

## OCWEN LOAN SERVICING & SHORT SALE SHAKEDOWNS

By

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**Introduction.** “Ocwen, Ocwen, Ocwen.” What a peculiar sounding name for a large company! Does it have some noble Greek meaning? Or perhaps a venerated Roman god high on the Pantheon of deities? Surely, a quick Google search will provide an etymology, and the mystery will be solved. Right? No, Nada, Nyet! There is nothing; just a name with no provenance. But wait! One genealogy site shows there to be a single birth record of someone with the name of “Ocwen.” However, that’s it. The trail abruptly ends. No other births, no family records, no divorces, no death notices. Just an odd name, a cipher, existing in a peculiar jumble of discordant letters. Hmmmm. Sounds slightly demonic, like something from a Dracula script; *the undead - existing to suck the life from its victims*. Given the [Ocwen we see today](#), perhaps that isn’t too far from the truth....

Well, no matter! That’s the namesake of a very large loan servicing company that has been getting the wrong kind of public attention these days. It recently agreed to [pay the Consumer Finance Protection Bureau \(“CFPB”\) \\$2.2 billion](#), for all sorts of sordid and illegal loan practices over the years. I suspect their top execs are secretly ecstatic they got tagged so publicly by the CFPB, since it gave them instant membership in the Rogues Gallery of Miscreants, which includes the likes of Goldman Sachs, JPMorgan Chase, Bank of America, Wells Fargo, Citi, HSBC, Deutsche Bank, and a host of other assorted scoundrels. To the Ocwen exec set, they likely believe it gives them “Wall Street Cred.”

**Short Sale Shakedown.** As most folks who are familiar with short sales know, typically, when a purchase offer comes in on a short sale, the seller’s broker notifies the appropriate lender or servicer, negotiates with the bank rep, and handles the process to closing. For these services, including procuring the buyer, a commission is paid by the lender and the funds are split according to the [“offer of compensation”](#) appearing on the local multiple listing service (“MLS”).

Over the past few years, Ocwen has become one of the third or fourth largest servicers in the country, purchasing servicing rights from the big banks.<sup>1</sup> Many of these loans are non-performing, which has put them at the forefront of many short sales.

Recently it has come to my attention that Ocwen has apparently decided to actively insert itself into the short sale process itself. Here’s what appears to be happening:

- When a short sale seller lists their property and an offer is accepted by the seller, the listing broker notifies Ocwen in those instances when it is the servicer. Lately, Ocwen has refused to consent to the short sale (not because it is dissatisfied with the offering price), explaining that the seller did not complete all of Ocwen’s requirements. (See, Exhibit 1, attached) These new “requirements” mandate that the seller, through their broker, must first participate in Ocwen’s “Assisted Short Program.”

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<sup>1</sup> For a 2012 Wall Street Journal summary of its business model, see article [here](#).

- Ocwen explains that this Program helps “Maximize (the seller’s) odds of approval and get full debt relief with Altisource’s assistance.”<sup>2</sup> [Altisource](#)<sup>3</sup> is a Luxemburg LLC, and it owns two subsidiaries, [RealHome Services and Solutions \(“RHSS”\)](#)<sup>4</sup> and [Hubzu](#), an online website.
- Ocwen requires that the homeowner’s listing broker enter into a Short Sale Agreement for Broker Services with the Real Home Services and Solutions, Inc., (See Exhibit 2, attached) and Altisource will “...review all offers, including the previously submitted offer if it is resubmitted \*\*\* and will make a decision.” It also will provide a “full title search and preliminary title commitments....”
- Altisource lists the property for sale on Hubzu.com for a 7-day “online auction.” Hubzu is described in the Short Sale Agreement as “a national consumer portal which facilitates the sale of real estate by matching buyers and sellers via online marketing, auction and traditional sales techniques.”<sup>5</sup> Ocwen states that through this process “approvers”[e.g. Ocwen] can be reassured that the winning sale price is the best offer available on the market.”
- If RHSS and Hubzu do not produce “a different buyer with a higher offer, no fees are charged under the Short Sale Agreement. If they *do* find a new buyer for a higher gross purchase price<sup>6</sup> than that in the original Sale Agreement, the listing broker signing the Short Sale Agreement must agree to a commission sharing arrangement with RHSS and (presumably) Hubzu. The commission share, which is to be paid by the listing broker, includes a “selling commission” of 2.00% to the buyer’s broker and a “facilitation fee” of 1.5%. Significantly, if there is no buyer’s broker, that 2.00% commission is due to the bank for reduction of the borrower-seller’s loan. *In other words, it appears that the listing broker’s commission is capped at 2.5%, even if, he/she is a disclosed dual agent [i.e. has entitlement to “both sides” of the entire commission], and instead a portion of full commission goes to the seller’s lender ostensibly for debt reduction.*
- Remarkably, the Short Sale Agreement provides that “RHSS and Hubzu shall not be deemed agents of Owner.” However under standard agency law, they are *at the very least*, subagents of the homeowner.
- In its “Assisted Short Sale Details and FAQs” (See, Exhibit 3 attached), Ocwen says that the Program “offers better chances of approval than a traditional short sale” because “...approvers (i.e. loan owners/investors) often decline short sale offers because they are wary of price fixing

