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# MEMORANDUM

**TO:** Clients and Friends of the Firm

**FROM:** Al Alsup

**DATE:** March 9, 2005

**SUBJECT:** New Joint Financial Regulatory Agencies Interpretations Provide Guidance to Mortgage Lenders and Holders on How to Cure Section 50(a)(6) Home Equity Violations and Avoid Forfeiture

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***Summary:*** This memorandum outlines the specific actions that a mortgage lender or note holder of a Texas home equity loan may take under the Proposition 16 home equity reform amendment to cure any failure to comply with its obligations under Section 50(a)(6), Article XVI, of the Texas Constitution within 60 days after notification by a borrower of the violation and thereby avoid forfeiture of all principal and interest under the provisions of Section 50(a)(6)(Q)(x). It considers recent interpretive rules in that regard adopted by the Joint Financial Regulatory Agencies that provide "reliance on rule" protections to mortgage lenders and holders when acting in good faith reliance on the interpretations, including particularly 7 TAC §153.93, which effective March 3, 2005, authorizes lenders at closing to designate the location or physical address where the borrower should provide written or oral notification of any such violation. Finally, an Exhibit A to this memorandum sets out a sample form of such a lender's written notification that may be considered for adaptation for use by our clients and authorized to be included among the loan documentation to be acknowledged by borrowers at closing.

## A. Background: The Proposition 16 Amendment to the Dreaded Home Equity Forfeiture Provision

The Texas Constitution formerly provided for what was thought to be a draconian forfeiture of all principal and interest of an equity loan "if the lender or holder fails to comply with the lender's or holder's obligations under the extension of credit within a reasonable time after the lender or holder is notified by the borrower of the lender's failure to comply." [Sec. 50(a)(6)(Q)(x), Art. XVI, Tex. Const.] This express forfeiture provision and the *strict compliance* standard traditionally applied by Texas courts when determining the validity and enforceability of homestead lien claims had been particular troubling to many traditional mortgage lenders because of the perceived risk that even unintended deficiencies in home equity documentation or procedures when making a section 50(a)(6) equity loan could result in an unconscionable forfeiture of all principal and interest.

But the Texas Supreme Court in the landmark 2001 decision *Doody v. Ameriquest Mortgage Co.*, 49 S.W.3d 342 (Tex. 2001) departed from the traditional *strict compliance* standard and generally characterized section 50(a)(6)(Q)(x) as a "cure provision" that permits lenders to cure mistakes. The 78th Texas Legislature in 2003 took its cue from the *Doody* decision and proposed to amend Section 50(a)(6)(Q)(x) to provide clear guidelines regarding the timing and procedural requirements that lenders

must follow to invoke the protections of the cure provision. This significant home equity reform amendment enacted as SJR 42 went into effect when approved by voters as Proposition 16 in September, 2003.

As amended, section 50(a)(6)(Q)(x) now provides a lender or holder of a home equity loan a sixty-day period in which to cure any failure on its part to comply with its constitutional obligations after receiving notification from the borrower of a violation. Specifically, Section 50(a)(6)(Q)(x) stipulates the actions that a lender or holder of a home mortgage loan may take to cure any failure to comply with its obligations under Section 50(a)(6) and clarifies that such a loan is subject to forfeiture of all principal and interest of the loan *only* if the lender or holder "fails to correct the failure to comply not later than the sixtieth day after the date that the lender or holder is notified by the borrower" . . . of the violation.

**B. The Specific Cure Actions that Lenders or Holders Must Take to Avoid Forfeiture**

To cure a Section 50(a)(6) home equity violation, the lender or holder must take one or more of the specific actions set out in subdivisions 50(a)(6)(Q)(x)(a) – (f), as applicable:

**1. Refund of Overcharges**

If the borrower/owner has paid an amount to the lender or holder that exceeds the three percent fee cap under section 50(a)(6)(E) or another amount controlled by the Texas Constitution under sections 50(a)(6)(G) prohibiting prepayment penalties or 50(a)(6)(O) regulating interest charges, the lender or holder must pay to the borrower/owner an amount of money equal to any such overcharge.

**2. Acknowledgment of Partial Lien Invalidity**

If the principal amount of the loan at closing exceeds the limitations under section 50(a)(6)(B) of eighty percent of the fair market value of the homestead property (when added to the aggregate balance of all other valid encumbrances of record), the lender or holder must send the borrower/owner a written acknowledgment that the lien securing the home equity loan is valid only in the amount and to the extent that the amount does not exceed the eighty percent loan-to-value limitation.

