



PAYMENT LOGIC CHANGE REQUEST FORM

Loan Number: _____ Property Address: _____
Borrower Name: _____

Payment Logic Overview:

The "Payment Logic" on your account governs the application of excess payment funds to your mortgage loan. Excess payment funds are moneys received by Embrace in any given month that are greater than one contractual monthly payment.

How the Payment Logic works:

- For **current accounts** – When the payment application instructions provided on the payment coupon cannot be read or in the absence of any payment instructions, your payment funds are applied per the governing Payment Logic on your account. Please note the following:
 - **Escrow advances & shortages:** Any advances or shortages in your escrow account are not repaid with any of the Payment Logics outlined on this form. Payments for escrow can only be made online or with the coupon provided in your Escrow Analysis Statement.
 - **Partial payments:** These are payments that are less than one contractual monthly payment.
 - If a contractual monthly payment is due, then the partial payment is deposited in a suspense account as unapplied funds until such time as funds are received to process a full contractual monthly payment.
 - If no contractual monthly payment is due, then regardless of the Payment Logic the partial payments are applied first to any outstanding fees or non-escrow advances, and then to the principal balance.
 - *Please note: partial payments are not held in a suspense account as unapplied funds when no contractual monthly payment is due.*
 - **Prepayment threshold:** If a contractual monthly payment is received that will cause your account to exceed the maximum allowable prepayment threshold, as determined by the Payment Logics below, then the funds are applied first to any outstanding fees or non-escrow advances and then to the principal balance, even if the payment coupon you provide states otherwise.
- For **delinquent accounts** – Payments received on delinquent loans are applied to the contractual delinquency until the delinquency is cured, regardless of Payment Logic. Once the contractual delinquency is cured, payments will be applied as described above under "current accounts".

To Change Your Payment Logic:

Please complete, sign, and submit this form if you:

- Intend to **regularly** submit amounts greater than one contractual monthly payment, and
- Wish to change the Payment Logic governing the application of these excess payment funds to your mortgage loan.

To change the Payment Logic on your account, please select the Payment Logic you would like governing the application of your payment funds to your mortgage loan. Please select just one of the below three options:

- **Global Payment Logic** — Allows your mortgage loan to be paid for the current month and prepaid up to one month into the future before excess funds are applied toward your unpaid principal balance. This is the default logic initially applied to all accounts, and will not change unless otherwise directed
 - The contractual monthly payments due for the current month and one subsequent month
 - Any outstanding fees or non-escrow advances
 - Principal balance

- **Prepay Payment Logic** — Allows your mortgage loan to be paid for the current month and prepaid up to five months into the future before payment funds are applied toward the unpaid principal balance. Funds received in a single payment are applied as follows:
 - The contractual monthly payments due for the current month and five subsequent months
 - Any outstanding fees or non-escrow advances
 - Principal balance

- **Curtailment Payment Logic**** — Allows all excess payment funds received each month to be applied to the unpaid principal balance without prepaying the account at all. Funds received in a single payment are applied as follows:
 - Any and all contractual monthly payments due
 - Any outstanding fees or non-escrow advances
 - Principal balance

***Important Note: Funds intended for contractual monthly payments must be received by Embrace in the month the payment is due, and not the prior month. If the contractual monthly payment is due on the 1st of each month, all payment funds received by Embrace in the prior month will be applied toward the unpaid principal balance and not toward the next month's contractual payment.*

You may return the completed and signed form to us via the methods below:

Email: ServicingHelp@ServicingHome.com
Fax: 877-776-1112
Mail: Embrace
 PO BOX 19210
 Charlotte, NC 28219-0229

Please be advised that your signature below indicates you have read and fully understand the specifications outlined above and you request that Embrace change the standard Payment Logic for your account.

Signature(s): _____

Primary Account Holder: _____

Secondary Account Holder: _____

How to contact us:

Should you have any questions regarding your Payment Logic options, please contact our Customer Service Team at 800-224-7106. Our offices are open Monday-Friday 8:00 AM–9:00PM EST and Saturday 10:00AM–3:00PM EST.