<sup>2</sup> This implies that Altisource will negotiate with the holder of the second mortgage (if any) to secure a release of that lien, presumably with no continuing liability to the borrower. This may or may not include some contribution by Ocwen to the second lien holder, to incentivize it to consent to the short sale.

<sup>3</sup> Altisource is not registered with the Oregon Real Estate Agency. It is registered under several related names as Missouri and Georgia corporations, authorized to do business in Oregon.

<sup>4</sup> RealHome Services and Solutions is a Georgia corporation authorized to do business in Oregon. It is not registered with the Oregon Real Estate Agency.

<sup>5</sup> Hubzu does not appear to be licensed through the Oregon Real Estate Agency, and is not registered to do business in Oregon. For a sense of their reputation among brokers, sellers and buyers in the marketplace, go to [link here](#).

<sup>6</sup> Note, nothing is said about a higher net sale price. It is entirely possible that the title services provided by Altisource could actually result in a lower net sale price.

and buyer monopolies.” In my experience, this is simply incorrect – today, the vast majority of short sales are routinely approved by lenders and servicers, once they have vetted the purchase price, fair market value, and pre-approved the seller’s settlement statement, i.e. the [HUD-1](#).

This arrangement is patently illegal under both state and federal laws.

#### 1. OREGON LAWS

- a. [ORS 696.290](#) prohibits the sharing of commissions with unlicensed persons. Hubzu, an unlicensed entity that is not even authorized to do business in Oregon, is apparently receiving compensation from a principal broker, e.g. the listing company.
- b. [ORS 696.301\(6\)](#) makes it a violation for a licensee to intentionally interfere with the contractual relations of others concerning real estate or professional real estate activity. If RHRS is licensed in other states, I do not believe this would permit them to violate Oregon licensing law.
- c. [ORS 696.301 \(7\)](#) makes it a violation for a licensee to: Intentionally interfere with the exclusive representation or exclusive brokerage relationship of another licensee. Same point as in b. above.
- d. [ORS 696.315](#) provides that a real estate licensee may not knowingly permit a nonlicensed individual to engage in professional real estate activity, with or on behalf of the licensee. Based upon the description of services and mandatory commission payment to Hubzu and Altisource, the Oregon listing licensee is being compelled to share his/her commission with an unlicensed person. [ORS 696.290\(1\)](#) does permit commission sharing with out-of-state licensees, but not if the out of state licensee is engaging in professional real estate activity inside Oregon. In this case, the described services clearly pertain to an Oregon transaction and are soliciting buyers, most of whom are presumably Oregon residents.
- e. [Oregon Administrative Rules 863.015-0200 and 0205](#) set forth the various types of agency relationships real estate licensees have with sellers and buyers. Essentially, you can represent one side, the other side, or both sides. In all instances, the licensee must give to their “principal” written agency disclosure. In this case, Hubzu and RHSS are saying they are not agents of anyone, even though they are clearly engaging in professional real estate activity under [ORS 696.010\(14\)](#). Oregon law does not contain a category of representation where there is *no* principal-agent relationship.
- f. Of course all of the above violations *assume* one of these companies is licensed in the state of Oregon, although there is no evidence they are. If they are not so licensed, then they are engaging in professional real estate activity without a license, in violation of [ORS 696.603\(1\)](#). Accordingly, the Oregon Real Estate Commissioner is empowered to issue a cease and desist order under [ORS 696.397](#).
- g. By their activity in the sort sale process, Altisource, Hubzu, and RHSS are debt management service provider, and as such, must be registered with the DCBS. They are not. This violates [ORS 697.662](#).

