
APPENDIX VIII-1

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

ACKNOWLEDGMENT AGREEMENT AND ACCOMPANYING DOCUMENTS

PLEDGE OF SERVICING

OMB Approval No. 2503-0033

(Exp.11/30/2008)

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This agency may not collect this information, and you are not required to submit this form, unless it displays a valid OMB control number.

Ginnie Mae is authorized to collect the information on this form as provided in Section 306(g) of the National Housing Act or by the Ginnie Mae Handbook, 5500.3, Rev. 1. The purpose is to request Ginnie Mae's approval to pledge the Issuer's Servicing Rights for single-family and multifamily loans as security for a loan. The information will not be disclosed except as permitted by law.

Applicability: Ginnie Mae I MBS Program and Ginnie Mae II MBS Program.

An Issuer seeking approval by Ginnie Mae to pledge the Issuer's Servicing Rights (as that term is defined in the Acknowledgment Agreement) for single-family and multifamily loans as security for a loan must submit a proposed Acknowledgment Agreement entered into by and between the Issuer, the secured party and Ginnie Mae. The Issuer and secured party must execute the enclosed Acknowledgment Agreement and comply with the provisions of the Acknowledgment Agreement and the terms and conditions set forth in these instructions, which supplement and amend relevant sections of the Ginnie Mae Guide. Following are instructions for execution and submission to Ginnie Mae of a proposed Acknowledgment Agreement and related documents.

1. Procedures for Submission of Package

Three copies of the Acknowledgment Agreement must be submitted to Ginnie Mae. Each of the copies should be completed in conformity with the instructions set forth below and without retyping, or any revision of any provision of, the Acknowledgment Agreement. Ginnie Mae will not approve or execute an Acknowledgment Agreement that has been revised by an Issuer or a secured party or an application package that is incomplete.

An Issuer must submit to Ginnie Mae the following:

- a) Three completed and executed copies of the Acknowledgment Agreement. Complete the names and addresses called for on page 17.
- b) A completed Security Interest information sheet (see page 23).
- c) Exhibit B to the Acknowledgment Agreement, the form letter to Ginnie Mae naming the Standby Issuer (see discussion of Standby Issuer in Instruction 2 below), completed and executed by each Standby Issuer to be named by the secured party.

- d) Fees in accordance with the Guide.

The application package should be submitted to Ginnie Mae at the following address:

Government National Mortgage Association
Office of Mortgage-Backed Securities
451 7th Street, S.W., Rm. B-133
Washington, D.C. 20410

If Ginnie Mae approves the transaction, it will execute the copies of the agreement, retain one executed copy for its files, and return to the Issuer the additional executed copies in the ordinary course of business, with a copy of Exhibit A listing all pools and loan packages currently held by the Issuer and subject to the pledge.

2. *Standby Issuer*

The secured party agrees that, in accordance with the Acknowledgment Agreement, it will obtain the services of one or more Ginnie Mae-approved Issuers (“Standby Issuer”) that at all times will meet Ginnie Mae eligibility requirements upon the transfer of the portfolio to such Standby Issuer. The secured party must obtain the services of one or more Standby Issuers and submit with the application to Ginnie Mae an Exhibit B to the Acknowledgment Agreement completed and signed by each Standby Issuer.

3. *Standard Agreement*

The Acknowledgment Agreement is a standard agreement. Ginnie Mae will not consider requests to revise the terms of the Agreement or engage in negotiations regarding the terms of the Agreement.

4. *Copies of Other Agreements*

It is not necessary to include with the application a copy of any security agreement or other agreement which an Issuer and a secured party have executed or may execute. Accordingly, copies of such agreements should not be submitted to Ginnie Mae. Any copies of such agreements submitted to Ginnie Mae will not be returned to the sender.

5. *Differences or Inconsistencies with other Agreements*

If there are any differences or inconsistencies between the terms of any security agreement, loan agreement or other agreement which Issuer and a secured party have entered into or propose to enter into, they may be resolved or reconciled by amending such other agreement. They may not be resolved or reconciled by revising the Acknowledgment Agreement.

6. *Permissible Secured Parties*

As a matter of general policy, Ginnie Mae is neither defining nor limiting the types of businesses or institutions that may be secured parties. However, Ginnie Mae, in the exercise of its discretion, reserves the right to decline to enter into the Acknowledgment Agreement with any potential secured party.

7. *Participations*

If a secured party sells one or more participations in the loans made pursuant to the Security Agreement (or enters into any other arrangement whereby one or more entities have rights through, or with, the secured party with respect to the security interest), such participants shall benefit under the Security Agreement and the Acknowledgment Agreement solely through the secured party, and shall have no rights or claims against Ginnie Mae. The Acknowledgment Agreement must be executed only by the one member of the syndicate with the authority and duty to act exclusively for such participants with respect to Ginnie Mae.

8. *Interpretation of Agreement*

If an Issuer or a secured party has a question about the meaning or legal significance of any of the provisions of the Acknowledgment Agreement, the Issuer or secured party may wish to refer such questions to its legal counsel. Ginnie Mae cannot respond to requests to render opinions concerning the meaning or effect of any of the provisions of the Acknowledgment Agreement.

9. *Groups*

No more than one pledge of the Servicing Rights to one secured party will be permitted. An Issuer may not grant a security interest to more than one secured party. Any purported grant of a security interest pertaining to less than the entire Ginnie Mae portfolio is prohibited and shall be null and void.

10. *Other Circumstances*

If an Issuer wishes to enter into the Acknowledgment Agreement without revising its terms, but, because of the existence or material circumstances which are not addressed in the foregoing instructions, the Issuer does not know how to proceed to complete and execute the agreement, the Issuer may request instructions from Ginnie Mae on how best to proceed. The Issuer should do so by writing to Ginnie Mae at the address set forth in Instruction 1 above. The letter requesting instructions should state relevant circumstances with particularity.

ACKNOWLEDGMENT AGREEMENT

THIS ACKNOWLEDGMENT AGREEMENT, made and entered into as of this _____ day of _____, 20 ___ by _____, a _____, with its principal offices at _____ (“Secured Party”), _____ a _____ with its principal office at _____ (“Issuer”) and the Government National Mortgage Association, a corporation organized and existing under the laws of the United States of America, with its principal office at 451 Seventh Street, S.W., Rm B-133, Washington, D.C. 20410 (“Ginnie Mae”).

