



**Terms** -The terms “borrower” and “payor” are used interchangeably in reference to the party making the payments on an account (and may include a Tenant, for Rentals). In the same manner the terms “lender”, “seller” and “payee” are used to reference the party receiving the payments (and may include a Landlord, for Rentals).

**Confidentiality** – INCS will not sell or share contact information with non-affiliated third parties without your written consent. INCS will provide account information to individuals not named on your account upon your written authorization. Payoff, verification, and history information will be supplied to escrow companies, attorneys, banks, mortgage brokers, etc., only when requested in writing and accompanied by a Borrower’s Authorization form. INCS will share contact information such as: address, phone, and email address with the other contractual party and/or their authorized associates. Private information such as: social security, banking information etc. will not be disclosed. See our website for our complete Privacy Policy.

**Establishment/Closing** – All accounts must be established by the lending party or have their written authorization. Services may be terminated, at any time, upon written notice from the lender and payment of any outstanding administration and/or closing fees. Our closing fee is typically charged to the borrower at payoff. If not paid by the borrower, for any reason, the lender will bear this responsibility and will be billed or a deduction will be made from payoff proceeds or payments received on the account.

**Receipt of Payments** – INCS will accept payments regardless of the next payment due date. If lenders desire to suspend receipt of payments, notice shall be given in writing, with instructions regarding handling of rejected payments. Partial payments will not be accepted without written authorization from the lender. Otherwise, partial payments will be returned to the payor. Upon instructions to hold partial payments until a full payment can be posted, service fees will be deducted first from the payment.

**Operation Times and Posting of Payments** – INCS operates during posted business hours and CUT OFF times apply to all payments. Mail and payments received on weekends or banking holidays are posted the following business day. Payments received after our daily processing time, but before 1pm, are processed the following business day, but backdated for the date received. Payments received after 1p.m. PST are posted for the following business date. This includes wires, payoffs, and payments accepted over our website and via webpay. The posting deadline for New Year’s Eve day (if it falls on a weekday) is 10:30 a.m., to allow for year-end processing. Any payment received after 10:30 a.m., on the 31<sup>st</sup> will be posted the first business day in January.

**Cash Payments** – Cash will not be accepted by INCS. This is for your protection, to avoid disputes.

**ACH Transactions**- If you elect to pay or receive funds by an electronic transfer, these are processed by an “ACH” (*Automated Clearing House*) transaction. In order to comply with laws and regulations to prevent Money Laundering and other criminal activity, our bank requires the ability to obtain documentation to support compliance. By using ACH, you agree to provide such proof.

**Deposit of Funds** – All payments are subject to INCS policies for Receipt and Posting of Payments. In the event of questions regarding check format, ability to accept funds, or funds availability, reasonable efforts to contact the appropriate party during the same business day will be made. Delays in posting and processing, through no fault of the borrower, will result in payment being posted to the day received. Delays caused by the borrower, whether intentional or not, will result in payment being credited as of the date the issue is resolved. **ACH, Cashier’s Checks, Postal money orders or personal checks may be used for monthly installment payments, unless otherwise notified. Funds over \$10,000 or ANY payoff above usual installment amounts, should be submitted by wire. Payments received over \$10,000, which are paid other than by wire, may be held for ten days before credit and disbursement to ensure credit by our bank. Cashier’s Checks do not qualify as “certified funds”. Funds will not be credited to the account until the waiting period is over, which will result in additional interest charges. For immediate credit, please use the wire procedure. Wires and Cashier’s Checks are the only permitted method of payoff, if over the regular installment amount.**

**Processing of Final Payment** – For immediate credit, Final Payment on an account should be paid by wire transfer (see our policy on Deposit of Funds). See our policy on *Posting Payments* regarding cut off times. Any outstanding fees, including those to close the account, will be billed with or deducted from the final payoff. The reconveyance and/or recording fee, as well as our closing fee, are deemed to be the responsibility of the payor, even if they do not pay our monthly administration fees. Outstanding fees will be deducted from the payee’s proceeds, unless paid directly by payee. Lender is responsible to provide the borrower with documents to clear title or reconvey Deeds of Trust if documents for same are not held in True Escrow. In the case of an overage in Final Payment, a refund check will be issued to the Payor if refund amount is in excess of \$5.00.

**Dormant Accounts** – Any account without payment activity for six consecutive months will be considered *Dormant*. See the current schedule for applicable fees. Accounts without activity for twelve months are considered *Inactive*. INCS reserves the right to close Inactive accounts and bill the Payee for any outstanding fees. Remittance of written instructions and applicable fees are required to maintain Inactive loans.

**Disbursement of Funds** – Funds are disbursed according to the written instructions received upon establishment of the account. These instructions may be cancelled or changed upon receipt of written instructions. Funds are disbursed the same day the payment is processed. Electronic disbursements are subject to the federal banking regulation and appear two business days after disbursement. We recommend all disbursements be made electronically. Payee is responsible for fees incurred to process a *stop payment* and reissue the checks lost in the mail. Final payoff proceeds are disbursed in the same manner as payments. INCS does not wire out funds.

