

1 Hank Bates (SBN 167688)
hbates@cbplaw.com
2 Randall K. Pulliam (*admitted pro hac vice*)
rpulliam@cbplaw.com
3 Edwin Lee Lowther (*admitted pro hac vice*)
llowther@cbplaw.com
4 CARNEY BATES & PULLIAM, PLLC
5 519 W. 7th St.
Little Rock, AR 72201
6 Tel. 501-312-8500
7 Fax 501-312-8505

James Lawrence Kauffman (*admitted pro hac vice*)
jkauffman@baileyglasser.com
BAILEY GLASSER, LLP
1055 Thomas Jefferson St, NW Suite 540
Washington, DC 20007
Tel. (202) 463-2101

Attorneys for Plaintiff

8 Don F. Livornese (State Bar No. 125,934)
donl@ruyakcherian.com
9 RUYAK CHERIAN LLP
222 N. Pacific Coast Highway, Suite 2000
10 El Segundo, CA 90245
11 Tel. 310-586-7689

12
13
14 **IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

15 *San Francisco Division*

16 LAWRENCE TORLIATT,)
17 on behalf of himself and)
18 all others similarly situated,)

19 Plaintiff,)

20 v.)

21 OCWEN LOAN SERVICING, LLC,)

22 Defendant.)

Case No. 3:19-cv-04303-WHO

**SECOND AMENDED
CONSOLIDATED CLASS
ACTION COMPLAINT**

**CLASS ACTION
DEMAND FOR JURY TRIAL**

23)
24) Leave to File Granted April 17, 2020
ECF No. 49

25)
26 CONSOLIDATED WITH:)

27 *Lawrence Torliatt v. PHH Mortgage Corp.*,)
28 Case No. 3:19-cv-04356-WHO)

1 Plaintiff, LAWRENCE TORLIATT, on behalf of himself and all others similarly
2 situated, alleges that Defendants Ocwen Loan Servicing, LLC (“Ocwen”) and PHH Mortgage
3 Corporation (“PHH”) (collectively, “Defendants”) violated the Rosenthal Fair Debt Collection
4 Practices Act (“Rosenthal Act”), breached their contracts with borrowers, and that PHH
5 violated the Fair Debt Collection Practices Act, 15 U.S.C. §1692f and §1692e (“FDCPA”), as
6 described more fully below.

7 1. Many borrowers in California struggle enough to make their regular mortgage
8 payments without getting charged extra, illegal fees when they try to pay by phone or online
9 (“Pay-to-Pay fees”). Federal and state debt collection laws strictly prohibit any such charges
10 unless expressly agreed to by the borrower in the agreement creating the obligation. But Pay-
11 to-Pay fees are found nowhere in any standard deed of trust.

12 2. Here, Defendants pay Western Union to process Pay-to-Pay transactions at a
13 cost of about \$0.40 each. Despite this low cost, Defendants charge homeowners a \$5.00 to
14 \$20.00 Pay-to-Pay fee for each online or pay-by-phone mortgage payment transaction,
15 pocketing the difference as profit.

16 3. Defendants service mortgages on behalf of mortgage loan investors and other
17 servicers throughout the United States, including California. According to Defendant’s public
18 filings with the Securities Exchange Commission, they service 1,419,943 loans nationwide with
19 unpaid principal balances exceeding \$214 Billion.¹ Servicing primarily involves the collection
20 of principal and interest payments from borrowers, as well as the management of loans that are
21 delinquent or in foreclosure or bankruptcy, and other related activities, on behalf of mortgage
22 loan investors and other servicers.² Defendants collect payments owed to third parties on
23 hundreds of thousands of loans in California and over a million loans nationwide.
24

25
26 ¹ <https://sec.report/Document/0001628280-20-002312/> at 5.

27 ² *Id.* See also, Exhibit A (Deed of Trust at ¶ 20 (Loan Servicer is an entity “that collects
28 Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law.”)).

1 limitation. To be conservative, multiplying that damages figure by California’s twelve percent
2 of the U.S. population, the damages at issue here amount to approximately \$4,000,000.00,
3 exclusive of the value of the injunction Plaintiff seeks to stop the practice and attorneys’ fees.
4 Thus, the amount in controversy exceeds \$5,000,000.00.

5 11. Venue is proper because this is where the cause of action accrued.

6 **PARTIES**

7 12. Plaintiff Lawrence Torliatt is a natural person residing in California who has a
8 mortgage loan that was serviced by Ocwen on his home located in California.

9 13. Defendant Ocwen Loan Servicing, LLC is a corporation with a principal place
10 of business in West Palm Beach, Florida. Defendant is one of the nation’s leading specialty
11 loan servicing companies.

12 14. Defendant PHH Mortgage Corporation is a corporation with a principal place of
13 business in Mount Laurel, New Jersey. Defendant is one of the nation’s leading specialty loan
14 servicing companies.

15 **APPLICABLE LAW**

16 **FDCPA**

17 15. The purpose of the FDCPA is “to eliminate abusive debt collection practices . . .
18 and to promote consistent State action to protect consumers against debt collection abuses.” 15
19 U.S.C. § 1692.

20 16. The FDCPA prohibits debt collectors from using “any false, deceptive, or
21 misleading representation or means in connection with the collection of any debt,” which
22 includes the false representation of “the character, amount, or legal status of any debt.” *Id.* §
23 1692e.

24 17. The FDCPA also prohibits debt collectors from “unfair or unconscionable
25 means to collect or attempt to collect any debt,” including “[t]he collection of any amount
26 (including any interest, fee, charge, or expense incidental to the principal obligation) unless
27 such amount is expressly authorized by the agreement creating the debt or permitted by law.”
28 *Id.* § 1692f(1).

1 18. The FDCPA creates a private right of action under 15 U.S.C. § 1692k.

2 19. The FDCPA defines “consumer” as “any natural person obligated or allegedly
3 obligated to pay any debt.” *Id.* § 1692a(3).

4 20. The FDCPA defines “debt collector” as “any person who uses . . . any business
5 the principal purpose of which is the collection of any debts, or who regularly collects or
6 attempts to collect . . . debt owed . . . or asserted to be owed or due another.” *Id.* § 1692a(6).

7 21. The FDCPA contains an exclusion from the term “debt collector” for “any
8 person collecting or attempting to collect any debt owed or due or asserted to be owed or due
9 another to the extent such activity: . . . (iii) concerns a debt which was *not in default at the time it*
10 *was obtained* by such person.” *Id.* (emphasis added).

11 22. The FDCPA defines communication as “conveying of information regarding a
12 debt directly or indirectly to any person through any medium.” *Id.* § 1692a(2).

13 23. The FDCPA defines “debt” as “any obligation or alleged obligation of a
14 consumer to pay money arising out of a transaction . . . [that] are primarily for personal, family,
15 or household purposes.” *Id.* § 1692a(5).

16 **ROSENTHAL ACT**

17 24. The Rosenthal Act is “a remedial statute [that] should be interpreted broadly in
18 order to effectuate its purpose.” *See People ex rel. Lungren v. Superior Court*, 14 Cal. 4th 294,
19 313, 58 Cal. Rptr. 2d 855, 926 P.2d 1042 (Cal. 1996) (“[C]ivil statutes for the protection of the
20 public are, generally, broadly construed in favor of that protective purpose.”); *Komarova v.*
21 *National Credit Acceptance, Inc.*, 95 Cal. Rptr. 3d 880, 892, 175 Cal. App. 4th 324, 340 (Cal.
22 Ct. App. 2009).

