

## **AUTOMATED PROPERTY SERVICE FOR NPV BULLETIN**

This Bulletin is issued in accordance with the section of the Fannie Mae Software Subscription Agreement (the "Agreement") entitled "Issued Bulletins; Amendment," and amends and restates the Automated Property Service Schedule for NPV thereto (the "Old Schedule") as set forth in the attached Automated Property Service Schedule for NPV and Fannie Mae Loan Modifications (the "New Schedule"). All terms not defined in the New Schedule shall have the meaning set forth in the Agreement.

This Bulletin shall be effective the earlier of: (a) April 29, 2011 or (b) the date on which Licensee first uses a predicted value (and confidence score) generated by the Licensed Software to evaluate a loan owned or guaranteed by Fannie Mae for eligibility for a Fannie Mae loan modification.

Among other things, the New Schedule addresses and/or provides for:

- Section 1     Licensed Application. The New Schedule governs the use of the Licensed Application in connection with loan modifications.
- Section 2     Authorized Users. Licensee is no longer required to obtain a written agreement from independent contractors accessing the Licensed Application. Licensee acknowledges that, as pertains to the Agreement, the actions of its Authorized Users are deemed to be the actions of Licensee.
- Section 3     Restrictions on Use. The Licensed Application may now also be used to evaluate a loan for eligibility for a Fannie Mae loan modification if Licensee is a Fannie Mae seller/servicer, the loan did not qualify for a HAMP modification and the loan is owned or guaranteed by Fannie Mae.
- Section 4     Unauthorized Representations. Reference to "use in the NPV model" is replaced with reference to "use in a HAMP Modification or a Fannie Mae loan modification."

Section 7      Termination. Fannie Mae reserves the right to terminate the Schedule in the event that Licensee has breached Section 3.

Section 9      Subscription Fees. Reference to “the NPV Model” is replaced with reference to “a HAMP Modification or a Fannie Mae loan modification.”

All of the terms and conditions of the Agreement as supplemented by the New Schedule shall continue in full force and effect. In the event of any inconsistency between or among the provisions contained in the Agreement (including the New Schedule) and this Bulletin, the provisions of the Agreement shall govern.

**Automated Property Service Schedule  
For NPV and Fannie Mae Loan Modifications**

**Terms and Conditions**

1. **Licensed Application.** Automated Property Service ("APS") enables users, upon inputting a limited set of data, to obtain a predicted value and confidence score for the subject property. All use by Licensee of Automated Property Service in connection with loan modifications is governed by this Schedule.
2. **Authorized Users.** For purposes of this Schedule, "Authorized Users" shall include any individual who: (a) is an independent contractor, (b) is actively providing services to Licensee and (c) has registered through Fannie Mae's user registration process relating to the Licensed Application. Licensee acknowledges and agrees that actions of Authorized Users shall be deemed to be actions of Licensee.
3. **Restrictions on Use.** The following restrictions are in addition to the restrictions on use in the section of the Agreement entitled "Restrictions on Use; Audit Rights":
  - A. If Licensee is not a Fannie Mae seller/servicer, Licensee shall use the Licensed Application solely to obtain a predicted value (with a confidence score) and input such predicted value into: (a) the U.S. Government's Net Present Value Model ("NPV Model") for the purpose of servicing mortgage loans in accordance with the Home Affordable Modification program under the Emergence Economic Stabilization Act of 2008 and the related provisions of Licensee's mortgage servicing agreement with Fannie Mae or Freddie Mac, or (b) Licensee's proprietary net present value model, which was created in accordance with a valid Commitment to Purchase Financial Instrument and Servicer Participation Agreement executed by Licensee, and is used solely for the servicing of mortgage loans in accordance with HAMP.
  - B. If Licensee is a Fannie Mae seller/servicer, the loan being evaluated for modification is owned or guaranteed by Fannie Mae, and Licensee first tried to qualify the loan under the HAMP modification guidelines and the loan either was not eligible for or did not qualify for a HAMP modification, Licensee may also use the Licensed Application to obtain a predicted value (with a confidence score) and use such predicted value to evaluate the loan for eligibility for a Fannie Mae loan modification. In the event the Home Affordable Modification program has expired, Licensee is a Fannie Mae seller/servicer and the loan being evaluated for modification is owned or guaranteed by Fannie Mae, Licensee may use the Licensed Application to obtain a predicted value (with a confidence score) and use such predicted value to evaluate the loan for eligibility for a Fannie Mae loan modification.
  - C. Licensee shall not access the fieldwork recommendation or prior sales history functionality of APS.
  - D. Licensee shall not use the Licensed Application or the predicted value or confidence score for any purpose other than as explicitly permitted in this Schedule. Licensee specifically may not use the Licensed Application or its predicted value or confidence score (a) to solicit non-Licensee mortgagors, (b) as the basis for any property value submitted to Desktop Underwriter or (c) as the basis for a value to be reported to Fannie Mae in the Loan Schedule or Schedule of Mortgages other than in connection with a HAMP modification or a Fannie Mae loan modification.
4. **Unauthorized Representations.** Licensee acknowledges that the section of the Agreement entitled "Unauthorized Representations" prohibits Licensee from making any representations to any third parties, including but not limited to the respective borrowers, that Fannie Mae has performed any kind of a property review, appraisal or valuation of the property that is the subject property of the Licensed Application. Licensee's use of APS to obtain a predicted value (and confidence score) for use in a HAMP Modification or a Fannie Mae loan modification does not relieve Licensee of any representations and warranties regarding property value, if any, made at the time the loan that the property secures was sold to Fannie Mae.
5. **Disclaimer of Warranty and Assumption of Risk.** In addition to the warranties specifically disclaimed by Fannie Mae in the section of the Agreement entitled "Warranty," Fannie Mae also specifically does not warrant that any predicted value generated by the Licensed Application represents the actual value of the subject property.

6. **Compliance With Law.** Laws and regulations regarding the use of appraisals and automated valuation models may vary, including without limitation based on the location of the property and Licensee's licensing within that jurisdiction. As stated in the Agreement, Licensee is responsible for compliance with all federal, state and local laws, rules and regulations applicable to its use of APS.
7. **Termination.** Notwithstanding any provision to the contrary in the Agreement, Fannie Mae may terminate this Schedule upon thirty (30) days' written notice to Licensee, with or without cause. In addition to the foregoing, Fannie Mae may terminate this Schedule immediately, upon notice to Licensee, if Fannie Mae reasonably believes, in its sole discretion, that Licensee has breached Section 2 or Section 3 of this Schedule.
8. **Indemnification.** Subsection (d) of the section of the Agreement entitled "Indemnification" shall be expanded to also provide indemnification in the event of any breach of Sections 3, 4, or 6 of this Schedule.
9. **Subscription Fees.** There are no charges for Licensee's use of APS for a HAMP Modification or a Fannie Mae loan modification.
10. **Other Charges.** Nothing set forth in this Schedule shall limit or waive the obligation of Licensee to pay any other charges due Fannie Mae or third parties, including, without limitation (i) Fannie Mae installation and training charges imposed under the Agreement or (ii) any charges imposed by third parties, including, but not limited to, any credit reporting agencies, processing service providers, authentication service providers, telecommunications service providers and telecommunications and computer equipment providers.
11. **Survival.** Any provisions of this Schedule that contemplate their continuing effectiveness, including, without limitation, Sections 4, 5, 6, 7 and 8 of this Schedule, shall survive any termination of this Schedule.