If the loan purports to be secured by any real or personal property other than the homestead property as *additional collateral* prohibited by section 50(a)(6)(H), the lender or holder must send the borrower/owner a written acknowledgment that the loan is not secured by any such additional real or personal property.

Finally, if the loan purports to be secured by any homestead property designated for *agricultural use* prohibited by section 50(a)(6)(I), the lender or holder must send the borrower/owner a written acknowledgment disclaiming that the loan is secured by any such agricultural property.

**3. Modification of Prohibited Terms**

If the home equity loan contains any other amount, percentage, term, or other provision prohibited by section 50, the lender or holder must (1) send the borrower/owner a written notice modifying the loan to conform to an amount, percentage, term, or other provision permitted by section 50, and (2) adjust the account of the borrower /owner to ensure that the borrower is not required to pay more than an amount permitted by the constitution and is not subject to any other term or provision prohibited by section 50.

4. **Obtaining and Delivery of Copies of Signed Documents**

If the lender has failed to provide the borrower/owner a copy of all documents signed by the borrower/owner related to the home equity loan at the time of closing as required by section 50(a)(6)(Q)(v), the lender or holder must deliver the required documents to the borrower; and if the lender or holder has failed to obtain the required signatures of the owner and/or the lender on the written acknowledgment of fair market value as required by section 50(a)(6)(Q)(ix), the lender or holder must obtain the required signatures and deliver a copy of that document to the borrower.

**5. Acknowledgment of Abatement of Interest and Obligations**

If the lender has made a home equity loan on a homestead property that already has a home equity debt secured on the same property made under section 50(a)(6) or a reverse mortgage debt secured on the same property made under section 50(a)(6)(a)(7) in violation of section 50(a)(6)(K), the lender or holder must send the borrower/owner a written acknowledgment that the accrual of interest and all of the owner's obligations under the loan are abated while any such prior section 50(a)(6) or (a)(7) lien remains secured by the same homestead property.

**6. Catchall: Payment of $1,000 Penalty and Offer of "No Cost" Refinancing**

If the lender when making a home equity loan has failed to comply with any constitutional obligation that cannot be cured under any of the foregoing provisions, the lender or holder may cure the failure to comply by (i) a refund or credit to the borrower/owner of the sum of $1,000 *and* (2) an offer to the borrower/owner of the right to refinance the home equity loan with the lender or holder for the remaining term of the loan at no cost to the borrower/owner on the same terms, including interest, as the original home equity loan (with any modifications in terms necessary for the loan to comply with the section 50 requirements or on such other terms as the lender or holder and the borrower otherwise may agree upon that comply with section 50 requirements.

A refinancing made under these cure provisions is excepted from the seasoning limitations of amended section 50(a)(6)(M)(iii), which otherwise would prohibit the refinance of an a section 50(a)(6) equity loan before the first anniversary of the closing date of the loan.

**C. Violations That Cannot Be Cured and Other Caveats.**

Although the section 50(a)(6)(Q)(x)(a) – (f) cure provisions seem to provide clear guidelines for a lender to cure the more common constitutional deficiencies, all risks of forfeiture are not eliminated. Two violations particularly are excepted from the cure provision under section 50(a)(6)(Q)(xi), and the lender or holder of a home equity loan expressly would forfeit all principal and interest of the loan:

- *If* the loan is made by a lender that is not authorized by section 50(a)(6)(P) to make home equity loans. Licensed. (Note in that regard that licensed Texas mortgage brokers were added as a new category of authorized lenders under new subdivision (P)(vi)); or

- *if* the lien securing the loan was not created under a written agreement with the consent of each owner *and* each owner's spouse as required by section 50(a)(6)(A) (*unless* the lender subsequently obtains the written consent of each owner and each owner's spouse who did not initially consent). Furthermore, the cure for an equity loan unwittingly secured on homestead property designated for agricultural use on the property tax rolls in violation of section 50(a)(6)(I) seems little better than forfeiture. While avoiding a forfeiture (which arguably would require that fees, charges, and interest paid to date be disgorged), this curative action nevertheless appears to leave the hapless lender as holder of a non-recourse, unsecured loan.