**Insufficient Funds** – If a payment is returned from the bank (Non-Sufficient Funds-NSF), the payor/borrower shall replace the funds, along with our posted fee, by Cashier's Check, Postal Money Order or Wire Transfer. If funds are not replaced within seven days of posting notice, Regular US Mail, the lender is responsible for return of disbursed funds and the related fee. Lender agrees to return funds to INCS within seven days of posting demand, Regular US Mail. Failure to timely return funds may result in legal action to recover funds. Payee/Lender agrees to pay INCS attorney's fees and court costs for such action. INCS reserves the right to require future payments by Cashier's check or Postal money order due to recurring NSF payments, Borrower's failure to replace funds or other good cause. Posting and disbursement may be delayed until payments have cleared our bank. If previously agreed to by Borrower or Lender, alternate delivery of notice by email shall be subject to the same time constraints.

**Default Interest** - Due to changing laws and codes, INCS will not automatically initiate the default interest rate, even though called for in a contract. Written instruction from lender or their attorney is required to make such change to the account.

**Legal Action & Foreclosure**- INCS is not a legal practice; therefore, we do not make determinations regarding default. Late payment information is provided to the Payor in their periodic statements. INCS does not send Notice of Default letters, nor do we make collection calls. If the lender initiates a legal action, please notify our office immediately. INCS is required by regulation to report accounts in foreclosure. INCS will provide account information to lender's attorneys for collection actions.

**Interest and Application of Payments** – Unless otherwise specified, we service all accounts using daily (365) interest. Notice in writing at time of account set up is required to collect on a monthly (360 day) basis. All payments will be applied first to penalties, then to accrued interest and lastly to principal, in the absence of provisions to the contrary in the loan documents. INCS reserves the right to collect "interest only" loans on a monthly (360) basis, if loan documents do not otherwise specify.

**Reserves** – INCS will collect monthly reserve payments in accordance with loan documents or supplemental instructions from payee and payor. Impounds will be paid out, but ONLY if current statements and adequate funds are received. INCS does not "front" money to meet your obligations. The parties are responsible for providing INCS with current billing information and directions for disbursement.

**Construction Hold Backs, Short-Term Escrows-** *For Hold Back Accounts or Short Term Escrow of funds, see the INCS Addendum applicable to these accounts. The applicable addendum must be signed to establish these services.*

**Extent of Responsibility** – We will make reasonable efforts to administer accounts in accordance with loan documents and supplemental written instructions. In the event of ambiguity, we may request clarification or interpret such language in light of our experience and accepted servicing standards, at our option. Compliance with the contract terms is the responsibility of payor and lender, so INCS shall not be liable for the performance of either party. Neither do we assume responsibility for any act or omission performed by us in good faith and not resulting from gross negligence or willful misconduct on our part. We do not assume responsibility for the following: a) correctness, completeness, or legal sufficiency of any document given to us to administer, hold or deliver; b) enforcement of any term or condition in any document; c) Notification about failure to perform or of any default; d) Transmittal of payment of insurance, taxes or assessment, unless under a Reserve Account agreement and supporting statements; e) Obligations not administered by us; f) Recording or filing of any documents; g) Loss due to forgery or misrepresentation of others or the good faith exercise of our discretion in any matter; h) Calculation of any rate or payment change based on an index; i) Incorrect payoff quotation, if based on information in this company's possession at the time of the requested quote; or j) collection or enforcement of default interest, penalties, or foreclosure fees or cost, if provided for in loan documents or directed by lender, even if proscribed by law. Lender agrees to indemnify and hold INCS harmless from all such claims. It is the seller's responsibility to notify INCS immediately of any additional advances, charges, changes and/or expenses paid that affect the terms, balance owed or collection of future payments.

**Right to Interplead** – If a dispute arises or reasonable uncertainty exists as to any matter pertaining to the account, we may retain possession of all documents and funds without liability until the dispute or uncertainty is settled. In the alternative, in our discretion, we may commence an interpleader action and deposit the documents and/or funds with the clerk of the appropriate court. Upon interpleader, the parties shall jointly and severally bear the responsibility for our costs and attorney's fees, which may be deducted from funds in our possession.

**Fees** – The fee schedule is available on our website or upon request. Fees are subject to change upon 30 days' notice, posted on our website or by US Mail. Administration fees are assessed and paid on a per payment basis. Additional payments received in a calendar year incur additional fees. Administration fees are split between borrower and lender unless specified in writing upon establishment. Changes require written instructions signed by both parties. Lenders bear ultimate responsibility for all fees, if borrowers fail to pay their share. Such fees include but not be limited to: Establishment, Closing, Bank (NSF), Administration Fees, etc. Additional services are the responsibility of the requesting party(s) or party causing the fee to be incurred. While fees associated with collection proceedings are billed to the borrower, if permitted, the lender is ultimately responsible for payment of fees and may be deducted from the amounts received from the borrower, when paid.