- h. The description of services provided by Altisource in the Short Sale Agreement include title insurance for the transaction. [ORS 731.354](#) requires that title insurers be registered through the Oregon Department of Business and Consumer Services. They are not.

## 2. FEDERAL LAWS

- a. [Section 8\(a\) of RESPA](#)<sup>7</sup> prohibits any person from giving or receiving a thing of value for the referral of settlement services in connection with federally related mortgage loans. While it is unclear *how* Ocwen benefits, i.e. financially or otherwise, it doubtless does receive some benefit from Altisource, RHSS, and/or Hubzu. Even if Ocwen does not receive a benefit, all three are “settlement service providers” under Section 8 and clearly are engaged in kickbacks and fee sharing between themselves.
- b. Although the existence and disclosure of an affiliated business relationship acts to avoid the prohibitions on unlawful kickbacks under RESPA, the disclosures in the Short Sale Agreement fall far short of those required of under [Appendix D to RESPA](#).
- c. [Section 8 of RESPA](#) also prohibits the payment of unearned fees. Until Ocwen inserted itself in the conduct of short sales, the listing agent (or his or her designated negotiator) was solely responsible for negotiating the short sale with the lender or servicer. Ocwen, the lender’s representative, is now requiring that the borrower-seller and listing agent engage complete strangers to the transaction, to do what the real estate agents were already contractually obligated to do. In some instances, where they had already procured a buyer, Ocwen is requiring that the seller start all over again. The “first position” buyer is invited to re-submit their offer, should they choose. For this it appears these interlopers are to be paid a 1.5% “facilitation fee” which was otherwise a part of the real estate commission contractually promised to the brokers in the listing agreement and offer of compensation.

**Conclusion.** I suspect the above list of violations is only the tip of the iceberg. What is most disconcerting about Ocwen’s intrusion into the short sale process is that it slows down the short sale closing and reeks of conflicts of interest. While the borrower-seller is seeking consent from Ocwen for a foreclosure-avoidance solution, Ocwen is also requiring that *even if there is a full-value offer on the table*, the borrower-seller must nevertheless engage the servicer’s “affiliates” and start all over in the short sale process. This is a huge disservice to the brokers who worked to put the transaction together and to sellers and buyers who rightfully believed they would soon see it closed.

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<sup>7</sup> The [National Association of REALTORS®](#) explains RESPA §8(a) thusly: “RESPA is also an anti-kickback act. The idea here is to prevent the payment of kickbacks and other fees, which drive up the costs of the product to consumers. **Section 8(a)** of RESPA prohibits any person from giving or receiving a thing of value for the referral of settlement services in connection with federally related mortgage loans. Thus, lenders may not pay, and real estate agents may not receive, fees for the referral of settlement service business.”



Ocwen Loan Servicing®  
*Helping Homeowners is What We Do!*  
 www.ocwen.com

1661 Worthington Road, Ste. 100  
 West Palm Beach, FL 33409  
 Toll Free: (800) 746-2936

12-31-2013

Loan Number: 30397117

**Property Address:**

Rogue River OR 97537

Rogue River OR 97537

**SHORT SALE OFFER DENIAL NOTICE****NEXT STEPS TO PARTICIPATE IN NEW 'ASSISTED' PROGRAM**

Dear Customer(s),

Thank you for submitting a short sale offer; however, we cannot approve a short sale at this time. The short sale offer was declined because you did not complete all Ocwen requirements for a short sale review (as outlined in this Notice). A short sale is still possible with your prospective buyer's offer. You must first participate in our **Assisted Short Sale**, a new option developed with real estate services partner, Altisource®. Once you have listed the property through the Assisted Short Sale Program we will review all offers, including the previously submitted offer if it is resubmitted as provided below, and will provide a decision.

**Maximize your odds of approval and get full debt relief with Altisource's assistance.**

In today's market, loan owners/investors, wary of price fixing and low bids, hesitate to approve short sales, causing long delays and wasted efforts for all involved. Now, with Altisource's help, you can build the strongest case for approval, with proof of competitive pricing at fair market value.

**How Assisted Short Sale works – Stack the deck in your favor with Altisource's Hubzu® platform.**

- **Open Access Bidding on Hubzu.com** – Altisource will re-list your property for sale on its open-access real estate site, Hubzu.com, *after* receiving direct approval from your authorized realtor/agent ("Agent"). Your Agent is still the commissioned agent in charge, supported by Altisource. None of your efforts go to waste.
- **Roadblocks Cleared** – Altisource will negotiate release of any other mortgage-related debt and check title.
- **Offers Made Easy** – Your prospective buyer(s) can still make their offer on Hubzu.com, along with any other potential buyers, during a 7-day online auction.