### D. The Joint Financial Regulatory Agencies Adopt Rules Interpreting the Section 50(a)(6)(Q)(x) Forfeiture Provisions

As one of their first official acts under their new delegated rulemaking authority, the Joint Financial Regulatory Agencies comprised of the Texas Finance Commission and the Texas Credit Union Commission (the "Commissions") adopted official home equity lending interpretations (the Home Equity Lending Interpretations) at a joint agency meeting held December 18, 2003. The power to interpret constitutional home equity lending provisions was expressly delegated to the Texas Finance Commission (with respect to constitutionally authorized home equity lenders) and to the Credit Union Commission (with respect to the credit union lenders regulated by that commission) by SB 1067, which amended Chapters 11 and 15 of the Texas Finance Code to that effect as of September 29, 2003.

The Home Equity Lending Interpretations are significant not only for the general interpretive guidance they provide the mortgage lending industry, but also because the interpretations provide "safe harbor" protections to mortgage lenders who perform acts or omissions in good faith reliance on the Commissions' official interpretations that may later be determined by a court or other authority to violate the Texas Constitution. Section 50(u) in that regard provides that any act or omission by a lender does not constitute a violation of any provision of those subsections if the act or omission conforms to an official interpretation of the provision that is in effect at the time of the act or omission and made by a state agency to which the power of interpretation is delegated or an interpretation made by a Texas or federal appellate court. Appellate courts generally defer to a regulatory agency's interpretations of statutes when the agency has been delegated interpretive authority by Congress or a state's legislature unless the agency's interpretation is found by the reviewing court to conflict with the "plain meaning" of the statute. Even in those cases, however, no provision of the constitution otherwise imposing liability on a mortgage lender for a violation would be found to apply to any act done or omitted in good faith conformity with an official interpretation of that provision by the Commissions even if after the act or omission the interpretation were amended, rescinded, or determined by a court or other authority to violate the Texas Constitution.

At its joint meeting on October 22, 2004 the Commissions adopted new 7 TAC, Chapter 153, sections 153.91, 153.92 and 153.94-153.96, inclusive, interpreting Section 50(a)(6)(Q)(x), Article XVI, Texas Constitution, which contain the constitutional provisions that govern the methods and process by which a lender of a home equity loan may cure its failure to fully comply with its obligations under Section 50. The interpretations address the minimum information that a borrower must provide a lender to constitute adequate notice of a claimed violation, the acceptable means and timing of delivering such a notice, the consequences of inadequate notice, the acceptable methods and timing of curing claimed violations, the legal effect of timing curing a violation, and the acceptability in a proper case of modifying loan terms in lieu of refinancing the underlying loan. The rules were published in the Texas Register on November 5, 2004, 29 Tex. Reg. No. 45, pages 10175-10322, and went into effect November 11, 2004, except for new 7 TAC 153.93, which construes permitted methods of notification by the borrower of a lender's or holder's failure to comply with its obligations under Section 50, which was adopted February 11, 2005 and effective March 3, 2005, after its publication in the Texas Register on February 25, 2005.

- Section 153.91 specifies the minimum information that a borrower must give a lender or holder to constitute adequate notice to the lender or holder of its failure to comply with one or more of its obligations under the home equity provisions of the Texas Constitution. The Commissions declined to require that such a notice be in writing, as urged by mortgage lenders in written comments on the proposed rule, because the constitution itself does not so provide. However, the Commissions' interpretation does provide that a borrower relying on oral notification has the burden of proving when the notice was given, to whom it was given, and the content of the notice. To constitute adequate notice, the notification must include a reasonable identification of the borrower, identification of the loan, and a description of the lender's alleged failure to comply. The borrower is not necessarily required to include the loan number to adequately identify the loan, so long as sufficient information is provided the lender to reasonably allow the

lender to identify the loan. Moreover, the borrower is not required to expressly identify the loan as a home equity loan or to make an express reference to the Texas Constitution. However, the description of the complained of failure to comply in any case must reasonably inform the lender of the suspected error.

- Section 153.92 clarifies the consequence of inadequate notice. If the notice is not adequate under the minimum standards set forth in §153.91, the 60-day time period the lender is allotted by the constitution to cure the error does not begin to run. Assuming adequate notice is given, however, the 60-day period begins to run commencing with the day after the day on which the lender or holder receives the notice (i.e., the next day after the date of delivery of the notice is counted as the first day of the 60-day period). All calendar days thereafter are counted up to day 60, but if day 60 falls on a Sunday or federal legal public holiday, the period is extended to include the next day that is not a Sunday or federal legal public holiday.

