

Appendix VI-1 Pool Advance Agreement

- Applicability:** Ginnie Mae I MBS Program and Ginnie Mae II MBS Program.
- Purpose:** To provide a form of agreement that may be used to cover shortfalls in P&I funds necessary to pay securities holders. Sets forth the obligation of the bank to advance any amount necessary to cover such shortfall up to a specified maximum. If the issuer uses a disbursement account separate from the pool(s) P&I custodial account, Ginnie Mae must have on record a Master Agreement for Servicer's Principal and Interest Custodial Account, form HUD 11709, covering the disbursement account for all applicable pools and loan packages.
- Prepared by:** Issuer
- Prepared in:** Duplicate (both with original signatures), plus additional copies if required for the bank.
- Distribution:** Forward to Ginnie Mae Office of Mortgage-Backed Securities, no later than the first day of the month prior to the month in which the agreement will become effective.
- Completion Instructions:**
- On page 1, enter issuer number, date agreement is executed, and full legal name of issuer and bank, with appropriate legal description, and location.
- A listing of all pools and/or loan packages covered by agreement must be attached as Schedule A.
- On page 2, enter amount of "Lending Limit" agreed to between the two parties. Any proposed change in Lending Limit shall be furnished to Ginnie Mae at least 15 days prior to such change.
- On page 5, enter full legal name and address of issuer and bank with appropriate contact persons.
- On page 6, enter full legal name of issuer and bank with respective signatures, names and titles typed in.
- Ginnie Mae will return an executed copy to the issuer indicating approval prior to implementation of the terms of the agreement.

PLEASE NOTE: DO NOT RETYPE THIS AGREEMENT.

OMB Approval No. 2503-0033 (Exp. 11/30/2008)

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The information is required by Section 306(g) of the National Housing Act or by the Ginnie Mae Handbook, 5500.3, Rev. 1. The purpose is to provide a form of agreement that may be used to cover shortfalls in P&I funds necessary to pay securities holders. It sets forth the obligation of the bank to advance any amount necessary to cover such shortfall up to a specified maximum. The information will not be disclosed except as permitted by law.

Issuer Number _____

GINNIE MAE POOL ADVANCE AGREEMENT

THIS AGREEMENT, made and entered into as of this _____ day of _____, 20____, by and between _____ (Issuer), a _____ corporation having its principal place of business at _____ (“Borrower”), and _____ (Bank), a _____ having its principal place of business at _____ (“Bank”):

WITNESSETH:

WHEREAS, Borrower has originated or otherwise acquired certain mortgages and has assembled them into pools (the “Pools”) and loan packages (the “Loan Packages”) constituting the backing for certain issues of mortgage-backed securities guaranteed by the Government National Mortgage Association (“Ginnie Mae”) as to timely payment of principal and interest pursuant to Section 306(g) of the National Housing Act of 1934, as amended (the “Securities”);

WHEREAS, Ginnie Mae requires certain assurances with respect to the timely payment of the Ginnie Mae guaranty fee and of all amounts due to holders of the securities (“Security Holders”); and

WHEREAS, Borrower, in order to provide the assurances that timely payments will be made, has arranged with the Bank for deposits in the custodial account as provided below.

NOW, THEREFORE, the parties hereto, in consideration of these promises and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agree as follows:

1. Pools established under the Ginnie Mae I program and Pools or Loan Packages established under the Ginnie Mae II program shall be entitled to all the benefits of this Agreement and all of the obligations of the Bank as provided in this Agreement, provided such Pools or Loan Packages are identified in Schedule A attached hereto and incorporated herein by reference. Schedule A may be amended from time to time in accordance with paragraph 7.
2. For each Pool or Loan Package identified in Schedule A, the Bank shall have the unconditional irrevocable obligation while this Agreement is in effect to honor in full up to the “Lending Limit”:

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- (a) Under the Ginnie Mae I program, all checks presented for payment by the Security Holders and all Automated Clearing House (“ACH”) transfer requests made by the depository; and
 - (b) Under the Ginnie Mae II program, all ACH transfer requests made by the Ginnie Mae central paying and transfer agent (CPTA).

The Bank shall be so obligated although the checks and ACH payments are for amounts in excess of any amounts held in the herein described custodial accounts, including Borrower’s central P&I custodial account. “Lending Limit” means an aggregate amount equal to \$ _____, less unreimbursed advances, that is, amounts previously advanced by the Bank hereunder for the account of Borrower and not yet repaid.

