agrees Payor has the right to full access underlying loan information and will give Payor and the company ability to access that information by providing written authorization to prior lienholder to release information.

**Read these instructions carefully and do not sign them unless they are acceptable to all Parties**

I agree to be bound by the Company’s Terms and Conditions as set forth in the Escrow Agreement and Instructions.

**SIGNATURE OF PAYEE**

**SIGNATURE OF PAYOR**

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**These Escrow Instructions are received and accepted by:**

Name \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_