NMLS # 1852

&lt;&lt;ACSS\_v1.0\_05.09.13&gt;&gt;

*This communication is from a debt collector attempting to collect a debt; any information obtained will be used for that purpose. However, if the debt is in active bankruptcy or has been discharged through bankruptcy, this communication is not intended as and does not constitute an attempt to collect a debt.*



12-31-2013

35007-21

- **Best Approval Chances** – With your Agent's efforts PLUS open access bidding on Hubzu.com, approvers can be reassured that the winning sales price is the best offer available on the market.



12-31-2013

Loan Number: 2577 2

### Next Steps for YOU, the Seller

With your approval, Altisource can begin negotiating settlement of your debt with anyone holding a claim or lien on your property.

1. Sign two short forms – emailed from Altisource:
  - "Consent for Release of Information"
  - "Authorization for Property Access (for appraisal)/ Authorization to Negotiate Liens"

\* If you don't receive an email from Altisource, your agent can provide a copy to you.
2. Return both authorizations to Altisource right away.

### Next Steps for your Agent

Altisource will email your Agent and work with them directly to list the property on Hubzu.com

1. Altisource will email program details and the "Brokers Listing Short Sale Agreement" ("Listing Agreement"), and include a copy of your consent and authorization forms.
2. Your agent should sign and return the Listing Agreement to Altisource right away.

**Also see Assisted Short Sale FAQs on Page 2**

If you have any questions, please call our Customer Care Center toll-free at (800) 746-2936 Monday through Friday 8:00 a.m. to 9:00 p.m., Saturday 8:00 a.m. to 5:00 p.m. and Sunday 9:00 a.m. to 9:00 p.m. ET.

Sincerely,

Ocwen Loan Servicing, LLC



12-31-2013

Loan Number: \_\_\_\_\_

Assisted Short Sale Details and FAQs

**But I already have a listing and a solid purchase offer. Why would we re-list on Altisource's Hubzu.com site?**

An Assisted Short Sale is the ONLY short sale option available for your property and offers better chances of approval than a traditional short sale. Approvers (i.e., loan owners / investors) often decline short sale offers because they are wary of price fixing and buyer monopolies. Combining your Agent's efforts with the online, open-access hubzu.com listing, is key to persuading the loan owner/investor to approve the short sale.

**What about my existing buyer and the offer they made?**

Don't worry - your efforts won't go to waste. Altisource will create the Hubzu.com listing and open it up to all potential buyers, with your Agent's direct input and approval.

As soon as the hubzu.com listing goes live, your buyer or Agent can easily submit the same offer you sent to us on the Hubzu.com website.

**Doesn't this just make the process more complicated?**

No - that's the last thing we want to do! We designed this program to increase approval rates and make the process easier on everyone. Altisource works directly with us and your Agent to list, price, screen buyers and get the approvals you need to close the deal. Plus, Altisource handles any title issues and negotiates release of any other liens or claims to your property which could block a short sale.

What do I do next?

**You, the Seller** - Sign and return the Consent for Release of Information and Authorization forms. Watch for an email from Altisource with the forms attached, or if we don't have your email, we will send a copy to your Agent for you.

**Authorized agents/realtors** - Your agent will also need to sign and return an emailed Broker Listing Agreement. If your Agent doesn't get an email from Altisource, let us know and we will make sure it's sent right away. Call us toll-free at (800) 746-2936.



12-31-2013

Loan Number: 35909 16

Assisted Short Sale Highlights

**Better Chances of Short Sale Approval**

Little, if any, back and forth negotiation = less hassle for realtor, seller and buyer.

Approvers (ie., loan owners/investors) reassured by full purchase bidding access online, open to all potential buyers.

**Hubzu.com listing supplements and bolsters sale chances**

Altisource does the work of listing the sale on Hubzu.com, with your Agent's final approval.

Anyone can very easily make an offer online, including your original prospective buyer.

Altisource adds more advertising, but your Agent still controls listing detail.