RECITALS

- A. Issuer participates in the mortgage-backed securities program (“MBS Program”) operated by Ginnie Mae pursuant to section 306(g) of the National Housing Act, 12 U.S.C. § 1721(g). Under the MBS Program, Issuer packages certain federally insured or guaranteed mortgages or participation interests in such mortgages (see definition of “Pooled Mortgages,” below) into groups or “pools” that back securities issued by Issuer and sold to private investors, or acquires existing pools and is deemed to be the Issuer as to such pools. Ginnie Mae guarantees that the investors will receive timely payment of principal and interest on those securities.
- B. To provide Ginnie Mae with security for its guarantee of securities, Issuer has assigned, conveyed and transferred to Ginnie Mae all redemption, equitable, legal or other right, title or interest in and to the Pooled Mortgages backing such securities, except that, under the Ginnie Mae Contract (defined below), Issuer retains only nominal title to the Pooled Mortgages and is obligated to service the Pooled Mortgages and the securities backed thereby, all in accordance with the provisions of the Ginnie Mae Contract. Further under the Ginnie Mae Contract, Issuer is allowed to keep certain income (“Servicing Income”) from servicing the Pooled Mortgages, consisting of the spread between interest actually collected from mortgagors and interest required to be paid to holders of the corresponding mortgage-backed securities, less Ginnie Mae’s guarantee fee. However, all of the rights, title and interests of Issuer are subject to possible extinguishment by Ginnie Mae, as described below.
- C. If and when Ginnie Mae declares Issuer in default under the MBS Program and issues a letter of extinguishment to Issuer pursuant to the Ginnie Mae Contract, all redemption, equitable, legal or other right, title or interest of Issuer in the Pooled Mortgages (including but not limited to nominal title thereto, the Servicing Income and all other rights and interests described above or otherwise pertaining in any way to the Pooled Mortgages or to the servicing thereof) are extinguished and such redemption, equitable, legal or other right, title or interest become the absolute property of Ginnie Mae, subject only to the unsatisfied rights of the holders of the securities backed by the Pooled Mortgages (“Security Holders”).
- D. Secured Party and Issuer have entered into a certain _____, dated _____ (which, together with any amendments thereto shall collectively be referred to as the “Security Agreement”), whereby Issuer granted to Secured Party a security interest (“Security Interest”) in any rights (including any rights to Servicing Income related thereto, “Servicing Rights”) that Issuer has, pursuant to the Ginnie Mae Contract, in the servicing

of the Pooled Mortgages identified on Exhibit A attached hereto and made a part hereof, and Pooled Mortgages hereafter originated or acquired by Issuer, including any right of the Issuer to receive all Servicing Income in respect of such Servicing Rights.

- E. Secured Party and Issuer have requested that Ginnie Mae consent, and Ginnie Mae is willing to consent, subject to the terms and conditions of this Acknowledgment Agreement, to Issuer's grant or assignment of the Security Interest to Secured Party.

NOW THEREFORE, in accordance with the Ginnie Mae Contract referenced below, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Secured Party and Issuer hereby acknowledge, and all parties hereto agree to, the following:

1. **Certain Definitions.**

- (a) "Pooled Mortgages" shall mean and include all of the following with regard to any and all mortgages backing, or participation interests in mortgages backing, or placed in pools backing, any issuance of securities guaranteed by Ginnie Mae under the MBS Program as to which Issuer is deemed the Issuer: the security instruments and security interests reflected by such mortgages, together with the promissory notes or instruments related thereto and the indebtedness secured thereby, all payments, proceeds, receivables, recoveries, other funds paid, provided or held pursuant to or in connection with any of the foregoing items, all claims or choses in action, insurance or guaranty claims pertaining to the foregoing, the title evidence pertaining to the secured properties, and all other assets, documents, instruments and other papers pertaining to the foregoing and the transactions to which they relate, the Servicing Rights, and the Servicing Income.

In the case of home equity conversion mortgage loans ("HECMs"), in addition to the foregoing, "Pooled Mortgages" shall mean and include all of the following with regard to any and all HECM loans related to the participation interests, including participation interests in advances made to borrowers, placed in pools backing any issuance of securities guaranteed by Ginnie Mae under the MBS Program as to which Issuer is deemed the Issuer: amounts related to such participation interests, including, but not limited to, accrued interest on such mortgages, related servicing fees and monthly insurance premiums paid to FHA to maintain mortgage insurance on such mortgages that do not constitute Ginnie Participations, as such term is defined in the Guaranty Agreement for HMBS.

- (b) "Claims and Losses" shall mean any and all losses, costs, expenses, actions, claims, damages, demands, judgments, proceedings, or suits, whether at law or in equity.
2. **Ginnie Mae Consent.** Ginnie Mae hereby consents, subject to the terms and conditions of this Acknowledgment Agreement, to Issuer's grant or assignment of the Security Interest to Secured Party. No further grant or assignment of a security interest in the Servicing Rights is permitted.
3. **Ginnie Mae's Rights**
- (a) The Security Interest is subject and subordinate to all rights, remedies, powers, and prerogatives of Ginnie Mae under and in connection with (1) this Acknowledgment Agreement, (2) 12 U.S.C. § 1721(g) and the implementing regulations governing the MBS Program, 24 C.F.R. Part 390, (3) applicable Guaranty Agreements and contractual

agreements between Ginnie Mae and Issuer, and (4) the Ginnie Mae Mortgage-Backed Securities Guide, Handbook 5500.3 Rev. 1, and other applicable guides, ((2), (3) and (4) collectively, the “Ginnie Mae Contract”), which rights, remedies, powers, and prerogatives include, without limitation, the right of Ginnie Mae under section 306(g) of the National Housing Act, 12 U.S.C. § 1721(g), to effect and complete the extinguishment of any redemption, equitable, legal or other right, title or interest of Issuer in the mortgages pooled under the Ginnie Mae Contract against which the guaranteed securities are issued

- (b) Issuer and Secured Party acknowledge and agree that the Servicing Rights pledged by Issuer constitute an interest of Issuer in the Pooled Mortgages, and that the Security Interest given by Issuer to Secured Party is merely derivative of the interest of Issuer under the Ginnie Mae Contract. Therefore, if Ginnie Mae extinguishes Issuer’s redemption, equitable, legal or other right, title or interest in the Pooled Mortgages in accordance with the Ginnie Mae Contract, Secured Party’s Security Interest instantly and automatically will be extinguished as well. Accordingly, if and when Ginnie Mae issues a letter of extinguishment to Issuer pursuant to the Ginnie Mae Contract, all of Issuer’s redemption, equitable, legal or other right, title or interest in the Pooled Mortgages become the absolute property of Ginnie Mae, subject only to the unsatisfied rights of the Security Holders, free and clear of the Security Interest or any other claim, right, title or interest of Issuer, Secured Party or anyone claiming an interest through either of them, including but not limited to any redemption, legal or equitable claim.
- (c) Secured Party also acknowledges that Ginnie Mae has no duty or obligation to Secured Party under this Agreement or otherwise, except as expressly provided herein. No automatic default or violation of the Ginnie Mae Contract by Issuer shall be deemed to have occurred solely by reason of any actual or alleged breach of the Security Agreement. As between Ginnie Mae and Secured Party, in the event of any conflict or inconsistency between the terms and provisions of this Acknowledgment Agreement and those of the Security Agreement, the terms and provisions of this Acknowledgment Agreement shall prevail. Each of the parties agrees that Ginnie Mae shall not be bound in any way by any terms or provisions of the Security Agreement.
- (d) Issuer and Secured Party acknowledge and agree that Issuer has pledged to Secured Party under and pursuant to the terms of the Security Agreement all of Issuer’s right, title and interest, whether now existing or hereafter arising, in all Pooled Mortgages relating to any issuance of securities by Issuer under the MBS Program.
4. **Security Agreement and Financing Statement Language.** In recognition of the foregoing, Secured Party agrees, represents and warrants that (a) the following language appears in, and is a valid and legally enforceable part of, the Security Agreement, any financing statement filed in connection with the Security Agreement or the Security Interest, and any and all other instruments that establish the Security Interest, or (b) any and all such documents shall be amended forthwith to include the following language therein and shall be a valid and legally enforceable part thereof:

“Notwithstanding anything to the contrary contained herein:

- (1) The property subject to the security interest reflected in this instrument includes all of the right, title and interest of the [Debtor] in certain mortgages and/or participation interests

related to such mortgages (“Pooled Mortgages”) and pooled under the mortgage-backed securities program of the Government National Mortgage Association (“Ginnie Mae”), pursuant to section 306(g) of the National Housing Act, 12 U.S.C. § 1721(g);