- Section 153.93 expressly permits the lender at closing to designate the address or location where the borrower should deliver a written or oral notice of a violation under the cure provisions of Section 50(a)(6)(Q)(x). Such a designation must be in the form of a "reasonably conspicuous" written notification of the location where the borrower's notice may be delivered, and may include a mailing address, physical address, and telephone number. Additionally, an e-mail address or other point of contact for delivery of the notice may be included. The designated address may be subsequently changed by the lender or holder provided that any such change would not be effective until the lender or holder sends a conspicuous written notice of the address change to the borrower. If the lender does designate an address or location at closing where the borrower may deliver a notice of violation, the borrower would be required to deliver a written or oral notice of a violation either to the designated address or location or to the registered agent of the lender or holder. If the lender fails to so designate an address or location at closing, however, the borrower may deliver the notice to *any* physical address or mailing address of the lender or holder. If the borrower provides written notice of a violation to the lender or holder at either the lender's designated address or location or at the address or location of the lender's or holder's registered agent, the delivery date indicated on a certified mail return receipt or other carrier delivery receipt signed by the lender or holder constitutes a rebuttable presumption of its receipt of the notice. If the borrower elects another method of delivery, however, the borrower has the burden of proving delivery.

- Section 153.94 sets forth methods that lenders or holders may use to timely cure complained of violations within the 60-day period allowed and clarifies that the lender or holder has the burden in any case of proving compliance with these requirements. For violations that may be cured by delivering notices, acknowledgments, other documents, or monetary funds, the lender or holder may makes a timely cure by delivering the same in person or placing the same in the mail or with "other delivery carrier," presumably meaning a commercial courier such as FedEx, within the 60-day period. If payment of monetary funds is required to cure a violation, payment may also be accomplished by crediting the required amount to the borrower's account within the 60-day period. Other methods of delivery of cure documents or payments may be used to cure the violation if the borrower has agreed in writing to the method to be used after the lender or holder has received the borrower's notice of the violation. This requirement that agreement regarding an alternative method of delivery must be reached with the borrower after notice of a violation effectively precludes the lender or holder from dictating a method of delivery by burying the requirement somewhere in the loan closing documents.

- Section 153.95 clarifies that the constitutional cure provisions apply to all violations, even those that were once thought to be incurable by definition, such as failure to timely provide the 12-Day Notice prior to closing. It should be noted here, notwithstanding this broad assertion that the constitutional cure provisions embrace all failures to comply, certain violations are excepted from

the cure provisions under Section 50(a)(6)(Q)(x). These include purported equity loans made by other than constitutionally authorized lenders or such loans not created under written agreement signed by both spouses to a marriage. See discussion *supra* in section IV.C. Furthermore, the legal effect of timely curing a complained of violation by a method authorized by the constitution is to preclude the violation from invalidating the lien. Lenders or holders that discover a violation by their own audit or quality control process may seek to cure the violation even without having been given notice of the violation by the borrower. Although an offer to cure a violation in absence of receiving a notice of the violation from the borrower does not commence the 60-day cure period running, a lender or holder that cures a violation discovered on it own nevertheless receives the same protections of the cure provisions just as if fully as if the lender or holder had cured the violation after having received borrower's notice. Finally, if curing the violation in any case requires the cooperation of the borrower, such as completing an offered refinance or modification of the equity loan, a borrower's failure or refusal to cooperate fully with the offer to refinance or modify the equity loan does not nullify the protections afforded the lender or holder under the constitutional cure provisions.