**All bidding done online for everyone to see**

Less work, everything handled online; tedious back and forth not needed

Time-limited, 7-day bidding window once the listing "goes live"

Potential buyers submit bids online while you and your Agent sit back and watch bidding action

Agent/Realtor can still solicit buyers and direct them to bid online

**Realtor/ Agent commission guaranteed with sale**

Minimum listing agent commission is 2.5%

Listing Agent commission is 3% if the original offer submitted to Ocwen is the winning offer and approved selling price.



Loan Number \_\_\_\_\_

## CONSENT FOR RELEASE OF INFORMATION FORM

### Third-Party Authorization Form

Ocwen Loan Servicing, LLC

Mortgage Lender/Servicer Name ("Servicer")

Account/Loan Number

By signing below, Borrower and Co-Borrower (if any) (individually and collectively, "Borrower" or "I"), authorize the above Servicer, its partners or affiliates, and the third parties listed below (individually and collectively, "Third Party") to obtain, share, release, discuss, and otherwise provide to and with each other public and non-public personal information contained in or related to the mortgage loan of the Borrower. This information may include (but is not limited to) the name, address, telephone number, social security number, credit score, credit report, income, government monitoring information, loss mitigation application status, account balances, program eligibility, and payment activity of the Borrower.

\_\_\_\_\_ Counseling Agency

\_\_\_\_\_ Agency Contact Name and Phone Number

\_\_\_\_\_ State HFA Entity

\_\_\_\_\_ State HFA Contact Name and Phone Number

\_\_\_\_\_ Other Third Party

\_\_\_\_\_ Third Party Contact Name and Phone Number

\_\_\_\_\_ Relationship to Borrower/Co-Borrower

I/We do not wish to authorize any third parties to receive information about the mortgage.

I also understand and consent to the disclosure of my personal information and the terms of any agreements under the Making Home Affordable or Hardest Hit Fund Programs by Servicer or State HFA to the U.S. Department of the Treasury or their agents in connection with their responsibilities under the Emergency Economic Stabilization Act.

Ocwen will take reasonable steps to verify the identity of a Third Party, but has no responsibility or liability to verify the identity of such Third Party. Ocwen also has no responsibility or liability for what a Third Party does with such information.

This Third-Party Authorization is valid when signed by ALL borrowers and co-borrowers named on the mortgage. Authorization remains valid until Ocwen receives a written revocation signed by any borrower or co-borrower.

**I UNDERSTAND AND AGREE WITH THE TERMS OF THIS THIRD-PARTY AUTHORIZATION.**

**SIGN  
HERE** →

\_\_\_\_\_ Borrower Name & Signature

\_\_\_\_\_ Date (MM|DD|YY)

**SIGN  
HERE** →

\_\_\_\_\_ Co-Borrower-1 Name & Signature

\_\_\_\_\_ Date (MM|DD|YY)

**SIGN  
HERE** →

\_\_\_\_\_ Co-Borrower-2 Name & Signature

\_\_\_\_\_ Date (MM|DD|YY)

### Point of Contact Information

Who you would like us to contact for any updates or issues with the short sale transaction?

Name \_\_\_\_\_

Phone Number ( ) - \_\_\_\_\_

Cell Number ( ) - \_\_\_\_\_

Fax Number ( ) - \_\_\_\_\_

Email Address \_\_\_\_\_



Loan Number

### AUTHORIZATION TO ACCESS PROPERTY FORM

Property: Rogue River, OR 97537

Name of contact person to gain access to property : \_\_\_\_\_

Is property on Lockbox?     Yes     No

If Yes, Lockbox combination? \_\_\_\_\_

Telephone number of contact:    (    )    -    \_\_\_\_\_

I/We hereby authorize release to Ocwen Loan Servicing, LLC or its agents to access the subject property for the purposes of obtaining an interior market analysis/appraisal in consideration for a discounted payoff. "Agents" shall include, but not be limited to, all real estate agents, attorneys, their assistants and junior lien holders. A copy of this authorization may be accepted as an original.

### AUTHORIZATION TO NEGOTIATE WITH OTHER LIEN HOLDERS AND TO RELEASE INFORMATION

Borrower hereby authorizes Ocwen Loan Servicing, LLC ("Ocwen") through Altisource Solutions, Inc. ("Altisource") or through any other entity or person Ocwen may designate, to assist in negotiating a release of other liens that may exist on the Property and further authorizes Ocwen to release all Property Information and Borrower information to Altisource or any other entity or person Ocwen may designate to negotiate with other lien holders.

