

**Why?**

Why do I need to have an Interim Servicer for HELOCs?

- Due to HELOC servicing complexity and compliance concerns, Spring EQ requires Correspondent Sellers to use an approved Interim Servicer on HELOCs. Spring EQ is Approved Interim Servicers that a Correspondent Seller may use. See the Spring EQ Correspondent Seller Guide for a complete list of Approved HELOC Interim Servicers.

**How?**

How do I get set up to use Spring EQ as a HELOC Interim Servicer?

- Seller submits the completed and executed Spring EQ Interim Servicing Agreement and Interim Servicing Wire form to Spring EQ via Comergence.
- Spring EQ'S Counterparty Risk Team will issue a Credit Approval Exhibit granting the Seller the authority to sell HELOCs to Spring EQ.
- Seller lists Shellpoint Mortgage Servicing ("SMS") (Spring EQ's sub-servicer) as the Servicer on the closing documents.
- Seller must upload the loan to Spring EQ's Correspondent Seller Portal within 5 days of funding.
- Spring EQ will board the loan with its sub-servicer.
- Spring EQ will purchase the loan after it has been cleared for purchase.

How often will I be billed for interim servicing?

- Spring EQ as Interim Servicer will net Servicing Fees from payment collections. If payment collections are not sufficient to cover the monthly Servicing Fees, Spring EQ Interim Servicing will issue an invoice to the Correspondent Seller on a monthly basis, on or about the time the final remittance tape is delivered, which shall be payable within fifteen (15) days of delivery.

**What?**

What information should be disclosed at closing to the borrower?

- The Seller must disclose SMS as the servicer of record at closing for loans subject to the Interim Servicing Agreement.

## Spring EQ Interim Servicing Agreement Frequently Asked Questions

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What happens after the loan is boarded with Spring EQ as the Interim Servicer?

- Financed fees are deducted from the initial draw, which will appear on the initial HELOC billing statement (Reg Z requirement).
- Spring EQ produces a boarding file for the loan that will be sent to the sub-servicer.
- Seller receives a Servicer Report, consisting of a Servicing Tape and Remittance Tape, once per month by the 7<sup>th</sup> business day of the month.
- In and out activities
  - Remittances are forwarded to the Seller on the 10<sup>th</sup> business day of the following month.
  - Spring EQ provides a month-end balance snapshot to the Seller.

What happens after Spring EQ purchases the loan?

- There are no changes from the borrower's perspective, as SMS will continue servicing the loans both before and after the loan purchase.
- The investor code will change internally with our sub-servicer from Spring EQ's Interim Servicing investor code with your company to Spring EQ's Servicing investor code.
- Interim Servicing ends when the loan is purchased, and you are no longer assessed the \$10.50 monthly Servicing Fee for that loan. Note that the monthly Servicing Fees are not prorated for partial months.

What are the Spring EQ Interim Servicing Fees?

- \$10 Boarding Fee per loan. (page 2)
- \$10.50 Servicing Fee per loan per month. (page 5)
- \$350 Monthly Account Maintenance Fee. (Section 4.01 (b) on page 10)
- A \$250 penalty is assessed if a file is not delivered to Spring EQ within five days of funding. (Page 9, section 2.08 (b)).
- \$100 Deboarding Fee (Schedule C, Page 27) – only charged if Seller sells the loan to an investor other than Spring EQ.

What if the Seller is currently using Shellpoint Mortgage Servicing? Can they use them for the Interim Servicing of HELOCs?

- Yes. Shellpoint Mortgage Servicing is a Spring EQ-approved HELOC Interim Servicer. Once Spring EQ purchases the HELOC, the loan's investor code will be transferred to Spring EQ.

**What are the Seller's responsibilities?**

- If the Seller is going to use SMS to sub-service HELOC loans during the interim servicing period, before the sale to Spring EQ, the Seller must complete the following:
  - Ensure that SMS supports the HELOC product(s) for the Seller
  - Board all HELOC loans at SMS after the disbursement of the loan to the borrower
    - HELOC loans must board in time for SMS to complete the borrower's first statement
    - Statement cut-off dates are generally on the 7<sup>th</sup> or the 8<sup>th</sup> of each month; loans must be boarded before the cutoff dates
- Transfer of servicing from the Seller to Spring:
  - The benefit of having the Seller use SMS as the servicer is that there is no transfer of servicer after the sale of the HELOC(s) to Spring
    - SMS will remain the servicer
    - The borrower will continue to have the same relationship with SMS both before and after the loan purchase
    - There is no RESPA Servicing Transfer Letter / Goodbye Letter required and no 15-day Servicing Transfer wait period
  - Immediately after the sale of the HELOC(s) from the Seller to Spring, the Seller will initiate an investor code switch at SMS from the Seller's investor code at SMS to Spring EQ's investor code at SMS
    - Spring will provide the appropriate investor code for the transfer

**WHO?**

Who should the Seller contact with servicing questions?

- Carl Lutz at [clutz@springeq.com](mailto:clutz@springeq.com)

Who will send the Servicer Report (Servicing Tape and Remittance Tape)?

- Ryan Quinn at [ryan.quinn@springeq.com](mailto:ryan.quinn@springeq.com)

**Spring EQ Interim Servicing Topics/ Contact info (Exhibit A):**

**Shellpoint Mortgage Servicing** will be servicing the borrower's loan. They will process the borrower's payments, make advances, and issue monthly statements. The borrower can expect Shellpoint Mortgage Servicing to deliver a Welcome Package about one week after funding.

Their contact information is:

- Customer Service: (800) 315-4757 (Toll-Free) Monday – Friday 8:00 AM – 9:00 PM EST; Saturday 10:00 AM – 2:00 PM EST

- Website: [www.shellpointmtg.com](http://www.shellpointmtg.com)

- Correspondence Address:

**Shellpoint Mortgage Servicing**

**PO Box 636005**

**Littleton, CO 80163-6005**

- Borrower Payment Address:

**Shellpoint Mortgage Servicing**

**PO Box 60535**

**City of Industry, CA 91716-0535**