23 25. The Rosenthal Act defines “debt collector” as “any person who, in the ordinary
24 course of business, regularly, on behalf of himself or herself or others, engages in debt
25 collection.” Cal. Civ. Code § 1788.2(c).

26 26. The Rosenthal Act defines a “consumer debt” as “money, property or their
27 equivalent, due or owing or alleged to be due or owing from a natural person by reason of a
28 consumer credit transaction.” Cal. Civ. Code § 1788.2(f).

1 27. The Rosenthal Act defines “consumer credit transaction” as “a transaction
2 between a natural person and another person in which property, services or money is acquired
3 on credit by that natural person from such other person primarily for personal, family, or
4 household purposes.” Cal. Civ. Code § 1788.2(e).

5 28. The Rosenthal Act makes it illegal for any entity covered by it to engage in
6 certain conduct prohibited by the FDCPA, including the conduct prohibited in Section
7 1692f(1). Cal. Civ. Code § 1788.17. By engaging in conduct prohibited by the FDCPA,
8 Defendants violated the Rosenthal Act.

9 29. Moreover, the Rosenthal Act prohibits “(b) Collecting or attempting to collect
10 from the debtor the whole or any part of the debt collector's fee or charge for services rendered,
11 or other expense incurred by the debt collector in the collection of the consumer debt, except as
12 permitted by law.” Cal. Civ. Code § 1788.14.

13 30. The Rosenthal Act also makes it illegal to represent that consumer debt “may be
14 increased by the addition of . . . charges if, in fact, such fees and charges may not be legally
15 added to the existing obligation.” Cal. Civ. Code § 1788.13(e).

16 **FACTUAL ALLEGATIONS**

17 31. On or around December 15, 2005, Mr. Torliatt purchased a home in Sonoma
18 County, California, with a mortgage loan from Argent Mortgage Company, LLC (“Argent”).

19 32. Mr. Torliatt’s mortgage is owed to Argent and was serviced by Fannie Mae and
20 sub-serviced by Ocwen Loan Servicing, LLC.

21 33. Mr. Torliatt’s Ocwen loan number is #####8324.

22 34. Since November 2018, Mr. Torliatt has made mortgage payments online through
23 his bank account, with both Ocwen and PHH collecting these payments on behalf of Argent as
24 the lender.

25 35. Ocwen collected from Mr. Torliatt \$7.50 for internet payments, including
26 payments made on 11/12/2018, 12/11/2018, 1/12/2019, 2/13/2019, and 3/13/2019. (ECF No.
27
28

1 24-1, at 50.)³ Mr. Torliatt’s monthly payments are each due on the first of the month. (*Id.*, at 7,
2 ¶ 3.)

3 36. Mr. Torliatt’s Deed of Trust does not authorize a fee to make a payment online.

4 37. On or about April 16, 2019, Mr. Torliatt was notified by PHH that the servicing
5 of his mortgage was transferred from Ocwen to PHH on April 11, 2019. (*See* Notice of
6 Servicing Transfer, ECF No. 24-1, at 28–39.)

7 38. The Notice of Servicing Transfer included an “FDCPA Validation of Debt”
8 which stated that as of 4/11/19, Mr. Torliatt owed: \$530 in late charges, \$2,545.52 in Collection
9 Costs, and \$1,648.46 in Escrow Advances, for a “Total Unpaid Debt” of \$4,729. (*Id.*, at 34.)

10 39. Under the terms of Mr. Torliatt’s Deed of Trust, collection costs may only be
11 charged in connection with Mr. Torliatt’s default. Exhibit A, ¶ 9.

12 40. The FDCPA Validation of Debt states: “This communication is from a debt
13 collector attempting to collect a debt; any information obtained will be used for that purpose.”
14 (*Id.*, at 53.) This language is required by the FDCPA in all debt collector communications with
15 debtors. 15 U.S. Code § 1692e(11).

16 41. Mr. Torliatt’s monthly statements show that much of the Unpaid Debt listed in
17 his FDCPA Validation of Debt is the result of collection charges imposed in October and
18 November of 2018, totaling approximately \$1,348.52. (Exhibit B, 11/13/2018 Monthly
19 Statement.) These charges included fees for “Notice of Default Recording,” “Appt. of
20 Substitute Trustee,” “FC Thru Complaint,” and “Statutory Mailings.” (*Id.*) Again, according to
21 Mr. Torliatt’s Deed of Trust, these are fees that can only be charged in connection with Mr.
22 Torliatt’s default. Exhibit A, ¶ 9.

23 42. Monthly statements in the months that follow the 11/13/18 statement show that
24 these charges, fees, and advances remained “Past Due” from November 13, 2018 until at least
25 through May 13, 2019, a date after PHH had begun servicing Mr. Torliatt’s mortgage on April
26

27
28 ³ Pinpoint citations to the record refer to the page number stamped at the top of each page by
the CM/ECF system.

1 11, 2019. *See* Exhibit B, Monthly Statements for December 2018 through April 2019; and ECF
2 No. 24-1 at 45, Monthly Statement dated May 13, 2019.

3 43. Thus, as of 4/11/2019, when the servicing of Mr. Torliatt's loan was transferred
4 to PHH, PHH had treated Mr. Torliatt's loan as past due and delinquent.

5 44. According to Mr. Torliatt's April 8, 2019 statement he had Past Due Payment
6 Amounts of \$5,115.98, plus Regular Payment of \$2,034.96 for a total Unpaid Amount of
7 \$7,150.94.

8 45. The first statement Mr. Torliatt received from PHH, dated May 13, 2019
9 reflected that he then owed PHH past due late charges, shortages and other fees of \$2,545.52,
10 as well as his regular mortgage payment for a total of \$5,115.98. This is the amount of Mr.
11 Torliatt's previous balance with Ocwen less a monthly mortgage payment paid on April 11,
12 2019.

13 46. Mr. Torliatt's Note states that he is obligated to make payments on the first day
14 of each month. (ECF No. 24-1, at 7, ¶ 3.) The Note further states under the heading "Default":
15 "If I do not pay the full amount of monthly payment on the date it is due, I will be in default."
16 (*Id.*, at 29, ¶7(B).)

17 47. Mr. Torliatt's Deed of Trust states "[a]ny amounts disbursed by Lender under
18 this Section 9 shall become additional debt of Borrower secured by this Security Instrument. . .
19 . and shall be payable, with such interest, upon notice from Lender to Borrower requesting
20 payment." Exhibit A, ¶ 9.

21 48. Before transferring the servicing of Mr. Torliatt's loan to PHH, Ocwen
22 requested payment each month of amounts it had advanced Mr. Torliatt, as well as previously
23 accrued late fees and collection costs.

24 49. PHH continued these requests when it began servicing Mr. Torliatt's mortgage.

25 50. Thus, at the time PHH acquired the servicing rights to Mr. Torliatt's loan, he
26 was in default, as defined by his note and mortgage.

27 51. PHH collected from Mr. Torliatt \$7.50 for internet payments, including
28 payments made on 4/11/2019, 5/13/2019, 6/13/2019, and 7/15/2019. (ECF No. 24-1, at 50.)

1 Mr. Torliatt's monthly payments are each due on the first of the month. (*Id.*, at 7, ¶ 3.)

2 52. Since beginning the servicing of his loan in April 2019, PHH has continued to
3 charge Mr. Torliatt fees of \$7.50 for making his mortgage payments online.

4 53. Defendants, as servicers, regularly collect or attempt to collect, directly or
5 indirectly, debts owed or asserted to be owed or due another. Defendants collect debts on
6 behalf of mortgage loan investors, and other servicers. *See* ¶ 3, *supra*. Neither Defendant is or
7 was the holder or investor of Mr. Torliatt's mortgage.

