



TIMBERLAND BANK

Note Servicing Instructions & Set-Up Form

Before you begin:

Right to Decline. Because there may be terms in your Real Estate Contract or Deed of Trust & Promissory Note that we are not set up to service Timberland Bank may, at our discretion, choose not to act as the collection agent for either party. We will review your documents carefully and notify you as promptly as possible if we choose to decline the Note Servicing account.

Interest. Timberland Bank collects interest one month in arrears. Put simply, January's payment pays December's interest, February's payment pays January's interest, and so on. The formula used for calculating interest is: Outstanding Principal Balance on the date the payment is made, multiplied by the interest rate, divided by 12. Thank you for choosing Timberland Bank.

BUYERS:	SELLERS:
Name(s):*	_____
Mailing Address:	_____
Property Address:	_____
Phone Number:	_____
Email Address:	_____

*** NOTE: If more than two (2) buyers or sellers exist, please insure that EACH buyer, and EACH seller complete the W-9 Tax information we request. Thanks!!!**

1. The following ORIGINAL documents are to be deposited with Timberland Bank:

_____ Real Estate Contract _____ Warranty Fulfillment Deed	OR	_____ Deed of Trust _____ Promissory Note _____ Request for Full Reconveyance	OR	_____ Rental Agreement _____ Other:
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The above-listed documents are dated _____ with an unpaid principal balance due seller of \$ _____, payable in _____ installments of \$ _____, or more, beginning _____ including an interest rate of _____% from _____ covering property described as:

2. Late fees and grace period, if applicable according to terms of Contract or Note:

_____ Payment receipts sent to buyer (at additional cost)

_____ Past-due reminders to be sent to buyer (at additional cost)

3. _____ A reserve account is to be established to collect for and pay the following:

Property taxes *: \$ _____/mo Flood Insurance: \$ _____/mo

Hazard Insurance: \$ _____/mo Other: _____ \$ _____/mo

* \$275.00 set-up fee must be collected to establish a monthly reserve account (Lereta Tax Service provides our information). **Please call Timberland Bank if you are establishing a reserve account so we can discuss the required initial reserve deposit needed.**

Additional fee may apply for commercial property

4. The initial \$175.00 Note Servicing set-up fee with no reserve account will be paid as follows:

Buyer: _____% Seller: _____%

5. The Monthly Fee schedule is as follows: **(PLEASE COMPLETE BELOW & PROVIDE INFORMATION REQUIRED)**

- _____ \$7.00 to disburse to a Timberland checking, savings, or loan account (\$1.00 each add'l disbursement)
- _____ \$11.00 to disburse electronically (EDI) to another bank (\$3.00 each add'l disbursement) **If EDI please include copy of voided check with routing number, account number, and name/address of financial institution clearly stated.**
- _____ \$15.00 to mail a check (\$5.00 each add'l check disbursement)
- _____ \$2.00 to send past-due reminders to buyer
- _____ \$2.00 to send monthly payment receipts to buyer (Buyer will only receive an annual notice in January if this option is not marked)
- _____ \$6.00 monthly reserve maintenance

Fees will be deducted from monthly payments for sellers. Fees will be added to the monthly payment for buyers
Fees are subject to change. **It is imperative we are aware who is paying the monthly fees for the above services.**

Seller responsible for _____ % of fee

Buyer responsible for _____ % of fee

6. Payments are to be disbursed as follows (attach additional sheets if necessary):

- _____ Deposit _____ to Timberland Account # _____
- _____ Apply \$ _____ to Timberland Loan # _____
- _____ Mail a check for \$ _____ to: _____

FLOOD INSURANCE COVERAGE: Note Servicing set up with a Timberland Bank underlying loan, in which the property is in a flood zone, has the following requirements: Timberland Bank requires the contract purchaser to obtain flood insurance coverage (minimum amount required by law) and set up an escrow account to pay annual premiums. Timberland Bank and the contract seller must be listed as mortgagees on the flood insurance policy. Any deviation from the agreement must be approved by the Loan Servicing Manager.

OTHER COVENANTS AND CONDITIONS: Timberland Bank will provide notification of payments received, annual statements to both buyer and seller, and 1098 and/or 1099 statements for tax purposes. If the collection account is accepted Timberland Bank shall be responsible only for the exercise of ordinary care in the safekeeping of the documents delivered to Timberland by the parties, the receipt of such payments as may be tendered to it thereon, and application and distribution thereof as set forth in this agreement. This document contains the entire agreement of the parties. There are no covenants or agreements other than as set forth herein. Timberland Bank shall have no other duties or liabilities in connection herewith. These instructions do not constitute an escrow and may be revoked and the papers may be withdrawn by the seller at any time. Nothing in this agreement or in the actions of Timberland Bank pursuant to this agreement shall constitute the transaction of business outside of the state of Washington. Any legal action involving Timberland Bank as a party shall occur in the Superior Court of the State of Washington with venue in Grays Harbor County. The laws of the State of Washington shall govern this agreement.

Buyer shall make payments to Timberland Bank, in person at any branch location, or by mail to 624 Simpson Ave, Hoquiam, WA 98550. Inquiries should be directed to the Note Servicing Department, (360) 533-4747.

Disbursements of Payments:

Timberland Bank will disburse funds as instructed herein after receiving payment from the borrower. Timberland Bank reserves the right to hold the funds for a period of up to 5 business days before disbursing to the seller to assure the funds are collected. In the event that Timberland Bank receives notice that the buyer's check or other transfer is being returned to Timberland Bank due to insufficient funds or stop payment there will be a \$30.00 fee assessed to the buyer.

7. Signatures: All parties named in the Real Estate Contract or Deed of Trust must sign.

BY SIGNING, YOU ACKNOWLEDGE THAT YOU HAVE READ THESE INSTRUCTIONS THOROUGHLY, AND THAT YOU UNDERSTAND AND AGREE TO THE TERMS HEREIN.

BUYERS:

SELLERS:

Name:

Name:

Name:

Name:

TIMBERLAND BANK
NOTE SERVICING DEPARTMENT

Monica Brisco / Note Servicing