- 3. Under the Ginnie Mae Mortgage-Backed Securities Guide, Borrower shall remain responsible for the following:
 - (a) Under the Ginnie Mae I program, for depositing into the applicable Ginnie Mae central P&I custodial account maintained by Borrower with the Bank (which may be the same account referred to in paragraph (b) below), all collections of principal and interest attributable to all Ginnie Mae I Pools listed on Schedule A; and
 - (b) Under the Ginnie Mae II program, for depositing into the Ginnie Mae central P&I custodial account maintained by Borrower with the Bank, all collections of principal and interest attributable to all Ginnie Mae II Pools and Loan Packages listed on Schedule A.

However, failure of Borrower to make all deposits required by Ginnie Mae does not relieve the Bank of any part of its obligation.

- 4. The Bank shall meet its obligation to make advances as follows:
 - (a) Under the Ginnie Mae I program, the Bank shall provide for (i) payment of outstanding checks as presented for payment by Security Holders and (ii) payment of each ACH transfer request by depositing funds into the central P&I custodial account maintained for each Pool subject hereto. The deposit shall be in an amount equal to the difference between (i) the amount of all sums held in the central P&I custodial account at a time that is mutually agreeable to Borrower and the Bank before 7 a.m. Eastern Time on the day of the scheduled ACH transfer, and (ii) the sum of (x) the amount due each Security Holder presenting a check for payment, and (y) the amount of the ACH transfers, and any extra amount in accordance with paragraph 8 up to an aggregate amount equal to the Lending Limit then in effect.
 - (b) Under the Ginnie Mae II program, the Bank shall provide for payment of each ACH transfer request by depositing funds into the central P&I custodial account maintained for each Pool or Loan Package subject hereto. The deposit shall be in an amount equal to the difference between (i) the amount of all sums held in the central P&I custodial account at a time that is mutually agreeable to Borrower and the Bank before 7 a.m. Eastern Time on the day of the scheduled ACH transfer, and (ii) the amount of the ACH transfers, and any extra amount in

accordance with paragraph 8, up to an aggregate amount equal to the Lending Limit then in effect.

5. The parties hereto agree that the Lending Limit may be changed from time to time by agreement between Borrower and the Bank and that Ginnie Mae shall be furnished with prior written notice of any change in the Lending Limit. Such notice to Ginnie Mae shall be furnished at least fifteen (15) days prior to any proposed reduction in the Lending Limit.
6. If Borrower becomes obligated to the Bank to the full extent of the Lending Limit, Borrower shall provide sufficient funds for the satisfaction of its Ginnie Mae program obligations as follows:
 - (a) Under the Ginnie Mae I program, if the difference between (i) the sum of the amount due each Security Holder presenting a check for payment and the amounts of the ACH transfers to the depository and to the CPTA (in respect of the amounts due as guaranty fees to Ginnie Mae) and (ii) the account balance in the central P&I custodial account on the day(s) of the ACH transfer and check presentments, exceeds the Lending Limit then in effect, Borrower agrees that at such time it immediately shall deposit into the central P&I custodial account from its own funds at least the amount that is necessary to assure that each such check and the ACH transfer requests will be honored.
 - (b) Under the Ginnie Mae II program, if the difference between the account balance in the central P&I custodial account on the day of the ACH transfer and the amount of the ACH transfer (including amounts due as guaranty fees to Ginnie Mae) exceeds the Lending Limit then in effect, Borrower agrees that it shall deposit at least the differential amount into the central P&I account from its own funds in time to assure that the CPTA's ACH transfer requests will be honored.
7. Beginning with the month following the execution of this Agreement, Borrower shall amend Schedule A monthly to include all Pools and Loan Packages which were formed in the prior month and are to be made subject to this Agreement. Further, Borrower shall forward a copy of the revised Schedule A to the Bank by the tenth (10) day of each month.
8. Borrower and the Bank acknowledge and agree, that concurrently with the execution of this Agreement, Borrower has provided the Bank with a Schedule B indicating separately the total amounts of principal and interest, including early recoveries of principal and interest due Security Holders under the Ginnie Mae I Program and the Ginnie Mae II Program as applicable. The Schedule also shall indicate the amount of the Ginnie Mae guaranty fee due for the payment month under the Ginnie Mae I and the Ginnie Mae II Programs. The Schedule B shall relate to the next date for which payment is due under the Securities backed by each Pool or Loan Package listed on Schedule A hereto as of the date hereof and may indicate an additional amount in anticipation of calculation errors.
9. Borrower further agrees to revise Schedule B monthly to reflect changes in the amounts required to be paid to Security Holders as a result of early recoveries of principal, the inclusion of new Pools or Loan Packages in Schedule A or otherwise and to reflect the Ginnie Mae guaranty fee. The revised Schedule B shall be forwarded to the Bank by the tenth (10) day of each month. Any amended Schedule A or Schedule B shall be attached to and incorporated in this Agreement in substitution for the original or previously