8 54. According to the FDCPA Validation of Debt letter PHH sent to Mr. Torliatt on
9 or about April 16, 2019, PHH Mortgage Services is the servicer of his account "for ('Creditor')
10 ARSI 2006-W2." (ECF No. 24-1, at 34.) On Information and belief, ARSI 2006-W2 is Argent
11 Mortgage Company, LLC, the originator of Mr. Torliatt's loan, or an affiliated entity.

12 55. With respect to loans acquired in default, mortgage servicers are debt collectors
13 under the FDCPA if they regularly collect debts owed another. *See e.g. Randall v. Ditech*
14 *Financial, LLC*, 233 Cal.Rptr.3d 271, 276, 23 Cal.App.5th 804, 810 (Cal.App. 4 Dist. 2018)
15 (mortgage servicer who regularly collects debts on behalf of others, and who began servicing
16 the plaintiff's mortgage after the loan was in default was a debt collector under the FDCPA;
17 denying motion to dismiss where complaint alleged Ditech collects debts on behalf of others,
18 and began servicing plaintiff's loan when it was in default); *Babadjanian v. Deutsche Bank*
19 *National Trust Company*, 2010 WL 11549894, at *5 (C.D. Cal. Nov. 12, 2010).

20 56. PHH is a debt collector under the FDCPA because it regularly collects debts on
21 behalf of others and acquired the servicing rights to debts, including Plaintiff's, when it
22 considered those debts to be in default.

23 57. Defendants contract with Western Union to process all of their online and
24 automated phone payment transactions ("Pay-to-Pay Transactions"). The cost to Defendants
25 under the contract depends on the monthly volume of Pay-to-Pay Transactions processed by
26 Western Union. Given the volume of Pay-to-Pay Transactions, the actual cost that Defendants
27 pays Western Union to process Pay-to-Pay Transactions is about \$0.20 to \$0.40 per transaction.
28

1 58. Defendants' demands for payment of Pay-to-Pay fees is a breach of the Deed of
2 Trust, which does not delineate Pay-to-Pay fees as one of the charges that the lender, or loan
3 servicer acting on behalf of the lender, may charge. There is no provision in the mortgage that
4 allows Defendants to collect Pay-to-Pay fees.

5 59. Defendants' demand for payment of Pay-to-Pay fees is a direct breach of
6 Paragraph 14 of the Deed of Trust: "Lender may not charge fees that are expressly prohibited
7 by this Security Instrument or by Applicable Law." Exhibit A, ¶ 14. The Agreement defines
8 "Applicable Law" in Paragraph I as "all controlling applicable federal, state, and local statutes,
9 regulations, ordinances and administrative rules and orders (that have the effect of law) as well
10 as all applicable final, non-appealable judicial opinions." *Id.*, ¶ (I). Moreover, "[t]his Security
11 Instrument shall be governed by Federal law and the law of the jurisdiction in which the
12 Property is located." *Id.*, ¶ 16. Federal debt collection law prohibits the collection of any
13 amount incidental to the principle obligation unless that amount is *expressly* stated in the loan
14 agreement. *See* 15 U.S.C. § 1692f(1) (making unlawful the "collection of any amount
15 (including any interest, fee, charge or expense incidental to the principal obligation) **unless**
16 **such amount is expressly authorized by the agreement creating the debt or permitted by**
17 **law.**" (emphasis added).

18 60. Ocwen's collection of Pay-to-Pay fees violated the Rosenthal Act. PHH's
19 collection of Pay-to-Pay fees violated both the Rosenthal Act and the FDCPA.

20 61. Further, Fannie Mae's servicing guidelines, which Defendants must follow
21 when sub-servicing Fannie Mae loans, do not allow the collection of any fees on routine
22 borrower collections, including the Pay-to-Pay fees charged by Defendants. *See* Fannie Mae
23 Servicing Guide A2-3-05 ("The servicer is not authorized to charge the borrower fees relating
24 to the following activities: facilitating routine borrower collections.").

25 62. By charging the Pay-to-Pay fees, Ocwen has breached the "Uniform Covenants"
26 contained in Paragraphs 14 and 16 of Plaintiff's uniform deed of trust on a class-wide basis.

27 63. Prior to filing this Complaint, Mr. Torliatt made a written pre-suit demand upon
28 Defendants.

1 64. Defendants were given a reasonable opportunity to cure their breaches described
2 herein but failed to do so.

3 **CLASS REPRESENTATION ALLEGATIONS**

4 65. Plaintiff LAWRENCE TORLIATT, brings this action under Fed. R. Civ. P.
5 23(b)(3) on behalf of the following classes of persons, subject to modification after discovery
6 and case development:

7 **The California Class:**

8 All persons with a California address who paid a fee to Ocwen and/or PHH for
9 making a loan payment by telephone, IVR, or the internet during the applicable
10 statutes of limitations for Plaintiff's non-FDCPA claims through the date a class
11 is certified.

12 **The Nationwide Class:**

13 All persons who were borrowers on residential mortgage loans that were not
14 owned by PHH and to which PHH acquired servicing rights when such loans
15 were in default on their loan payment obligations, and paid a fee to PHH for
16 making a loan payment by telephone, IVR, or the internet, during the applicable
17 statutes of limitations for Plaintiff's FDCPA claim through the date a class is
18 certified.

19 66. Class members are identifiable through Defendants' records and payment
20 databases.

21 67. Excluded from the Classes are any class members who did not opt-out of the
22 class action settlement in *McWhorter et al. v. Ocwen Loan Servicing, LLC*, Case No. 2:15-cv-
23 01831 (N.D. Ala.); the Defendants; any entities in which Defendants have a controlling
24 interest; Defendants' agents and employees; and any Judge to whom this action is assigned and
25 any member of such Judge's staff and immediate family.

26 68. Plaintiff proposes that he serve as representative of the Classes.

27 69. Plaintiff and members of the Classes have all been harmed by the actions of
28 Defendants.

1 70. Numerosity is satisfied. According to Defendants' servicing records there are
2 likely thousands of members of the classes. Individual joinder of these persons is impracticable.

3 71. There are questions of law and fact common to Plaintiff and to the Classes,
4 including, but not limited to:

- 5 a. Whether Ocwen and PHH violated the Rosenthal Act by charging Pay-to-Pay
6 fees to members of the California Class that were not expressly authorized by
7 contract or permitted by law;
- 8 b. Whether Ocwen and PHH violated the unlawful prong of the California Unfair
9 Practices Act (Cal. Bus. & Prof. Code § 17000 *et. seq.*) by charging Pay-to-Pay
10 fees to members of the California Class in violation of the Rosenthal Act;
- 11 c. Whether PHH violated the FDCPA by charging Pay-to-Pay fees to Plaintiff and
12 members of the Nationwide Class that were not expressly authorized by contract
13 or permitted by law;
- 14 d. Whether Ocwen and PHH breached their Deeds of Trust by charging Pay-to-Pay
15 fees to members of the California Class;
- 16 e. Whether Ocwen and PHH violated Fannie Mae's servicing guidelines as a sub-
17 servicer by charging Pay-to-Pay fees to members of the California Class;
- 18 f. Whether Ocwen's and PHH's cost of Pay-to-Pay transactions under its contract
19 with Western Union is less than the amount it charged Plaintiff and members of
20 the Classes for Pay-to-Pay fees;
- 21 g. Whether Plaintiff and members of the Classes are entitled to actual and/or
22 statutory damages as a result of Defendants' actions;
- 23 h. Whether Plaintiff and members of the California Class are entitled to an
24 injunction prohibiting Defendants from collecting and attempting to collect Pay-
25 to-Pay fees; and
- 26 i. Whether Plaintiff and members of the Classes are entitled to attorney's fees and
27 costs.
28