- (2) To the extent that the security interest reflected in this instrument relates in any way to the Pooled Mortgages, such security interest is subject and subordinate to all rights, powers and prerogatives of Ginnie Mae, whether now existing or hereafter arising, under and in connection with: (i) 12 U.S.C. § 1721(g) and any implementing regulations; (ii) the terms and conditions of that certain Acknowledgment Agreement, with respect to the Security Interest, by and between Ginnie Mae, _____ (the [“Debtor”]) [Insert the name of the party referred to in this Acknowledgment Agreement as the Issuer], and _____; [Insert the name of the party referred to in this Acknowledgment Agreement as the secured party] (iii) applicable Guaranty Agreements and contractual agreements between Ginnie Mae and the [Debtor]; and (iv) the Ginnie Mae Mortgage-Backed Securities Guide, Handbook 5500.3 Rev. 1, and other applicable guides; and
- (3) Such rights, powers and prerogatives of Ginnie Mae include, but are not limited to, Ginnie Mae’s right, by issuing a letter of extinguishment to [Debtor], to effect and complete the extinguishment of all redemption, equitable, legal or other right, title or interest of the [Debtor] in the Pooled Mortgages, in which event the security interest as it relates in any way to the Pooled Mortgages shall instantly and automatically be extinguished as well.”

5. Waiver of Rights, Claims and Remedies by Issuer and Secured Party.

- (a) Secured Party’s only remedy for enforcement of, and only means of enforcing, its Security Agreement and its Security Interest as they relate to the Servicing Rights which are subject to its security interest where permitted pursuant to the Security Agreement or applicable law is by seeking a transfer of Issuer responsibility (as provided in the Guides and Section 9 below) to another Issuer designated by Secured Party and approved by Ginnie Mae, subject to all of the conditions, exceptions and other provisions set forth herein.
- (b) Except for any rights that are expressly granted by this Acknowledgment Agreement, Secured Party shall have no claim or right, whether at law or in equity, and shall not assert any Claims and Losses, against Ginnie Mae, based upon or arising out of this Acknowledgment Agreement, or the Security Agreement, or any other transaction between Secured Party and Issuer relating to the Pooled Mortgages, or the Ginnie Mae Contract with Issuer.
- (c) Secured Party and Issuer acknowledge and agree that the Pooled Mortgages are not subject to attachment or injunction (or other similar process including but not limited to garnishment, levy or execution) by or on behalf of Issuer or Secured Party.
- (d) Issuer and Secured Party each agree that, except as provided herein or in the Ginnie Mae Contract, immediately and automatically upon any approval by Ginnie Mae of a transfer of Issuer responsibility (whether interim or otherwise) pursuant to this Acknowledgment Agreement or such a transfer pursuant to the Ginnie Mae Contract, Issuer and Secured Party shall be deemed to have released and waived any and all Claims and Losses against

Ginnie Mae, whether then-existing or arising thereafter, under the Ginnie Mae Contract or otherwise, including but not limited to reimbursement or recovery of any advances made or other monies expended by Issuer or Secured Party, in connection with Issuer's having held Issuer status or in connection with the servicing of the Pooled Mortgages or the securities backed thereby, and, without limiting Section 5(f), they hereby waive, agree and covenant not to assert or cause to be asserted, directly or indirectly, such Claims and Losses. Standby Issuer or other Issuer approved by Ginnie Mae shall also agree to the foregoing release and waiver of Claims and Losses against Ginnie Mae.

- (e) Issuer agrees that, if Secured Party requests that Ginnie Mae effect a transfer of Issuer responsibility pursuant to this Acknowledgment Agreement, Issuer shall not challenge Ginnie Mae's right to grant or deny such request.
- (f) Issuer and Secured Party each hereby waive, agree and covenant not to assert or cause to be asserted, directly or indirectly, any Claims and Losses or other claims, rights or remedies, against Ginnie Mae or the Pooled Mortgages arising out of or in connection with (i) Ginnie Mae's exercise of any of its rights and remedies under the Ginnie Mae Contract, (ii) any transfer of Issuer responsibility, (iii) the Servicing Rights, (iv) the Pooled Mortgages or (v) this Acknowledgment Agreement.

6. Provision of Documents.

- (a) Subject to Paragraphs (e) and (f) below, upon request of Secured Party, Ginnie Mae agrees to provide to Secured Party a copy of any of the following documents received by Ginnie Mae: (1) Issuer's Quarterly Feedback Report (or successor document), and (2) independent public accountant's annual audited financial report and reports of compliance on Issuer.
- (b) Subject to Paragraphs (e) and (f) below, Ginnie Mae agrees to provide to Secured Party copies of any of the following documents pertaining to Issuer: (1) notice of extinguishment, (2) notice of default, (3) notice from Issuer received by Ginnie Mae of an event of default, and (4) Supervisory Agreement between Ginnie Mae and Issuer.
- (c) At any time after Ginnie Mae shall have received notice from Secured Party that an event of default has occurred and is continuing under the loan agreement between Secured Party and Issuer, Secured Party may attend (but not participate in unless so authorized by the Issuer) any meetings between Issuer and Ginnie Mae relating to portfolio performance problems or other defaults under the Ginnie Mae Contract. Ginnie Mae shall be under no obligation to notify Secured Party of the time or place of any such meetings.
- (d) Issuer consents to the provision of the foregoing documents and information by Ginnie Mae, its agents, representatives, and contractors, to Secured Party or its designee and to Secured Party's attendance at any meetings.
- (e) Ginnie Mae shall have no liability to any person or entity, including but not limited to Issuer and Secured Party, for giving or for failing to give (or for any delay in giving) the documents or notices set forth above, nor shall Ginnie Mae have any liability on account of any matter contained in or omitted from such documents.

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- (f) If Ginnie Mae determines that providing Secured Party with any of the documents or notices set forth in this section would be harmful to the MBS Program, then Ginnie Mae need not do so.

7. Effect of Issuer Default Under Ginnie Mae Contract.

- (a) If Ginnie Mae determines that an event of default has occurred under the Ginnie Mae Contract, then, subject to any and all conditions and exceptions set forth herein, including but not limited to those in Sections 8, 9, 10 and 11, Ginnie Mae shall notify Secured Party of the default, and:
- (1) if such default is not of the type described in Section 11(b) and is a payment default (that is, failure to make a required remittance to security holders by the 15th or 20th of the month, as required, or, in connection with Home Equity Conversion Mortgage loans, failure to make an advance to a mortgagor), Ginnie Mae shall provide Secured Party with an opportunity to cure such default, such cure period not to exceed 24 consecutive hours;
 - (2) if such default is not of the type described in Section 11(b) and is not a payment default as defined in Paragraph (1) above, Ginnie Mae shall provide Secured Party with an opportunity to cure such default, such cure period not to exceed ten business days;
 - (3) if such default is of the type described in Section 11(b), Ginnie Mae shall have no obligation to offer Secured Party an opportunity to cure such default, but may in its sole discretion offer Secured Party an opportunity to cure such default within a time period specified by Ginnie Mae; and
 - (4) Provided that Secured Party has been provided an opportunity to cure pursuant to paragraph (1), (2) or (3) above and has cured such default to Ginnie Mae's satisfaction:
 - (aa) Secured Party may effect an interim transfer of Issuer responsibility with respect to the Pooled Mortgages and the securities backed thereby pursuant to Section 8 below, from Issuer to the Standby Issuer in accordance with the provisions set forth herein and within such notice; provided that Secured Party and the Standby Issuer comply with any requirements for such transfer as set forth herein or in any notice that Ginnie Mae provides to Secured Party or Standby Issuer pursuant to this Section 7; provided further that, except for the requirement to cure any default to Ginnie Mae's satisfaction, such requirements shall not exceed those normally imposed by Ginnie Mae pursuant to the Ginnie Mae Contract or in connection with a transfer of Issuer responsibility after a default under the Ginnie Mae Contract in respect of which no Acknowledgment Agreement exists; or
 - (bb) Ginnie Mae may require Secured Party to effect an interim transfer of Issuer responsibility as described in Paragraph (a)(4)(aa), and Secured Party shall be obligated to comply with the requirements set forth by Ginnie Mae for such transfer.

