



DOVENMUEHLE

PRODUCT PROFILE: BUDGET DRAFTING SERVICE (BDS)

Summary

Dovenmuehle offers a budget drafting service which allows borrowers to pay half-payments every two weeks and apply these payments as a full monthly payment once per month. Until applied, these funds are held in a non-interest bearing account. Over the course of a year, two additional half-payments are collected and applied as off-schedule principal curtailments, which reduce the outstanding principal balance of the mortgage. This allows borrowers to pay off their mortgage more rapidly and reduce the total amount of interest paid over the life of the loan, while making payments more manageable. This is a payment service and does not modify the terms of the original note. This service is available for Private Label clients.

Key Features

- Borrowers must bring their loan into a pre-paid status five days prior to the draft of the first half-payment. Drafting will not begin until the loan status is pre-paid.
- The Budget Drafting service starts the first Friday of the month following the processing of the agreement. In the current month, the next month's payment is being drafted. Drafts will occur every two weeks on Friday. Twenty-six half-payments are made over the course of a year resulting in two additional half-payments in addition to 12 full-monthly payments.
- The interest cost savings for a 30-year, 4.50% fixed rate loan of \$200,000 would be greater than \$27,000 and reduce the life of the loan by approximately four years.
- The system will not draft on loans which are delinquent, current or prepaid for more than one month. The system will only draft for the next month's payment due. Loan types excluded from this service include ELOC, construction, DSI, prime rate loans, loans being sold or in interim investor accounts, or any other loans with servicing/system limitations.

Service Benefits

- This payment plan allows borrowers to pay off their mortgage more quickly while making the payments more manageable for budgeting.
- The borrower is notified by letter of the first draft date which will be within 30-45 days after the signed agreement is received.
- With each draft, the system automatically updates specified fields with the status of the loan. However, when reversals are done for an NSF or for other return reasons, manual adjustments are required to adjust these fields. Dovenmuehle is committed to the additional monitoring required by loans on this payment service.

Fees

- Set-up fee:
 - Standard Program: \$150.00 to be paid by the borrower and retained by Dovenmuehle. Fee is non-refundable.
 - Client-Pay Program: \$150.00 to be paid by the client and retained by Dovenmuehle.
- No additional monthly ACH fee.
- Pricing subject to change.

Implementation

- Please contact your Account Manager to request a Subservicing Agreement Amendment.
- Please allow one week for initial set-up.