1 72. Plaintiff's claims are typical of the claims of members of the Classes. Ocwen
2 and PHH charged Plaintiff Pay-to-Pay fees in the same manner as the class members. Ocwen
3 and PHH entered into a contract with Western Union to process the Plaintiff's and class
4 members' Pay-to-Pay Transactions. Plaintiff and class members entered into uniform covenants
5 in their Deeds of Trust that prohibit Pay-to-Pay charges. Alternatively, if Ocwen and PHH are
6 allowed under the Deeds of Trust to charge Pay-to-Pay fees as a default-related fee, such
7 amount is capped for Plaintiff and class members at the actual amounts disbursed by Ocwen or
8 PHH to Western Union for the Pay-to-Pay Transactions, approximately \$0.20 to \$0.40 under
9 Defendants' contracts with Western Union.

10 73. Plaintiff is an adequate representative of the Classes because his interests do not
11 conflict with the interests of members of the Classes, and he will fairly and adequately protect
12 the interests of members of the Classes. Plaintiff has taken actions before filing this complaint,
13 by hiring skilled and experienced counsel, and by making a pre-suit demand on behalf of class
14 members to protect the interests of the Classes.

15 74. Plaintiff has hired counsel that is skilled and experienced in class actions and is
16 adequate class counsel capable of protecting the interests of the Classes.

17 75. Common questions of law and fact predominate over questions affecting only
18 individual class members, and a class action is the superior method for fair and efficient
19 adjudication of this controversy.

20 76. The likelihood that individual members of the Classes will prosecute separate
21 actions is remote due to the time and expense necessary to conduct such litigation.

22 **COUNT I AS TO DEFENDANTS' VIOLATIONS OF THE ROSENTHAL ACT**

23 **CAL. CIV. CODE §§ 1788 *et seq***

24 **(By Mr. Torliatt on behalf of California Class)**

25 77. The Rosenthal Act applies to Defendants because they regularly engage in debt
26 collection within California. Cal. Civ. Code § 1788.2(c).

27 78. Mr. Torliatt purchased his home by residential mortgage for personal, family or
28 household use and is a person who incurred a consumer debt. Cal. Civ. Code § 1788.2(e), (f).

1 79. Plaintiff's mortgage was at all relevant times due and owing, for the reasons
2 stated above

3 80. By collecting Pay-to-Pay fees from Plaintiff and members of the California
4 Class, Defendants collected an amount incidental to the principal obligation without the amount
5 being expressly stated in the underlying loan agreement or permitted by law, conduct that is
6 prohibited by Section 1692f(1) of the FDCPA.

7 81. The Rosenthal Act makes it illegal for any entity covered by it to engage in
8 conduct prohibited by the FDCPA. Cal. Civ. Code § 1788.17. By engaging in conduct
9 prohibited by the FDCPA, Defendants violated the Rosenthal Act.

10 82. Moreover, by collecting and attempting to collect Pay-to-Pay fees that were not
11 otherwise permitted by law from Plaintiff and class members, Defendants violated the
12 Rosenthal Act's prohibition against "(b) Collecting or attempting to collect from the debtor the
13 whole or any part of the debt collector's fee or charge for services rendered, or other expense
14 incurred by the debt collector in the collection of the consumer debt, except as permitted by
15 law." Cal. Civ. Code § 1788.14.

16 83. By assessing Pay-to-Pay fees, Defendants represented to Plaintiff and members
17 of the California Class that their debts may be increased by the addition of the Pay-to-Pay fees,
18 even though Pay-to-Pay fees may not be legally added to the existing obligation. These
19 representations violated the Rosenthal Act's prohibition against representing that a consumer
20 debt "may be increased by the addition of . . . charges if, in fact, such fees and charges may not
21 be legally added to the existing obligation." Cal. Civ. Code § 1788.13(e).

22 84. Defendants assessed the Pay-to-Pay fees against Plaintiff and members of the
23 California Class knowingly and/or willfully. Ocwen has already been sued and settled a similar
24 action, and as an assignee of the Plaintiff's and California Class members' loans is bound with
25 knowledge of the underlying mortgage loan agreements' terms, and has collected these
26 amounts hundreds of thousands of times from class members in a scheme that cannot be
27 accidental.

1 85. Ocwen violated the Rosenthal Act because it retains for itself a portion of the
2 Pay-to-Pay fees it collects from California borrowers.

3 86. As a result of each and every violation of the Rosenthal Act, Plaintiff and
4 members of the California Class are entitled to recover from Defendants any actual damages
5 pursuant to Cal. Civ. Code § 1788.30(a), statutory damages for a knowing or willful violation
6 in the amount up to \$1,000 pursuant to California Civil Code § 1788.30(b), and reasonable
7 attorney's fees and costs pursuant to California Civil Code § 1788.30(c).

8 **COUNT II AS TO PHH'S VIOLATION OF THE**
9 **FAIR DEBT COLLECTION PRACTICES ACT §§ 1692e, 1692f**

10 **(By Mr. Torliatt on behalf of the Nationwide Class)**

11 87. Plaintiff is a "consumer" as defined by 15 U.S.C. § 1692a(3) because he
12 purchased a home in California by mortgage primarily for personal, family, or household use.

13 88. PHH is a "debt collector" as defined by 15 U.S.C. § 1692a(6) because as a
14 servicer it regularly attempts to collect, and collects, amounts owed or asserted to be owed or
15 due another. Also, PHH began servicing Plaintiff's mortgage while it was in default, according
16 to the terms of Plaintiff's note and mortgage, so none of the exceptions under 15 U.S.C. §
17 1692a applies.

18 89. PHH is a "debt collector" as defined by 15 U.S.C. § 1692a(6) on Plaintiff's loan
19 because every month, from April 11, 2019 to present, it collected Plaintiff's loan payments on
20 behalf of Fannie Mae and Argent.

21 90. PHH violated 15 U.S.C. § 1692f when it collected Pay-to-Pay fees not owed and
22 not expressly authorized by the agreement creating the debt and in excess of the amount
23 disbursed, inuring a benefit to PHH.

24 91. PHH violated 15 U.S.C. § 1692e(2)(A) when it misrepresented the amount,
25 character, and status of the Plaintiff's mortgage debt.

26 92. As a result of PHH's violation of 15 U.S.C. §§ 1692e–f, Plaintiff was harmed
27 monetarily and is entitled to actual damages, plus statutory damages under 15 U.S.C. § 1692k,
28 together with reasonable attorney's fees and costs.

1 **COUNT III AS TO DEFENDANTS' VIOLATION OF THE "UNLAWFUL" PRONG OF**
2 **THE CALIFORNIA UNFAIR PRACTICES ACT § § 17000, 17200 *et seq* ("UCL")**

3 **(By Mr. Torliatt on behalf of California Class)**

4 93. The UCL defines unfair business competition to include any "unlawful, unfair or
5 fraudulent" act or practice. Cal. Bus. & Prof. Code § 17200.

6 94. A business act or practice is "unlawful" under the UCL if it violates any other
7 law or regulation.

8 95. As described in detail above, Ocwen's conduct described herein violates the
9 Rosenthal Act. PHH's conduct described herein violates the Rosenthal Act. These violations
10 are sufficient to support Plaintiff's claim under the unlawful prong of the UCL.