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- (b) If an interim transfer of Issuer responsibility has occurred pursuant to Section 7(a), Secured Party shall have a period of ten business days from the date Secured Party cures Issuer's default to elect to have a Standby Issuer retain or not retain such Issuer responsibility on a continuing basis pursuant to Section 9 below. Secured Party must notify Ginnie Mae of its election within that ten business day period.
- (1) If, within such ten business day period, Secured Party notifies Ginnie Mae in writing that Secured Party elects not to have a Standby Issuer retain such Issuer responsibility, Ginnie Mae shall assume such Issuer responsibility under its notice of default to Issuer and shall reimburse the Secured Party for the amount that Secured Party paid or advanced to cure the default pursuant to Paragraph (a)(1), (2) or (3), as the case may be, and advanced in fulfilling its servicing responsibilities, less any expenses incurred by Ginnie Mae in effecting the interim transfer of Issuer responsibility to the Standby Issuer, including but not limited to the costs incurred by Ginnie Mae in providing personnel or otherwise overseeing the servicing by the Standby Issuer or the transfer of Issuer responsibility to or from the Standby Issuer. Standby Issuer shall be entitled to servicing fees pertaining to the Pooled Mortgages for the period of time that the Standby Issuer serviced such Pooled Mortgages. In no event shall the reimbursement to Secured Party exceed the amount that Ginnie Mae expressly demanded that Secured Party pay or advance in order to cure the default or was required to advance to security holders or pay to fund principal and interest or escrow custodial accounts on Pooled Mortgages. Secured Party shall have no other claim or right to reimbursement for any Claims and Losses, from Ginnie Mae or from any funds pertaining to the Pooled Mortgages, and Secured Party covenants not to assert, directly or indirectly, any such Claims and Losses. Standby Issuer shall have no claim or right to reimbursement for any Claims and Losses, from Ginnie Mae or from any funds pertaining to the Pooled Mortgages.
- (2) If, within such ten business day period, Secured Party does not notify Ginnie Mae in writing of Secured Party's election to not have a Standby Issuer retain such Issuer responsibility, or if Secured Party notifies Ginnie Mae in writing that Secured Party elects to have a Standby Issuer retain Issuer responsibility pursuant to Section 9 below:
- (aa) Secured Party shall be deemed to have elected to have Standby Issuer retain Issuer responsibility, and Secured Party and Standby Issuer shall be required to comply immediately with all of the requirements set forth in Section 9;
- (bb) Secured Party shall be deemed to have waived any right to obtain reimbursement as provided in Paragraph (b)(1);
- (cc) Secured Party shall have no claim or right to reimbursement for any Claims and Losses, from Ginnie Mae or from any funds pertaining to the Pooled Mortgages, and Secured Party covenants not to assert, directly or indirectly, any such Claims and Losses; and
- (dd) Standby Issuer shall have no right to reimbursement except as expressly provided in the Ginnie Mae Contract, and even then, only on the

condition that it complies with all requirements therein and all requirements for Standby Issuers as set forth in this Acknowledgment Agreement.

- (c) **Standby Issuer.** At all times the Secured Party shall either (i) have retained the services of one or more independent third party Issuers or (ii) have a subsidiary or affiliate which is an Issuer that, in either case, meets the following conditions (any such Issuer, herein, a “Standby Issuer”; and should Secured Party or any affiliate or subsidiary be acting as Standby Issuer, references to Secured Party herein shall not include Secured Party or any affiliate or subsidiary acting as such Standby Issuer):
- (1) Each such Standby Issuer must at all times be eligible to act as an Issuer for the Pooled Mortgages in the MBS Program and have adequate net worth to service the Pooled Mortgages at the time of transfer, in accordance with requirements established by Ginnie Mae from time to time;
 - (2) Prior to or contemporaneously with the interim transfer of Issuer responsibility, Secured Party must obtain from Ginnie Mae a written approval for such Standby Issuer to serve as the Standby Issuer with regard to the Pooled Mortgages, which approval shall be granted if the conditions set forth in this subclause (c) are satisfied (provided, however, that such written approval by Ginnie Mae does not constitute approval of the actual transfer of Issuer responsibility, for which separate written approval must be obtained from Ginnie Mae) provided that in the case of HMBS pools, each HECM loan and its related securities must be serviced by only one independent third party Issuer ;
 - (3) Each Standby Issuer must have agreed in writing to accept, immediately upon demand, interim transfer of Issuer responsibility (as set forth in this Agreement) with regard to the Pooled Mortgages and to comply with the requirements set forth herein;
 - (4) Each Standby Issuer must have supplied Ginnie Mae with a letter agreement, in the form of Exhibit B hereto, to comply with the requirements set forth herein; and
 - (5) No Standby Issuer may be an affiliate or subsidiary of the original Issuer.

Secured Party may change the Standby Issuer, provided that all requirements set forth herein are satisfied with regard to any new Standby Issuer. Secured Party may serve as the Standby Issuer if it meets all of the requirements set forth herein.

- (d) By allowing Secured Party to cure a default by Issuer, Ginnie Mae shall not be (1) deemed to have waived its right to take action in response to defaults by Issuer in the future, or (2) required to permit the cure of Issuer’s defaults in the future.

8. Interim Transfer of Issuer Responsibility.

- (a) If Secured Party or Ginnie Mae elects an interim transfer of Issuer responsibility from Issuer to the Standby Issuer pursuant to Section 7(a) above or pursuant to rights under the Ginnie Mae Contract, Secured Party must submit to Ginnie Mae the following at the time Secured Party is required to effect the cure pursuant to Paragraph 7(a)(1), (2) or (3):
- (1) A request (“Transfer Request”) in the form of Exhibit C.
 - (2) A valid instrument properly executed by Issuer that constitutes or contains a current, valid power of attorney (“Power of Attorney”) authorizing Secured Party to make such Transfer Requests on behalf of Issuer and to effect the requested transfers if approved by Ginnie Mae. Ginnie Mae, without further inquiry or other action (and without actual examination of the Power of Attorney which may be contained in the Security Agreement or granted by a separate document) may rely upon the statement in such Power of Attorney and Transfer Request as being conclusive of Secured Party’s right, pursuant to the Security Agreement and any related agreement(s), between Secured Party and Issuer, to request and (only upon Ginnie Mae’s express written approval as hereinafter provided) cause a transfer of Issuer responsibility to the Standby Issuer. Ginnie Mae shall incur no liability to any person or entity, including but not limited to Issuer and Secured Party, for agreeing to, approving or effecting any such transfer of Issuer responsibility.