- Section 153.96 provides interpretive guidance to lenders or holders seeking to cure a violation under the catchall cure provisions of Section 50(a)(6)(Q)(x)(f), which requires that the lender or holder in these circumstances pay the borrower $1,000 and offer the borrower the right to refinance the equity loan with the lender or holder for the remaining term of the loan at no cost to the borrower on the same terms, including interest, as the original extension of credit with any modifications necessary to comply with Section 50 (or on such other terms that the lender or holder and the borrower agree upon that comply with Section 50). The Commissions clarify that the lender or holder may cure a violation under these provisions by either refunding the sum of $1,000 to the borrower or simply crediting the $1,000 to the account of the borrower and making a written offer to modify or refinance the equity loan on such terms by delivering the offer in person or by placing the offer in the mail or with other delivery carrier within the 60-day cure period allowed. As interpreted by the Commissions, a lender in these circumstances may offer to simply *modify* the equity loan to bring it into compliance with Section 50 rather than formally refinance the equity loan with a new loan fully complying with all Section 50 notice, timing, and procedural requirements and creating a new note obligation and security instrument. The Commissions believe that this interpretation is supported by public policy considerations that should save the parties time and money by permitting the lender or holder to cure the complained of violation by executing a modification agreement bringing the existing equity loan into compliance rather than undertaking to make an entirely new refinance loan complying fully with all the notice, timing, and procedural requirements of Section 50(a)(6). It is unclear whether the option to offer a modification or to offer a refinance lies solely with the lender or holder. Presumably the lender or holder could first offer to modify the equity loan under this interpretation and would be required to offer the borrower the right to fully refinance the equity loan complained of only if the borrower insisted. In any event, once the borrower accepts an offer to modify or refinance the equity loan, the lender or holder must make a good faith effort to complete the modification or refinancing within a reasonable time not exceeding 90 days.

### E. Conclusion: Mortgage Lenders Should Establish Internal Procedures to Assure their Receipt of Adequate Notice of a Failure to Comply with Obligations under Section 50(a)(6)

Mortgage lenders extending home equity credit must comply with 25 or more exacting constitutional conditions to create a valid lien on Texas homestead properties. These conditions, sometimes referred to as the "Ten Commandments" of home equity lending, are set out in Section 50(a)(6), Article XVI, of the Texas Constitution, as amended by the 2003 home equity reform amendment discussed in this memorandum. Even though the 2003 home equity reform amendment to the Section 50(a)(6)(Q)(x) forfeiture provision discussed in this memorandum should substantially ease mortgage lenders'

compliance concerns, the risk of forfeiture of all principal and interest on a home equity loan still looms if the mortgage lender or holder of the loan fails to act promptly to take required curative action after being notified by a borrower of the mortgage lender's failure to comply in some way with its constitutional obligations.

Mortgage lenders accordingly should establish internal procedures to assure that any notification by a borrower complaining of such a violation be properly channeled to responsible personnel when received and promptly acted upon. The cornerstone of such procedures should be to include among the loan closing documents for a home equity loan some form of agreement to be signed by the borrower at closing in which the lender designates a particular physical address or location to be used by the borrower if ever seeking to notify the lender or holder of a failure by the lender to comply with its obligations under the constitution.

Interpretive rule 7 TAC §153.93 effective as of March 3, 2005, discussed in this memorandum expressly permits a mortgage lender at closing to designate the location where the borrower should deliver a written or oral notice of a violation under the cure provisions of Section 50(a)(6)(Q)(x). Such a designation by the lender must be in the form of a "reasonably conspicuous" written notification of the location where the borrower's notice may be delivered, and *may* include a mailing address, physical address, telephone number, e-mail address, and other point of contact for delivery of the notice. Section 153.93 is a significant interpretive rule because when a lender does designate a physical address or location at closing where the borrower may deliver a notice of violation in this manner, the borrower is required to deliver a written or oral notice of a violation *either* to the designated address or location *or* to the registered agent of the lender or holder. Conversely, if the lender fails to so designate a physical address or location at closing the borrower may deliver the notice of a violation to *any* physical address or mailing address of the lender or holder. Arguably, even an oral notice given to a teller at a drive-in transaction window at a branch bank of a lender could then suffice as effective notice commencing the 60-day cure period. If the borrower provides written notice of a violation to the lender or holder at either the lender's designated address or location or at the address or location of the lender's or holder's registered agent, the delivery date indicated on a certified mail return receipt or other carrier delivery receipt signed by the lender or holder constitutes a rebuttable presumption of its receipt of the notice. However, if the borrower elects another method of delivery, the borrower has the burden of proving the timing and sufficiency of delivery. Although most borrowers would be expected to deliver notices to the lender's designated address or location under this rule, borrowers may still elect to deliver notice to the lender's or holder's registered agent (presumably meaning the registered agent under Texas law for receipt of service of citation). Mortgage lenders therefore should inform their registered agents of this possibility and provide them written instructions regarding how they should process any such notices received.