11 96. As a result of the conduct above, Defendants have been unlawfully enriched at
12 the expense of Plaintiff and members of the California Class by obtaining revenues and profits
13 that it would not have otherwise obtained absent its unlawful conduct.

14 97. Through its unlawful acts and practices, Defendants have improperly obtained
15 money from Plaintiff and the members of the California Class. As such, Plaintiff requests that
16 the Court cause Defendants to restore the money to Plaintiff and members of the California
17 Class, and to enjoin Defendants from continuing to violate the UCL in the future. Otherwise,
18 Plaintiff and members of the California Class may be irreparably harmed and/or denied an
19 effective and complete remedy if such an order is not granted.

20 **COUNT IV AS TO DEFENDANTS' BREACH OF CONTRACT**

21 **(By Mr. Torliatt on behalf of California Class)**

22 98. On or about December 14, 2005, Mr. Torliatt entered into a loan and Deed of
23 Trust with Argent with respect to his home.

24 99. The servicing rights to Mr. Torliatt's loan were assigned to Ocwen and then to
25 PHH. Ocwen and PHH collected payments on Mr. Torliatt's loan on behalf of Argent.

26 100. As assignees of the servicing rights, Ocwen and PHH stepped into the shoes of
27 Argent as to servicing obligations and became the servicer (sub-servicer) of Mr. Torliatt's loan.

1 As such they became parties to the Deed of Trust with Mr. Torliatt, by assignment from Argent
2 and/or Fannie Mae (as sub-servicer).

3 101. Mr. Torliatt's Deed of Trust expressly obligates assignees to comply with the
4 terms of the deed of trust. Under the heading "13. Joint and Several Liability; Co-signers;
5 Successors and Assigns Bound," it states: "The covenants and agreements of this Security
6 Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns
7 of Lender." Exhibit A at 12, ¶ 13.⁴

8 102. Defendants' demand for payment of Pay-to-Pay fees is a breach of the Deed of
9 Trust, which does not mention Pay-to-Pay fees as one of the many charges that the lender, or
10 loan servicer acting on behalf of the lender, may collect. There is simply no provision in the
11 mortgage that allows Defendants to collect Pay-to-Pay fees.

12 103. Indeed, Defendants' demand for payment of Pay-to-Pay fees is a direct breach
13 of Paragraph 16 of the Deed of Trust: "This Security Instrument shall be governed by Federal
14 law and the law of the jurisdiction in which the Property is located." *See* Exhibit A, ¶ 16.
15 Federal debt collection law prohibits the collection of any amount incidental to the principle
16 obligation unless that amount is *expressly* stated in the loan agreement. *See* 15 U.S.C. §
17 1692f(1) (prohibiting the "collection of any amount (including any interest, fee, charge or
18 expense incidental to the principal obligation) **unless such amount is expressly authorized by**
19 **the agreement creating the debt or permitted by law.**" (emphasis added)). Ocwen's
20 collection of Pay-to-Pay fees violated both the FDCPA and Rosenthal Act.

21 104. Defendants' demands for payment of Pay-to-Pay fees is a direct breach of
22 Paragraph 14 of its Deed of Trust, "Uniform Covenants" section, stating that lender may not
23 charge fees prohibited by "Applicable Law." The Agreement defines "Applicable Law" in
24 Paragraph I as "all controlling applicable federal, state, and local statutes, regulations,

25 _____
26 ⁴ Section 20 provides that where "the Note is sold and thereafter the Loan is serviced by a Loan
27 Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to
28 Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and
are not assumed by the Note purchaser unless otherwise provided by the Note purchaser." In
other words, the servicer is bound by the terms of the mortgage and owes contractual duties to
the borrower.

1 ordinances and administrative rules and orders (that have the effect of law) as well as all
2 applicable final, non-appealable judicial opinions.” Exhibit A, ¶ 14. For Mr. Torliatt’s loan,
3 Applicable law includes the FDCPA as controlling federal law, and the Rosenthal Act as
4 controlling state law.

5 105. By charging the Pay-to-Pay fees that are expressly prohibited by the Rosenthal
6 Act, Ocwen has violated Paragraph 14 of Plaintiff’s Deed of Trust.

7 106. By charging Pay-to-Pay fees that are expressly prohibited by FDCPA and
8 Rosenthal Act, PHH has violated Paragraph 14 of Plaintiff’s Deed of Trust.

9 107. To the extent that Defendants claim there is any allowance of fees to be charged
10 under section 14 of the Mortgage Agreement, those charges are preference and limited to those
11 charged when the borrower is in default. Even if the Pay-to-Pay fees were default-related fees,
12 which they are not, Defendants’ demand for payment of Pay-to-Pay fees is a direct breach of
13 Paragraph 9 of the Deed of Trust, “Protection of Lender’s Interest in the Property and Rights
14 Under This Security Instrument” section, stating that only “amounts *disbursed* by the lender
15 under this Section 9 will become debt of the borrower.” Exhibit A, ¶ 9 (emphasis added).
16 Defendants collected more than the amount they disbursed to Western Union to process the
17 Pay-to-Pay transactions.

18 108. Further, Fannie Mae’s servicing guidelines, which Defendants must follow
19 when sub-servicing Fannie Mae loans, prohibit the collection of any fees on routine borrower
20 collections, including the Pay-to-Pay fees charged by Defendants. *See* Fannie Mae Servicing
21 Guide A2-3-05 (“The servicer is not authorized to charge the borrower fees relating to the
22 following activities: facilitating routine borrower collections.”).

23 109. Because the “Governing Law” (¶16), “Protection of Lender’s Interest in the
24 Property and Rights Under This Security Instrument” (¶9), and “Applicable Law” (¶14)
25 provisions are contained in the “Uniform Covenants” section, Ocwen has breached the contract
26 on a class-wide basis.

27 110. Defendants’ Uniform Covenants in its Deed of Trust prohibit fees not allowable
28 under applicable law.

1 111. Fannie Mae's Servicing Guide, section A2-3-05, which must be adhered to by
2 Defendants as the loan sub-servicer, prohibits all fees charged relating to routine borrower
3 collections.

4 112. Defendants breached the contracts with Mr. Torliatt and members of the
5 California Class when they charged Pay-to-Pay fees not agreed to in the Deed of Trust.

6 113. Alternatively, Defendants breached the contracts with Mr. Torliatt and members
7 of the California Class when they charged Pay-to-Pay fees in excess of the amounts actually
8 disbursed by Defendants to pay for the cost of the Pay-to-Pay Transactions.

9 114. Additionally, in every contract made in California, including Mr. Torliatt's Deed
10 of Trust, there is an implied covenant of good faith and fair dealing.

11 115. One of the purposes of Mr. Torliatt's Deed of Trust is to inform him clearly of
12 the fees that may be charged on his mortgage loan. Where the Deed of Trust is silent on a
13 specific fee or amount, such as default-related fees, the Deed of Trust protects Mr. Torliatt by
14 capping those fees to the amounts actually disbursed (Exhibit A, ¶ 9), e.g. the actual cost of the
15 fee.

16 116. Defendants know the actual cost of Pay-to-Pay transactions is much less than the
17 amount of Pay-to-Pay fees Defendants collected from Mr. Torliatt and other California
18 borrowers. Defendants intentionally failed to disclose the amount of their profit from Mr.
19 Torliatt and other borrowers so that those borrowers will not challenge the imposition of Pay-
20 to-Pay fees or threaten Defendants' profit center.