No interim transfer of Issuer responsibility to Standby Issuer shall take effect unless Ginnie Mae provides approval of such transfer of Issuer responsibility in writing. Ginnie Mae may approve or reject such request in accordance with the conditions, requirements and provisions of this Acknowledgment Agreement, or based upon the requirements of the Ginnie Mae Contract or the MBS Program regarding the transfer of Issuer responsibility. Within a reasonable time after actually receiving the request, Ginnie Mae shall give written notice to Secured Party as to whether the request has been approved or rejected.

- (b) Immediately upon Ginnie Mae’s issuance of written approval of the interim transfer of Issuer responsibility to the Standby Issuer, the Standby Issuer shall be deemed to be Issuer of record and to have assumed all of the obligations and liabilities of an Issuer with regard to the Pooled Mortgages and securities backed thereby, as described more fully in the Ginnie Mae Contract (except that during the period of such interim transfer, Secured Party rather than Standby Issuer shall advance any funds necessary for such servicing). Upon receipt of notice of Ginnie Mae’s approval of Standby Issuer, such Standby Issuer shall assume responsibility for all records and accounts (subject to Ginnie Mae’s rights to oversee servicing by Issuer and to Section 12 hereof) so as to enable the Standby Issuer to carry out the duties and obligations of an Issuer as set forth in the Ginnie Mae Contract, and such Standby Issuer shall confirm in writing to Ginnie Mae that it has done so. Issuer and Secured Party shall use their best efforts to cooperate with and facilitate such transfer. Secured Party warrants and guarantees to Ginnie Mae that the Standby Issuer shall comply with the requirements set forth herein.

9. Continuing Transfer of Issuer Responsibility.

- (a) If Secured Party seeks a transfer of Issuer responsibility to enforce its Security Interest absent a default by Issuer under the Ginnie Mae Contract, or elects to retain Issuer responsibility in the Standby Issuer pursuant to Paragraph 7(b)(2), Secured Party shall submit an application, in the case of the enforcement of Secured Party's Security Interest absent a default by Issuer under the Ginnie Mae Contract, or the notice required by Section 7(b), in the case of an Issuer default under the Ginnie Mae Contract, to effect such transfer, and all other documents required by this section. If such transfer is pursuant to Paragraph 7(b)(2), the required documents must be submitted within the ten business day period referred to in Section 7. No transfer of Issuer responsibility hereunder to Standby Issuer or other Issuer approved by Ginnie Mae hereunder shall occur unless Ginnie Mae first provides written approval of such transfer. Such approval by Ginnie Mae shall be based upon the conditions, requirements, and provisions of this Acknowledgment Agreement, including without limitation Section 7(c) hereof, the Ginnie Mae Contract and the MBS Program regarding the transfer of Issuer responsibility as then in effect. Secured Party shall submit to Ginnie Mae the following in connection with such request:
- (1) Application for transfer of Issuer responsibility, with applicable fees, together with all other documents that the Ginnie Mae Contract requires for possible transfer of Issuer responsibility, and any other documentation that Ginnie Mae might prescribe.
 - (2) A properly executed transfer agreement, in a form prescribed by Ginnie Mae. Unless Ginnie Mae, in its sole discretion, grants a written waiver, the transfer agreement must provide for the following:
 - (aa) The Standby Issuer or other Issuer approved by Ginnie Mae hereunder must agree to service the Pooled Mortgages and the securities backed thereby in accordance with the applicable provisions of the Ginnie Mae Contract, and such other requirements as Ginnie Mae might establish from time to time;
 - (bb) The Standby Issuer or other Issuer approved by Ginnie Mae hereunder must agree to assume all obligations that Issuer had under its Ginnie Mae Contract including, without limitation, supplying its own funds to meet the following obligations if funds available from servicing the Pooled Mortgages, applied according to the Ginnie Mae Contract, are insufficient to meet such obligations:
 - (i) make all required payments, as and when due, to holders of the securities backed by the Pooled Mortgages, in accordance with the Ginnie Mae Contract;
 - (ii) cover and/or restore to the principal and interest custodial account any shortfalls in collections (whether past or future) of principal and interest; and

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- (iii) cover and/or restore to the taxes and insurance custodial account and other escrow custodial accounts any shortfalls in collections (whether past or future) of escrow payments for taxes, insurance and other escrow items to the extent applicable to such Pooled Mortgages, as required pursuant to the related Ginnie Mae Contract.
 - (cc) The Standby Issuer or other Issuer approved by Ginnie Mae hereunder and the Secured Party must assume joint and several liability with Issuer for any and all liabilities of Issuer to Ginnie Mae (including but not limited to liability for breach of the Ginnie Mae Contract) that have arisen or occurred as of or prior to the date of transfer, whether then known or discovered thereafter.
 - (dd) The Standby Issuer or other Issuer approved by Ginnie Mae hereunder must assume responsibility for any and all obligations and liabilities to Ginnie Mae (including but not limited to liability for breach of the Ginnie Mae Contract) that arise on or after the date of transfer with regard to the Ginnie Mae Contract and the Pooled Mortgages.
 - (ee) In addition to any other events of default under the Ginnie Mae Contract, any failure of Standby Issuer or other Issuer approved by Ginnie Mae hereunder to fulfill its obligations set forth herein shall be deemed an event of default under the Ginnie Mae Contract.
 - (ff) Standby Issuer or other Issuer approved by Ginnie Mae must agree to waive any Claims and Losses against Ginnie Mae in accordance with Paragraph 5(d) above.
 - (gg) Subsequent modifications to or requirements of the MBS Program implemented or adopted by Ginnie Mae from time to time.
- (b) Ginnie Mae may deny approval of a transfer requested hereunder if it determines that any of the following have occurred:
- (1) Secured Party, Standby Issuer or other Issuer approved by Ginnie Mae hereunder has failed to meet any of the requirements set forth herein, or has failed to submit true, accurate and properly completed forms and documents as required hereby;
 - (2) Standby Issuer or other Issuer designated by Secured Party hereunder fails to meet any requirements for eligibility of Issuers, as Ginnie Mae may establish from time to time under the MBS Program;
 - (3) Any of the conditions and prerequisites for the transfer of Issuer responsibility that Ginnie Mae may establish from time to time, as set forth in the Ginnie Mae Contract, shall not have been satisfied;
 - (4) Any additional conditions and prerequisites that Ginnie Mae established in a notice or notices to Issuer or Secured Party prior to Ginnie Mae's approval of the transfer of Issuer responsibility shall not have been satisfied; or
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- (5) Any of the events that trigger termination, extinguishment and forfeiture, as set forth in Section 11, shall have occurred.
- (c) Secured Party acknowledges that, upon Ginnie Mae's approval of the transfer of Issuer responsibility, the Security Interest shall be deemed extinguished, and Secured Party shall have no remaining rights under the Acknowledgment Agreement; but any and all liabilities of Secured Party, Issuer and Standby Issuer or other Issuer approved by Ginnie Mae under the Acknowledgment Agreement shall survive, as shall all rights and remedies of Ginnie Mae.
- (d) Notice to Ginnie Mae from Secured Party of the occurrence of an event entitling it to realize upon the Servicing Rights under the Security Agreement or at law shall be conclusive and binding upon Issuer for all purposes of this Acknowledgment Agreement.
10. **Transfers Sought by Issuer.** If Issuer seeks a transfer of Issuer responsibility, it must obtain the express written consent of Secured Party. If Issuer submits a document or instrument that Ginnie Mae reasonably believes contains such written consent of Secured Party, Ginnie Mae may conclusively rely on such document or instrument. Issuer and Secured Party each shall indemnify, defend and hold harmless Ginnie Mae from all Claims and Losses arising out of or related to Ginnie Mae's acting or relying on such matters. A transfer of Issuer responsibility initiated by an Issuer shall be in accordance with the then-existing provisions and requirements relating to transfers of Issuer responsibility.
11. **Termination, Extinguishment and Forfeiture.**
- (a) Notwithstanding any other provision in this Acknowledgment Agreement, if Ginnie Mae (1) in its sole discretion, determines that any of the events in Paragraph (b) have occurred, whether prior to, as of, or after the date of this Acknowledgment Agreement; and (2) issues a notice so stating to Issuer or Secured Party, then all rights, title and interests (whether legal or equitable) of Issuer or Secured Party under this Acknowledgment Agreement (including but not limited to any security interest of Secured Party in the Pooled Mortgages or any possible rights to obtain notices or documents or to seek a transfer of Issuer responsibility to Standby Issuer or other Issuer designated by Secured Party hereunder, or under the Security Agreement, or any other instrument by which any interest of Issuer in the Servicing Rights or any other interest in the Pooled Mortgages was given to Secured Party) shall instantly and automatically be terminated, extinguished and forfeited, and Issuer and Secured Party waive, agree and covenant not to assert or cause to be asserted any argument or position that they have any such rights, title or interest.
- (b) Ginnie Mae shall have the right to issue a notice of extinguishment upon Ginnie Mae's determination, in its sole discretion, that any of the following conditions exist or events have occurred:
- (1) If a petition in bankruptcy or receivership, or any substantially similar proceeding, is filed or commenced by, on behalf of or against Issuer;