amended Schedule. Failure of Borrower to provide amended Schedules A or B shall not obligate the Bank beyond the Lending Limit then in effect. However, if Borrower fails to provide any required Schedule in a timely manner, the Bank shall not be relieved of any of its obligations under this Agreement.

10. Borrower and the Bank agree that either party may terminate this Agreement with or without cause upon at least thirty (30) days prior written notice to the other party. No fact or circumstance shall excuse either party from any obligation hereunder from the date on which notice of such determination is given or received through the date on which termination of this Agreement becomes effective. For example, neither party, nor any successor in interest, may terminate this Agreement before the expiration of the 30 day notice period because of the insolvency or financial condition of Borrower, the commencement of a case in bankruptcy involving Borrower, or the appointment of a trustee in bankruptcy over, or the taking possession by a trustee of, Borrower's business before the commencement of the case in bankruptcy. Notice of termination by either party shall be given simultaneously to Ginnie Mae.

11. All notices and other communications required or permitted to be given hereunder shall be deemed given when personally delivered or mailed by certified or registered mail, postage prepaid, return receipt request, addressed to the respective parties at the following addresses:

If to Borrower: _____

Attention: _____

If to Bank: _____

Attention: _____

If to Ginnie Mae: Government National Mortgage Association
451 Seventh Street, S.W., Room 6214 Washington, D.C. 20410
Attention: Vice President, Office of Mortgage-Backed Securities

12. Borrower and the Bank agree that the Bank shall not obtain any ownership or security interest in the Pools or Loan Packages identified in Schedule A, as it may be amended from time to time, or in the collections attributable to those Pools or Loan Packages which collections are deposited or are required to be deposited in Borrower's custodial account or central P&I account.

13. Borrower and the Bank agree that Ginnie Mae's approval of this Agreement does not waive or otherwise limit Borrower's liability to Security Holders under Securities backed by Pools or Loan Packages listed on Schedule A, as it exists now and as it shall be amended from time to time, or to Ginnie Mae under its guaranty agreements or other contracts with Ginnie Mae.

14. Borrower and Bank warrant and agree that they have not entered into any other agreements or understandings which are inconsistent with the terms and conditions set forth herein or which would prevent any party from fulfilling its obligations hereunder.

No changes or amendments to this Agreement may be made unless they are reduced to writing, similarly executed and approved by Ginnie Mae, except as provided in paragraph 2, hereof with respect to the Lending Limit.

- 15. The failure of Borrower, the Bank, or Ginnie Mae to exercise any power reserved to it by this Agreement, or to insist upon strict compliance with the terms hereof, and any custom or practice of the parties at variance with the terms hereof shall not constitute a waiver of either party's right to exact compliance with any of the terms herein. Waiver by either party of any provision herein or default hereunder shall not affect or impair such party's rights with respect to any subsequent request for waiver or default of the same, similar or different nature.
- 16. Borrower agrees that, notwithstanding the execution of this Agreement under its guaranty agreements or other contracts with Ginnie Mae, Borrower retains primary and full liability to Ginnie Mae for full and timely payment to Security Holders under Securities backed by the Pools and Loan Packages listed on Schedule A, as it exists now and as it shall be amended from time to time.
- 17. The Bank agrees that Ginnie Mae is a third party beneficiary of this Agreement and that the Bank's obligations to Borrower under this Agreement are enforceable jointly and severally by Ginnie Mae and Borrower notwithstanding a termination of the Borrower as a participant under the Ginnie Mae I and/or II Programs and/or the taking possession of the applicable custodial account(s) by Ginnie Mae.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement as of the day and year first above written.

ATTEST:

(Signature)

(Title)

BORROWER:

By: _____

(Signature)

(Name - please print or type)

(Title)

ATTEST:

(Signature)

(Title)

BANK:

By: _____

(Signature)

(Name - please print or type)

(Title)

APPROVED: GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

By: _____

Title: _____

Date: _____

SCHEDULE A

SCHEDULE B