21 117. Defendants deliberately leveraged their superior position as Mr. Torliatt's loan
22 servicer to create a profit center through the collection of Pay-to-Pay fees and in doing so,
23 violated the implied covenant of good faith and fair dealing of the Deed of Trust. Mr. Torliatt
24 and members of the California Class have been harmed by these breaches.

25 **JURY DEMAND AND RESERVATION OF PUNITIVE DAMAGES**

26 118. Plaintiff is entitled to and respectfully demands a trial by jury on all issues so
27 triable.

1 119. Plaintiff reserves the right to amend his Second Amended Consolidated Class
2 Action Complaint and add a claim for punitive damages.

3 **RELIEF REQUESTED**

4 WHEREFORE Mr. Torliatt respectfully requests this Court enter judgment
5 against Defendants for all of the following:

- 6 a. That Mr. Torliatt and all members of the Classes be awarded actual damages,
7 including but not limited to all fees improperly charged and forgiveness of all
8 amounts not properly owed;
- 9 b. That Mr. Torliatt and members of the Classes be awarded statutory damages;
- 10 c. That Mr. Torliatt and members of the Classes be awarded costs and attorney's
11 fees;
- 12 d. That the Court enter an order that Defendants and its agents, or anyone acting on
13 its behalf, are immediately restrained from altering, deleting or destroying any
14 documents or records that could be used to identify class members;
- 15 e. That the Court issue an injunction restraining Defendants from future
16 collections, and attempted collections, of Pay-to-Pay fees;
- 17 f. That the Court certify Mr. Torliatt's claims and all other persons similarly
18 situated as class action claims under Rule 23 of the Federal Rules of Civil
19 Procedure; and
- 20 g. Such other and further relief as the Court may deem just and proper.

21 Dated: May 1, 2020

22 /s/ Lee Lowther
Edwin Lee Lowther (*admitted pro hac vice*)
llowther@cbplaw.com
Hank Bates (SBN 167688)
hbates@cbplaw.com
Randall K. Pulliam (*admitted pro hac vice*)
rpulliam@cbplaw.com
CARNEY BATES & PULLIAM, PLLC
519 W. 7th St.
Little Rock, AR, 72201
Tel. 501-312-8500
Fax 501-312-8505

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Don F. Livornese (State Bar No. 125,934)
donl@ruyakcherian.com
RUYAK CHERIAN LLP
222 N. Pacific Coast Highway, Suite 2000
El Segundo, CA 90245
Tel. 310-586-7689

James Lawrence Kauffman
jkauffman@baileyglasser.com
BAILEY GLASSER, LLP
1055 Thomas Jefferson Street, NW Suite 540
Washington, DC 20007
Tel - (202) 463-2101

Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that on May 1, 2020, I caused a copy of the foregoing to be electronically filed with the Clerk of Court using CM/ECF, which will send electronic notification to the parties and registered attorneys of record that the document has been filed and is available for viewing and downloading.

/s/ Lee Lowther _____

LEE LOWTHER

EXHIBIT A

Recording Requested By:
Argent Mortgage Company, LLC

Return To:
Argent Mortgage Company, LLC
P.O. Box 5047
Rolling Meadows, IL 60008

Prepared By: Argent Mortgage Company, LLC
Tracy Justus
One City Boulevard West
Orange, CA 92868

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated December 14, 2005, together with all Riders to this document.

(B) "Borrower" is LAWRENCE STEVEN TORLIATT, A Single Man

Borrower is the trustor under this Security Instrument.

(C) "Lender" is Argent Mortgage Company, LLC

Lender is a Limited Liability Company organized and existing under the laws of Delaware

0091858514 - 9502

CALIFORNIA Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3005 1/01

 -6(CA) (0005)

Page 1 of 15

Initials: _____

12/14/2005 3:18:54 PM

VMP MORTGAGE FORMS - (800)521-7291

Lender's address is 3 Park Plaza 10th Floor Irvine, CA 92614

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is Town and Country Title Services, Inc.

(E) "Note" means the promissory note signed by Borrower and dated December 14, 2005. The Note states that Borrower owes Lender six hundred thirty thousand and 00/100

Dollars (U.S. \$ 630,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than January 1, 2036

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- Adjustable Rate Rider
- Balloon Rider
- VA Rider
- Condominium Rider
- Planned Unit Development Rider
- Biweekly Payment Rider
- Second Home Rider
- 1-4 Family Rider
- Other(s) [specify]

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

0091858514 - 9502

Initials: _____

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the

County of SONOMA :

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF:

Parcel ID Number: 008-433-017-000
966 MCNEAR AVENUE
PETALUMA
("Property Address"):

which currently has the address of
[Street]
[City], California 94952 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S.

0091858514 - 9502

Initials: _____

currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

0091858514 - 9502

Initials: _____



in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

0091858514 - 9502

Initials: _____

lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

0091858514 - 9502

Initials: _____

the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

0091858514 - 9502

Initials: _____

 -6(CA) (0005)

Page 7 of 15

12/14/2005 3:18:54 Form 3005 1/01

attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

0091858514 - 9502

Initials: _____

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

0091858514 - 9502

Initials: _____

to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

0091858514 - 9502

Initials: _____



16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

0091858514 - 9502

Initials: _____

requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

0091858514 - 9502

Initials: _____

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

24. Substitute Trustee. Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. Statement of Obligation Fee. Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

0091858514 - 9502

Initials: _____

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

LAWRENCE STEVEN TORLIATT (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

0091858514 - 9502

State of California

County of

} ss:

On _____
Day/Month/Year
personally appeared

before me,

Notary Public

personally known to me (or proven to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument

Witness my hand and official seal.

Notary Public

(Seal)

0091858514

EXHIBIT B



OCWEN

Case 3:19-cv-04203-WHO Document 50-2 Filed REDACTED Page 2 of 7
Ocwen Loan Servicing, LLC
PO Box 24738
West Palm Beach, FL 33416-4738

www.ocwencustomers.com

Property Address 966 McNear Ave
Petaluma, CA 94952-4815

Statement Date 11/13/18
Account Number REDACTED
Payment Due Date 12/01/18
Amount Due \$5,121.01
If payment is received after 12/16/18, a \$107.10 late fee may be charged.

Customer Care 800-746-2936
Insurance 866-317-7661

LAWRENCE STEVEN TORLIATT
996 MCNEAR AVE
PETALUMA CA 94952

Account Information		Explanation of Amount Due***	
Principal Balance*	\$581,379.62	Principal	\$459.59
Regular Principal Balance	\$343,901.62	Interest	\$1,325.45
Deferred Principal Balance	\$237,478.00	Escrow	\$254.95
Escrow Balance	-\$1,839.28	Total Regular Payment	\$2,039.99
Maturity Date	November 1, 2036	Past Due Fees/Other Charges	\$1,639.50
Interest Rate	4.62500%	Fees/Other Charges	\$1,441.52
Prepayment Penalty	No	Total Unpaid Amount	\$5,121.01

* This is the Principal Balance only, not the amount required to pay the loan in full. *** This balance may increase over time.