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- (2) If Issuer, Standby Issuer or Secured Party makes or has made any material false representation or warranty, or engages or has engaged in fraud or other reckless or intentional wrongdoing in connection with this Acknowledgment Agreement or any document submitted pursuant to this Acknowledgment Agreement, the Ginnie Mae Contract, otherwise in connection with the MBS Program, or in connection with any federal mortgage insurance or loan guaranty program, or other federal program related to any of the Pooled Mortgages;
 - (3) If Issuer, Standby Issuer or Secured Party has used, in violation of the requirements of the Ginnie Mae Contract, any payments, collections, recoveries or other funds pertaining in any way to the Pooled Mortgages;
 - (4) If provided an opportunity to cure pursuant to Section 7(a) above, Secured Party has failed to cure any default on the terms and in the time required by Ginnie Mae;
 - (5) If Ginnie Mae issues a letter of extinguishment to Issuer, pursuant to the Ginnie Mae Contract;
 - (6) If Secured Party, Standby Issuer or other Issuer approved by Ginnie Mae hereunder fails to fulfill or satisfy any of the conditions or prerequisites set forth herein or otherwise required by Ginnie Mae; or
 - (7) If Ginnie Mae determines that the MBS Program would be materially harmed if Ginnie Mae did not effect such termination, extinguishment and forfeiture.

12. **Funds and Bank Accounts.** Notwithstanding anything to the contrary contained herein or in the Security Agreement or in any other instrument, Ginnie Mae shall be entitled, in its sole discretion, to retitle and to exercise control and ownership of any and all (a) custodial or escrow accounts for principal and interest or for taxes and insurance or other collections that pertain to the Pooled Mortgages, in accordance with the “Master Agreement for Servicer’s Principal and Interest Custodial Account,” “Master Agreement for Servicer’s Escrow Custodial Account” (or successor documents) executed pursuant to the Ginnie Mae Contract, (b) all documents, in accordance with the “Master Custodial Agreement” executed pursuant to the Ginnie Mae Contract, and (c) if applicable, “Master Agreement for Participation Accounting”. Issuer and Secured Party agree and covenant not to oppose, challenge, interfere with, hinder or obstruct, directly or indirectly, any such actions by Ginnie Mae.

13. **Recording of Release.**

- (a) If a financing statement reflecting the Security Interest was filed, or if the security interest otherwise was recorded with any government recording office, then within five (5) business days after the earliest of any of the following dates or events that occur, Secured Party shall file for recording, in the appropriate recording office, a full and complete release of the Security Interest, and of any other right, title or interest of Secured Party in the Pooled Mortgages, and shall give Ginnie Mae written confirmation of such filing on the date thereof:
 - (1) The effective date of any transfer of Issuer responsibility pursuant to this Acknowledgment Agreement;

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- (2) The date on which Secured Party receives notice from Ginnie Mae of any termination, extinguishment or forfeiture of Secured Party's or Issuer's rights under Section 11 above, or otherwise; or
 - (3) The date on which Secured Party receives notice of the extinguishment by Ginnie Mae of Issuer's redemption, equitable, legal or other right, title or interest in the Pooled Mortgages.
- (b) If Secured Party believes its Security Interest is being challenged or is likely to be challenged by anyone other than Ginnie Mae, then it may request that Ginnie Mae agree to a deferral of the filing required by this section, and Ginnie Mae shall have sole discretion in determining whether to grant such a deferral.
 - (c) If Secured Party fails to comply with this section, then, by this Acknowledgment Agreement, Secured Party hereby irrevocably appoints Ginnie Mae as its lawful attorney-in-fact solely for the purpose of recording, on behalf of Secured Party, the release contemplated by this section, and Secured Party agrees and covenants not to oppose, challenge, interfere with, hinder or obstruct, directly or indirectly, any efforts by Ginnie Mae to do so.
 - (d) Issuer and Secured Party agree and acknowledge that Ginnie Mae's right, title and interest is superior to that of Secured Party or Issuer, whether or not Ginnie Mae's right, title and interest are recorded, and that Ginnie Mae's right, title and interest need not be recorded in order to be effective. Issuer and Secured Party waive, agree and covenant not to assert, directly or indirectly, any argument to the contrary.
14. **Rights Reserved.** Nothing contained in this Acknowledgment Agreement shall obligate Ginnie Mae to give notice to Secured Party of any exercise by Ginnie Mae of any of the rights, powers, or prerogatives referred to in Section 3 of this Acknowledgment Agreement, or to delay, postpone, or refrain from such exercise (whether or not Secured Party shall have elected to enforce the Security Interest or remedies in connection therewith, or shall have submitted to Ginnie Mae a Transfer Request), except to the extent provided in Section 6 and Section 7. Secured Party hereby waives any and all right or standing which it may have, and covenants not to assert, directly or indirectly, as a secured creditor of Issuer, or in any other capacity, to protest or challenge a termination of Issuer's status as a Ginnie Mae-approved Issuer or a notice of extinguishment by Ginnie Mae, and hereby covenants and agrees not to interfere with, hinder or obstruct, directly or indirectly, any termination of Issuer's status as a Ginnie Mae approved Issuer, notice of extinguishment by Ginnie Mae, or Ginnie Mae's exercise of any of its rights relating thereto.
15. **No Duty to Verify.** Ginnie Mae shall be fully protected in acting or relying upon, and shall have no duty or obligation to verify the truth, accuracy, authenticity, validity, or legal sufficiency of, any written notice, direction, request, waiver, consent, receipt, or other paper or document which Ginnie Mae in good faith believes to be genuine and to have been signed or presented by Secured Party or Issuer pursuant to this Acknowledgment Agreement.
16. **Indemnification by Secured Party.** Secured Party shall indemnify, defend and hold harmless Ginnie Mae against all Claims and Losses arising or resulting from any past, present, or future act or omission of Secured Party, pursuant or with respect to this Acknowledgment Agreement or the Security Agreement. Furthermore, Secured Party shall indemnify, defend, and hold harmless
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Ginnie Mae against all Claims and Losses, arising from or connected with any future act, error or omission by Secured Party under the Security Agreement, including but not limited to any actual or attempted foreclosure, transfer, assignment or sale of the Servicing Rights or Issuer responsibility by Secured Party.