Exhibit A to this memorandum titled "Important Notice and Agreement about Home Equity Complaint Resolution" is a sample form prepared by our firm to satisfy the §153.93 requirements for a mortgage lender's reasonably conspicuous written designation of the location where the borrower may deliver a written or oral notice of a violation under Section 50(a)(6)(Q)(x). Although this sample form includes designations of a telephone number and postal box mailing address, those designations appear to be permissive and not mandatory under the interpretive rule. If a telephone number is designated, the mortgage lender should select a discrete 800 number, or discrete extension of an 800 number, that will be answered only by responsible personnel trained in the process and procedures for responding to and resolving Texas home equity complaints. Furthermore, although borrowers are always permitted to provide written notice to a lender's or holder's registered agent under this interpretive rule even when the lender has made such a written designation of another location, there appears to be no obligation for the lender to inform borrowers of this option or to provide notice of the address of its registered agent. Bracketed [ ] provisions appearing on the form indicate alternative additional language that mortgage lenders may consider incorporating in the disclosure if deemed appropriate when adapting the form to their use. Our firm recommends in any event that financial institutions and other mortgage lenders

extending Texas home equity credit authorize its Texas counsel to include among the loan closing documentation a written notice and agreement of this general type and content in an effort to better assure their receipt of adequate notice from borrowers of any failure to comply with their constitutional obligations so that timely corrective action may be taken under the cure provisions of Section 50(a)(6)(Q)(x).

Exhibit A Attached.

# IMPORTANT NOTICE AND AGREEMENT ABOUT HOME EQUITY COMPLAINT RESOLUTION

**KEEP A COPY OF THIS NOTICE FOR YOUR FUTURE REFERENCE IN CASE OF A COMPLAINT ABOUT AN ERROR OR FAILURE OF LENDER TO COMPLY WITH ITS OBLIGATIONS UNDER THIS TEXAS HOME EQUITY EXTENSION OF CREDIT**

This notice contains important information about how to notify us of a failure to comply with our obligations under this home equity extension of credit. The Texas Constitution provides that the Lender or any holder of the promissory note for a home equity extension of credit must correct a failure to comply with its obligations under the home equity extension of credit within 60 days after the date that the Borrower notifies the Lender or holder of the failure to comply. **[**The Borrower may provide a written or oral notice of the Lender's or holder's failure to comply at a location designated in writing by the Lender at loan closing or a written such notice to the registered agent of the Lender or holder.**] Your rights in this regard are governed by Section 50(a)(6)(Q)(x), Article XVI, Texas Constitution, and not by this Notice**.

Notify us in case of an error or if you think we have failed to comply with our obligations under this home equity extension of credit as follows:

1. Written notice should be delivered to us by United States mail or by a commercial courier at the physical address of our office designated in paragraph 3 below. You also may notify us orally or in writing in a personal meeting at this designated office **[**or by telephone at (800) _____**]**.

2. In your notice to us, please provide us the following minimal information:
   - Your full name and Loan Number;
   - A daytime telephone number and current mailing address where you may be reached;
   - The dollar amount of any suspected monetary error;
   - A description of the suspected error or failure to comply and explanation of why you believe there is an error or how we have failed to comply with our obligations in some way.

   If you are unable to provide us with your loan number, please provide us with a sufficient description of your loan, including your loan amount and date, which will enable us to identify your loan and retrieve your loan file from our servicing records.

3. Written notice will be presumed received by us on the date indicated on a certified mail return receipt or a commercial carrier delivery receipt when mailed or delivered to the following address:

   SAMPLE MORTGAGE CORPORATION
   Attention: Home Equity Complaint Resolution Department
   [P.O. Box or other Mailing and Routing Address]
   [Physical Street Address]
   [City, State, Zip Code]

   We may change the address to which your notice to us must be sent by giving you a conspicuous written notice of that change by first class mail addressed to you at your principal residence. In that case, you may be instructed to mail your notice to the attention of any subsequent holder of this extension of credit or to any loan servicer performing loan administration services for this extension of credit.

**BY SIGNING BELOW, Borrower(s) acknowledge that each has read and understood this Important Notice and Agreement about Complaint Resolution and agrees to be bound by its terms and provisions.**

| | | | |
|---|---|---|---|
| _____ | | _____ | |
| **BORROWER** | **DATE** | **BORROWER** | **DATE** |
| _____ | | _____ | |
| **BORROWER** | **DATE** | **BORROWER** | **DATE** |

**EXHIBIT A**