Activity Since Last Statement (10/16/18 to 11/13/18)										
Date Applied	Date Received	Description	Transaction Total	How Payments & Charges were Applied						
				Principal	Interest	Escrow	Optional Products	Late Charges	Fees/Other	Unapplied Funds
10/19/18		Charge - Notice of Default Recording	-\$102.00							-\$102.00
10/19/18		Charge - Appl. of Substitute Trustee	-\$96.00							-\$96.00
10/22/18		Charge - FC Thru Complaint	-\$926.25							-\$926.25
10/29/18		Charge - FC Thru Complaint	-\$142.50							-\$142.50
10/29/18		Charge - Statutory Mailings	-\$81.77							-\$81.77
11/07/18	11/07/18	Tax Disbursement	-\$828.98			-\$828.98				

Past Payments Breakdown			Special Notices	
	PSM Since Last Statement	PSM Year to Date		
Principal	\$457.82	\$5,379.31		
Interest	\$1,327.22	\$16,041.17		
Escrow (Taxes and/or Insurance)	\$254.95	\$2,323.76		
Fees/Other Charges	\$7.50	\$22.00		
Unapplied Funds**	\$0.00	\$0.00		
Total	\$2,047.49	\$23,766.24		

Important News

If the account has foreclosure protection provided under the Service members Civil Relief Act (SCRA) or similar state law, Ocwen will not conduct foreclosure activity during the foreclosure protection period.

Tax season is right around the corner. Please visit OCWEN's website at www.ocwencustomers.com to verify the social security number on file for this account.

For any questions about the mortgage, please call 1-800-746-2936 and ask to set up an appointment with Aneesh P, the account relationship manager, or schedule an appointment at www.ocwencustomers.com.

See reverse side for important information and state specific disclosures.

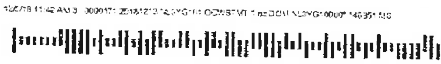




Larry Torliatt Repair
PO Box 24738
West Palm Beach, FL 33416-4738

www.ocwencustomers.com REDACTED

Property Address 966 McNear Ave Petaluma, CA 94952-4815	
Statement Date	12/12/18
Account Number	REDACTED
Payment Due Date	01/01/19
Amount Due	\$5,121.01
<i>If payment is received after 01/16/19, a \$107.10 late fee may be charged.</i>	
Customer Care	800-746-2936
Insurance	866-317-7661



LAWRENCE STEVEN TORLIATT
996 MCNEAR AVE
PETALUMA CA 94952



Account Information		Explanation of Amount Due***	
Principal Balance*	\$580,920.03	Principal	\$461.36
Regular Principal Balance	\$343,442.03	Interest	\$1,323.68
Deferred Principal Balance	\$237,478.00	Escrow	\$254.95
Escrow Balance	-\$1,584.33	Total Regular Payment	\$2,039.99
Maturity Date	November 1, 2036	Past Due Fees/Other Charges	\$3,081.02
Interest Rate	4.62500%	Total Unpaid Amount	\$5,121.01
Prepayment Penalty	No		

* This is the Principal Balance only, not the amount required to pay the loan in full. ***This balance may increase over time.

Activity Since Last Statement (11/13/18 to 12/12/18)										
Date Applied	Date Received	Description	Transaction Total	How Payments & Charges were Applied						
				Principal	Interest	Escrow	Optional Products	Late Charges	Fees/Other	Unapplied Funds
12/11/18		Charge - SP Web Fee	-\$7.50							-\$7.50
12/11/18	12/11/18	Payment	\$2039.99	\$459.59	\$1325.45	\$254.95				
12/11/18	12/11/18	Fee Payment	\$7.50							
12/11/18	12/11/18	SP Web Fee	\$0.00							\$7.50

Past Payments Breakdown			Special Notices	
Principal	Paid Since Last Statement	\$459.59	Paid Yes-to Date	\$5,838.90
Interest		\$1,325.45		\$17,366.62
Escrow (Taxes and/or Insurance)		\$254.95		\$2,578.71
Fees/Other Charges		\$7.50		\$29.50
Unapplied Funds**		\$0.00		\$0.00
Total		\$2,047.49		\$25,813.73

Important News

If the account has foreclosure protection provided under the Service members Civil Relief Act (SCRA) or similar state law, Ocwen will not conduct foreclosure activity during the foreclosure protection period. Ocwen will mail the 2018 tax forms separately or with the January statement no later than January 31, 2019. You can access the tax document from our website Ocwen.com.

See reverse side for important information and state specific disclosures.





OCWEN

Larry Torliatt, Branch
 Ocwen Loan Servicing, LLC
 PO Box 24738
 West Palm Beach, FL 33416-4738

www.ocwencustomers.com

REDACTED

Mortgage Account Statement

Property Address 966 McNear Ave Petaluma, CA 94952-4815	
Statement Date	01/15/19
Account Number	REDACTED
Payment Due Date	02/01/19
Amount Due	\$5,121.01
<i>If payment is received after 02/15/19, a \$107.10 late fee may be charged.</i>	
Customer Care	800-746-2936
Insurance	866-317-7661

10/19 12:45 PM 01/15/19 16 04/06/19 05/01/19 06/01/19 07/01/19 08/01/19 09/01/19 10/01/19 11/01/19 12/01/19



LAWRENCE STEVEN TORLIATT
 996 MCNEAR AVE
 PETALUMA CA 94952



Account Information		Explanation of Amount Due***	
Principal Balance*	\$580,458.67	Principal	\$463.14
Regular Principal Balance	\$342,980.67	Interest	\$1,321.90
Deferred Principal Balance	\$237,478.00	Escrow	\$254.95
Escrow Balance	-\$1,329.38	Total Regular Payment	\$2,039.99
Maturity Date	November 1, 2036	Past Due Fees/Other Charges	\$3,081.02
Interest Rate	4.62500%	Total Unpaid Amount	\$5,121.01
Prepayment Penalty	No		

* This is the Principal Balance only, not the amount required to pay the loan in full. *** This balance may increase over time.

Activity Since Last Statement (12/12/18 to 01/15/19)										
		How Payments & Charges were Applied								
Date Applied	Date Received	Description	Transaction Total	Principal	Interest	Escrow	Optional Products	Late Charges	Fees/Other	Unapplied Funds
01/14/19		Charge - SP Web Fee	-\$7.50						-\$7.50	
01/14/19	01/12/19	Payment	\$2039.99	\$461.36	\$1323.68	\$254.95				
01/14/19	01/12/19	Fee Payment	\$7.50							
01/14/19	01/12/19	SP Web Fee	\$0.00						\$7.50	

Past Payments Breakdown			Special Notices	
	Paid Since Last Statement	Paid Year-to-Date		
Principal	\$461.36	\$461.36		
Interest	\$1,323.68	\$1,323.68		
Escrow (Taxes and/or Insurance)	\$254.95	\$254.95		
Fees/Other Charges	\$7.50	\$7.50		
Unapplied Funds**	\$0.00	\$0.00		
Total	\$2,047.49	\$2,047.49		

Important News

If the account has foreclosure protection provided under the Service members Civil Relief Act (SCRA) or similar state law, Ocwen will not conduct foreclosure activity during the foreclosure protection period.

For any questions about the mortgage, please call 1-800-746-2936 and ask to set up an appointment with Aneesh P, the account relationship manager, or schedule an appointment at www.ocwencustomers.com.



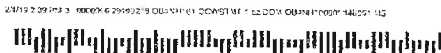
See reverse side for important information and state specific disclosures.