17. **Indemnification by Issuer.** Issuer shall indemnify, defend, and hold harmless Ginnie Mae against all Claims and Losses arising out of or resulting from any past, present, or future act or omission of Issuer, pursuant or with respect to this Acknowledgment Agreement or the Security Agreement, including but not limited to any actual or attempted transfer or sale of the Servicing Rights or a transfer of Issuer responsibility by Issuer.
18. **Issuer Warranties and Representations.** Issuer hereby warrants, represents, and confirms to Ginnie Mae the following:
- (a) Except for the interest granted by Issuer to Ginnie Mae pursuant to the Ginnie Mae Contract, the Security Interest is the only outstanding and existing interest that Issuer has granted to Secured Party, or any other person or entity, in the Servicing Rights or the Pooled Mortgages that are subject to the Security Interest; and the Security Agreement is the sole outstanding and existing agreement or instrument containing any grant by Issuer of any interest in the Servicing Rights that are subject to the Security Interest.
 - (b) The execution and delivery of this Acknowledgment Agreement will not violate any provision of law or regulation applicable to Issuer, any order of any court or other agency of government or any agreement or other instrument to which Issuer is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any such agreement or other instrument.
 - (c) The grant of a Security Interest in the Servicing Rights to Secured Party pursuant to the Security Agreement, and Issuer's execution, delivery and performance of this Acknowledgment Agreement, has each been duly authorized by all necessary corporate action on the part of the Issuer. All other acts have been performed to make this Agreement the legal, valid, binding, and enforceable obligation and undertaking of Issuer. If Secured Party is a federally insured institution or an affiliate or subsidiary of a federally insured institution, this Acknowledgment Agreement, together with the applicable Security Agreement between Issuer and Secured Party and any amendments thereto, and any Uniform Commercial Code ("UCC") financing statements, constitute the "written agreement" governing Issuer's grant of a Security Interest in its Servicing Rights to Secured Party pursuant to the Security Agreement and the matters agreed to in this Acknowledgment Agreement, and Issuer shall continuously maintain all components of such "written agreement" as an official record of Issuer (or any successor thereto).
19. **Secured Party Warranties and Representations.** Secured Party hereby warrants, represents, and confirms to Ginnie Mae the following:
- (a) Except for the interest granted by Issuer to Ginnie Mae pursuant to the Ginnie Mae Contract, the Security Interest is the only outstanding and existing interest that Issuer has granted to Secured Party in the Servicing Rights or the Pooled Mortgages and, to the best of Secured Party's knowledge, information, and belief (based solely on a review of UCC searches conducted by Secured Party, which Secured Party represents that it has conducted in the appropriate public offices where Issuer's principal place of business is

located), the Security Agreement is the sole outstanding and existing agreement or instrument containing any grant by Issuer of any interest in the Security Rights that are subject to the Security Interest.

- (b) The execution and delivery of this Acknowledgment Agreement will not violate any provision of law or regulation applicable to Secured Party, any order of any court or other agency of government or any agreement or other instrument to which Secured Party is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any such agreement or other instrument.
- (c) Secured Party's execution, delivery and performance of the Security Agreement and the Acknowledgment Agreement, has each been duly authorized by all necessary corporate action on the part of the Secured Party. All other acts have been performed to make this Agreement the legal, valid, binding, and enforceable obligation and undertaking of Secured Party. If Secured Party is a federally insured institution or an affiliate or subsidiary of a federally insured institution, this Acknowledgment Agreement, together with the applicable Security Agreement between Issuer and Secured Party and any amendments thereto, and any UCC financing statements, constitute the "written agreement" governing Issuer's grant of a Security Interest in its Servicing Rights to Secured Party pursuant to the Security Agreement and the matters agreed to in this Acknowledgment Agreement, and Secured Party shall continuously maintain all components of such "written agreement" as an official record of Secured Party (or any successor thereto).
20. **Participations.** Secured Party represents and warrants that if Secured Party sells one or more participations in the loans or is the designated agent for a group of lenders in a syndicated credit made pursuant to the Security Agreement (or enters into any other arrangement whereby one or more entities have rights through, or with, Secured Party with respect to the Security Interest), such participants or other entities shall benefit under the Security Agreement and the Acknowledgment Agreement solely through Secured Party, and shall have no rights greater than Secured Party. Secured Party represents and warrants that Ginnie Mae shall have no liability to any such participant or other entities in the loans made pursuant to the Security Agreement, and Secured Party shall indemnify, defend and hold harmless Ginnie Mae for any Claims and Losses asserted by such participants or other entities against Ginnie Mae or suffered by Ginnie Mae as a result thereof. Secured Party hereby represents, warrants, and confirms to Ginnie Mae that, (a) Secured Party has the authority to enter into this Acknowledgment Agreement on behalf of any such participants or other entities, (b) this Acknowledgment Agreement, the Security Agreement, and any amendments thereto, shall be binding on any such participants or other entities as if they were original signatories thereto and hereto, and (c) Secured Party shall have the authority and duty to act exclusively for such participants or other entities with respect to Ginnie Mae.
21. **Fees.** The parties agree that, as a condition of agreeing to the terms of this Acknowledgment Agreement, Ginnie Mae shall be entitled to charge fees to Issuer in connection with this Acknowledgment Agreement and transfer fees in connection with the transfer of Issuer responsibility to a Standby Issuer pursuant to Section 9, in each case, in accordance with the Guide.
22. **Notice.** Any notice, request, or other communication to Ginnie Mae pursuant to this Acknowledgment Agreement shall be in writing and shall be (a) mailed by first- class mail or delivered by commercial courier, postage and fees prepaid, to Ginnie Mae at the address and to

the attention of the officer shown below, or (b) sent to Ginnie Mae (to the attention of such officer) by facsimile and confirmed by mailing or courier delivery at substantially the same time as such facsimile transmission, provided, however, that any notices provided in connection with a notice of extinguishment to Issuer shall be sent by Facsimile and confirmed by mailing or courier delivery pursuant to (b) above. Any notice, request or other communication from Ginnie Mae, Secured Party or Issuer shall be given in the same manner, and under the same procedures, as provided above, with such party's address for such purpose, and related information, being as shown below. Any party may change the address and intended recipient designated below by providing written notice of such change to each of the other parties pursuant to this provision.

GINNIE MAE:

Government National Mortgage Association
451 Seventh Street, S.W., Rm. B-133
Washington, D.C. 20410
Attention: Senior Vice President, Office of Mortgage-Backed Securities
Facsimile No.: (202) 485-0232

SECURED PARTY:

(Secured Party's Name)

(Secured Party's Address)

Attention: _____
(Title of Officer)

Facsimile No.: _____

ISSUER:

(Issuer's Name)

(Issuer's Address)

Attention: _____
(Title of Officer)

Facsimile No.: _____

23. **Termination.** Any and all rights and interests of Secured Party shall terminate five years from the effective date hereof unless extended pursuant to agreement of the parties hereto in writing.