O C W E N

Larry Torbett, Rep
 Ocwen USA, Inc.
 PO Box 24738
 West Palm Beach, FL 33416-4738

www.ocwencustomers.com



LAWRENCE STEVEN TORLIATT
 996 MCNEAR AVE
 PETALUMA CA 94952



Property Address 966 McNear Ave Petaluma, CA 94952-4815	
Statement Date	02/14/19
Account Number	REDACTED
Payment Due Date	03/01/19
Amount Due	\$5,121.01
<i>If payment is received after 03/15/19, a \$107.10 late fee may be charged.</i>	
Customer Care	800-746-2936
Insurance	866-317-7661

Account Information		Explanation of Amount Due***	
Principal Balance*	\$579,995.53	Principal	\$464.92
Regular Principal Balance	\$342,517.53	Interest	\$1,320.12
Deferred Principal Balance	\$237,478.00	Escrow	\$254.95
Escrow Balance	-\$1,074.43	Total Regular Payment	\$2,039.99
Maturity Date	November 1, 2036	Past Due Fees/Other Charges	\$3,081.02
Interest Rate	4.62500%	Total Unpaid Amount	\$5,121.01
Prepayment Penalty	No		

* This is the Principal Balance only, not the amount required to pay the loan in full. ***This balance may increase over time.

Activity Since Last Statement (01/15/19 to 02/14/19)										
		How Payments & Charges were Applied								
Date Applied	Date Received	Description	Transaction Total	Principal	Interest	Escrow	Optional Products	Late Charges	Fees/Other	Unapplied Funds
02/13/19		Charge - SP Web Fee	-\$7.50						-\$7.50	
02/13/19	02/13/19	Payment	\$2039.99	\$463.14	\$1321.90	\$254.95				
02/13/19	02/13/19	Fee Payment	\$7.50							
02/13/19	02/13/19	SP Web Fee	\$0.00						\$7.50	

Past Payments Breakdown			Special Notices	
	Paid Since Last Statement	Paid Year-to-Date		
Principal	\$463.14	\$924.50		
Interest	\$1,321.90	\$2,645.58		
Escrow (Taxes and/or Insurance)	\$254.95	\$509.90		
Fees/Other Charges	\$7.50	\$15.00		
Unapplied Funds**	\$0.00	\$0.00		
Total	\$2,047.49	\$4,094.98		

Important News

If the account has foreclosure protection provided under the Service members Civil Relief Act (SCRA) or similar state law, Ocwen will not conduct foreclosure activity during the foreclosure protection period.

For any questions about the mortgage, please call 1-800-746-2936 and ask to set up an appointment with Aneesh P. the account relationship manager, or schedule an appointment at www.ocwencustomers.com.



O C W E N

www.ocwencustomers.com

3274 192 AM 3 16:59 21:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 24:00

LAWRENCE STEVEN TORLIATT
996 MCNEAR AVE
PETALUMA CA 94952



Property Address 966 McNear Ave Petaluma, CA 94952-4815	
Statement Date	03/14/19
Account Number	REDACTED
Payment Due Date	04/01/19
Amount Due	\$5,115.99
<i>If payment is received after 04/16/19, a \$107.10 late fee may be charged.</i>	
Customer Care	800-746-2936
Insurance	866-317-7661

Account Information		Explanation of Amount Due***	
Principal Balance*	\$579,530.61	Principal	\$466.71
Regular Principal Balance	\$342,052.61	Interest	\$1,318.33
Deferred Principal Balance	\$237,478.00	Escrow	\$249.92
Escrow Balance	-\$1,648.46	Total Regular Payment	\$2,034.96
Maturity Date	November 1, 2036	Past Due Fees/Other Charges	\$3,081.02
Interest Rate	4.62500%	Total Unpaid Amount	\$5,115.98
Prepayment Penalty	No		

* This is the Principal Balance only, not the amount required to pay the loan in full. *** This balance may increase over time.

Activity Since Last Statement (02/14/19 to 03/14/19)										
		How Payments & Charges were Applied								
Date Applied	Date Received	Description	Transaction Total	Principal	Interest	Escrow	Optional Products	Late Charges	Fees/Other	Unapplied Funds
03/12/19	03/12/19	Tax Disbursement SONOMA COUNTY - TAX COLLECTOR 585 FISCAL D	-\$828.98			-\$828.98				
03/13/19		Charge - SP Web Fee	-\$7.50						-\$7.50	
03/13/19	03/13/19	Payment	\$2089.99	\$464.92	\$1320.12	\$254.95				
03/13/19	03/13/19	Fee Payment	\$7.50							
03/13/19	03/13/19	SP Web Fee	\$0.00						\$7.50	

Past Payments Breakdown			Special Notices
Principal	Paid Since Last Statement	Paid Year to Date	We will soon be transferring this mortgage account to PHH Mortgage Services. PHH is now an affiliate of Ocwen, so we will still be here through the transition and Ocwen and PHH stand ready to assist in any way we can. Further information on exactly when the transfer will occur is coming soon. For any questions regarding the transition, please call 1-855-245-3915.
Interest	\$464.92	\$1,389.42	
Escrow (Taxes and/or Insurance)	\$1,320.12	\$3,965.70	
Fees/Other Charges	\$254.95	\$764.85	
Unapplied Funds**	\$7.50	\$22.50	
Total	\$0.00	\$0.00	
Total	\$2,047.49	\$6,142.47	

Important News

If the account has foreclosure protection provided under the Service members Civil Relief Act (SCRA) or similar state law, Ocwen will not conduct foreclosure activity during the foreclosure protection period.

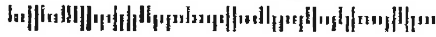


Lawrence Steven Torliatt
 Owen Loan Servicing, LLC
 PO Box 24738
 West Palm Beach, FL 33416-4738

www.ocwencustomers.com

Property Address 966 McNear Ave Petaluma, CA 94952-4815	
Statement Date	04/08/19
Account Number	REDACTED
Payment Due Date	05/01/19
Amount Due	\$7,150.94
<i>If payment is received after 05/16/19, a \$107.10 late fee may be charged.</i>	
Customer Care	800-746-2936
Insurance	866-317-7661

1519 226 443 130971 29150819 022581 01 000101 144 0001 0324470001 10092 MS



LAWRENCE STEVEN TORLIATT
 996 MCNEAR AVE
 PETALUMA CA 94952



Account Information		Explanation of Amount Due***	
Principal Balance*	\$579,530.61	Principal	\$468.51
Regular Principal Balance	\$342,052.61	Interest	\$1,316.53
Deferred Principal Balance	\$237,478.00	Escrow	\$249.92
Escrow Balance	-\$1,648.46	Total Regular Payment	\$2,034.96
Maturity Date	November 1, 2036	Past Due Payment(s) Amount	\$5,115.98
Interest Rate	4.62500%	Total Unpaid Amount	\$7,150.94
Prepayment Penalty	No		

* This is the Principal Balance only, not the amount required to pay the loan in full. *** This balance may increase over time.

Activity Since Last Statement (03/14/19 to 04/08/19)										
				How Payments & Charges were Applied						
Date Applied	Date Received	Description	Transaction Total	Principal	Interest	Escrow	Optional Products	Late Charges	Fees/Other	Unapplied Funds

Past Payments Breakdown			Special Notices
	Paid Since Last Statement	Paid Year to Date	
Principal	\$0.00	\$1,389.42	This statement does not reflect any payment received after the date of the statement noted above.
Interest	\$0.00	\$3,965.70	
Escrow (Taxes and/or Insurance)	\$0.00	\$764.85	
Fees/Other Charges	\$0.00	\$22.50	
Unapplied Funds**	\$0.00	\$0.00	
Total	\$0.00	\$6,142.47	

Important News

Payments received are to be applied in accordance with the mortgage documents. Payments will be first applied to bring the account contractually current. Any additional funds received will be applied to outstanding fees and advances, as applicable, prior to being applied to principal.

If the account has foreclosure protection provided under the Service members Civil Relief Act (SCRA) or similar state law, Owen will not conduct foreclosure activity during the foreclosure protection period.