24. Other Provisions.

- (a) This Acknowledgment Agreement shall be construed under federal law.
- (b) This Acknowledgment Agreement and the rights of Secured Party and Issuer hereunder shall not be assigned or transferred by Issuer or Secured Party, or assumed by a third party, without the prior written consent of Ginnie Mae.
- (c) The parties agree that the rule of contract construction that ambiguities are to be construed against the drafter shall not apply to this Acknowledgment Agreement.
- (d) Issuer and Secured Party agree and acknowledge that any breach of this Acknowledgment Agreement by either of them could pose a serious risk to the integrity and functioning of the MBS Program, that Ginnie Mae might not have an adequate remedy at law, and that, therefore, upon any such breach, Ginnie Mae shall be entitled to obtain injunctive relief.
- (e) This Acknowledgment Agreement and all Exhibits attached hereto when delivered constitute the entire agreement of the parties with regard to the subject matter hereof.
- (f) This Acknowledgment Agreement may be amended only by agreement in writing of all parties.
- (g) The recitals of this Acknowledgment Agreement are part of the agreement and are binding on the parties hereto. The section and paragraph headings are merely for convenience and shall not be deemed to change the meaning of the text.
- (h) The invalidity or unenforceability of any particular provision of this Acknowledgment Agreement shall not affect the other provisions hereof, and this Acknowledgment Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.
- (i) This Acknowledgment Agreement may be executed in one or more counterparts each of which shall together constitute one and the same Acknowledgment Agreement.
- (j) Secured Party and Issuer agree to acknowledge and reaffirm the rights of Ginnie Mae pursuant to the Ginnie Mae Contract, and agree to be bound by the terms, provisions, and conditions of this Acknowledgment Agreement and the Ginnie Mae Contract.

IN WITNESS WHEREOF, Secured Party, Issuer, and Ginnie Mae have executed and delivered this Acknowledgment Agreement as of the date first above written.

SECURED PARTY:

Signature: _____

Print Name: _____

Title: _____

Company Name: _____

ISSUER:

Signature: _____

Print Name: _____

Title: _____

Company Name: _____

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION:

Signature: _____

Print Name: _____

Title: _____

Exhibit "A" to Acknowledgment Agreement
dated _____, 20__, among
_____ (Secured Party),
_____ (Issuer), and Ginnie Mae

(Ginnie Mae shall identify mortgage loan pools and loan packages held by Issuer as of date of execution of Acknowledgment Agreement)

**Exhibit "B" to Acknowledgment Agreement
dated _____, 20__, among
Secured Party, Issuer and Ginnie Mae**

Form Letter to Ginnie Mae Relating to Standby Issuer to be placed on letterhead of Standby Issuer
(Attesting to Standby Issuer's Eligibility and Consent to Perform as Required)

Government National Mortgage Association
451 Seventh Street, S.W., Rm. B-133
Washington, D.C. 20410

Attention: Senior Vice President, Office of Mortgage-Backed Securities

Ladies and Gentlemen:

This letter is written in reference to the Acknowledgment Agreement dated _____, 20__, among _____ (Secured Party), _____ (Issuer), and the Government National Mortgage Association (Ginnie Mae). I hereby certify that _____ is an approved Issuer for the Pooled Mortgages (as defined in the Acknowledgment Agreement) under the Ginnie Mae Mortgage-Backed Securities program. I further certify that _____ will meet all requirements to serve as Standby Issuer for the Secured Party in the event that all or a portion of the portfolio identified in Exhibit A or acquired by Issuer after the date of the Acknowledgment Agreement are transferred to this firm for servicing. Officials of the firm have reviewed the terms of the Acknowledgment Agreement, and _____ hereby adopts and agrees to abide by all terms of the Acknowledgment Agreement relating to obligations of the Standby Issuer.

I further certify that, should Secured Party provide notice to _____ that all or a portion of such portfolio will be transferred to this firm for interim servicing, upon receipt of such notice by this firm and Ginnie Mae's approval of the transfer request, we will assume responsibility for all records and accounts (to the extent permitted by Ginnie Mae, in its sole discretion) so as to enable us to carry out the duties and obligations of an Issuer as set out in the Ginnie Mae Contract.

[This letter must be signed by Standby Issuer]

Exhibit "C" to Acknowledgment Agreement
dated _____, 20____, among
Secured Party, Issuer and Ginnie Mae

{Transfer Request}

Form Letter to Ginnie Mae Relating to Security Interest to be placed on letterhead of Secured Party

Government National Mortgage Association
451 Seventh Street, S.W., Rm. B-133
Washington, D.C. 20410

Attention: Senior Vice President, Office of Mortgage-Backed Securities

Ladies and Gentlemen:

Under and by authority of a power of attorney ("Power of Attorney") granted to _____, Secured Party ("Secured Party") referred to in a certain _____ ("Security Agreement") dated _____, 20 ____ between Secured Party and _____, the Issuer ("Issuer") referred to in the Security Agreement, Secured Party hereby notifies the Government National Mortgage Association ("Ginnie Mae") that, by reason of an event of default under the Security Agreement [if other valid reason exists for enforcing the Security Interest or exercising remedies under the Security Agreement, specify such reason and, if appropriate, delete reference to a default], Secured Party has the right under such agreement (and has elected) to enforce the Security Interest created therein and/or to exercise its remedies thereunder.

In this regard, Secured Party has elected to seek to transfer the servicing of pooled mortgages, participation interests related to mortgages, other interests related to pooled Participations and related securities under the Ginnie Mae mortgage-backed securities program from Issuer to _____, subject to Ginnie Mae's right to approve or reject such transfer and subject to all conditions and requirements and all related rights of Ginnie Mae provided or referred to in the Acknowledgment Agreement referred to below. We ask that Ginnie Mae process and approve this request in accordance with the terms of that certain Acknowledgment Agreement dated _____, 20 ____ by and among Secured Party, Issuer, and Ginnie Mae.

Secured Party hereby certifies that it simultaneously has sent a copy of this letter to Issuer, and that Ginnie Mae, pursuant to the terms of the Acknowledgment Agreement, has authority (i) to rely upon this letter and upon the Power of Attorney (an executed counterpart of which is enclosed), and (ii) to assume the existence, authenticity, validity, and legal sufficiency of the Power of Attorney (whether or not actually examined by Ginnie Mae) and that the Power of Attorney is irrevocable.

[This letter must be signed by Secured Party]

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SECURITY INTEREST INFORMATION

TO ACCOMPANY ACKNOWLEDGMENT AGREEMENT FOR PLEDGE OF SERVICING

(Complete and submit this form with the Acknowledgment Agreement.
All Information is for the use of Ginnie Mae and its employees
and/or counsel, and will be treated as confidential)

I. ISSUER

Complete legal name

Ginnie Mae Issuer ID number

II. SECURED PARTY

Complete legal name

Street address _____

(Do not write
post office box) _____

Contact person (Name)
 (Title)
 (Telephone number)
 (Facsimile number)

III. SECURITY INTEREST

All Ginnie Mae Servicing Rights (as defined in the Acknowledgment Agreement) must be subject to the security interest granted.

State principal amount of secured obligation:

Warehouse line of credit \$ _____

Other line of credit or loan \$ _____

State maturity date of secured obligation. _____

Has Issuer previously granted a security interest in the Ginnie Mae Servicing Rights to a party other than the Secured Party?

Yes ___ No ___

If "yes" Issuer must provide a Statement of Release executed by the previous secured party.