Borrower hereby authorizes all lien holders with regard to the above referenced property, including the specific lien holders identified below, to release to Ocwen, Altisource and/or their respective Agents (as defined below) and assigns any and all information or documentation that may be requested about the below-referenced loan/account and/or the above referenced property ("Property Information"). "Agents" shall mean, without limitation, real estate agents, attorneys, their assistants and lien holders. A copy of this *Authorization to Negotiate With Other Lien Holders and To Release Information* may be accepted as an original.

Borrower shall include below information about any lien holder (and lien account number) of which they have knowledge of:

Lien Holder	Lien Account Number
Lien Holder	Lien Account Number
Lien Holder	Lien Account Number

By signing below, borrower(s) acknowledge they have read, understand, accept and have received a copy of this agreement.

<b>SIGN HERE</b>	_____	_____	_____
	Borrower Name & Signature	Date (MM DD YY)	Borrower-1 Social Security Number
<b>SIGN HERE</b>	_____	_____	_____
	Co-Borrower-1 Name & Signature	Date (MM DD YY)	Co-Borrower-1 Social Security Number
<b>SIGN HERE</b>	_____	_____	_____
	Co-Borrower-2 Name & Signature	Date (MM DD YY)	Co-Borrower-2 Social Security Number



**SHORT SALE AGREEMENT  
(BROKER SERVICES)**

This **Short Sale Agreement (Broker Services)** (the "Agreement") is made by and between «SANDRA SCHELL REAL ESTATE ("Listing Broker") and REALHOME SERVICES AND SOLUTIONS, INC., ("RHSS", and together with Listing Broker, the "Parties" and each individually, a "Party"), and is dated as of the Contract Date. Definitions of other capitalized terms used in this Agreement are set forth in *Section 1* below.

**RECITALS**

- A. Listing Broker has a Listing Agreement with the Owner, who is the owner of the Property which is subject to certain Indebtedness currently serviced by Ocwen, to list and market the Property for sale.
- B. Listing Broker has identified Buyer as a potential buyer of the Property, and Owner is willing to sell the Property to Buyer pursuant to the Sales Contract, but the proposed sales price agreed upon by Owner and Buyer is insufficient to repay all of the Indebtedness.
- C. As a result, Owner and Listing Broker have requested Ocwen's consent to the proposed sale to Buyer, notwithstanding that this sale would not provide Owner with enough funds to repay the Indebtedness owed by Owner.
- D. Under direction of the Treasury Department and its Mortgage Investors, Ocwen is charged with carrying out short sales in a manner which ensures short sales are arms length and at market value.
- E. As part of Ocwen's due diligence, Ocwen requires that Listing Broker work with RHSS to market the Property for a limited period of time on the Hubzu® website ([www.hubzu.com](http://www.hubzu.com)), a national consumer portal which facilitates the sale of real estate by matching buyers and sellers via online marketing, auction and traditional sales techniques.
- F. Ocwen feels that utilizing this method will ensure competition among buyers and will determine whether the Sales Contract produces the best available Gross Purchase Price for the Property and highest possible repayment of the Indebtedness.
- G. In the event the RHSS team and Hubzu platform does not produce either a different buyer or a higher offer, no fees are charged and Ocwen will be assured that Listing Broker has indentified the likely suitable Buyer and market price.
- H. Therefore, Listing Broker has requested RHSS and Hubzu to provide, and RHSS and Hubzu have agreed to provide (or cause to be provided) the Services to Listing Broker pursuant to the terms and conditions set forth herein.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties agree as follows:

- 1. **DEFINITIONS.**  
For purposes of the Agreement the following defined terms shall have the meanings set forth below.
  - 1.1. **AFFILIATE.** The term "Affiliate" means with respect to any Person or Company (a "Principal") (a) any directly or indirectly wholly-owned subsidiary of such Principal, (b) any Person that directly or indirectly owns 100% of the voting stock of such Principal or (c) a Person or Company that controls, is controlled by or is under common control with such Principal. As used herein, "control" of any entity means the possession, directly or indirectly, through one or more intermediaries, of the power to direct or cause the direction of the management or policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.
  - 1.2. **ALTISOURCE.** The term "Altisource" means Altisource Solutions S.á r.l., a Luxembourg private limited liability company.
  - 1.3. **BUYER.** The term "Buyer" means the potential purchaser of the Property presented by the Listing Broker to Ocwen for approval to purchase the Property under the terms of the Sales Contract.
  - 1.4. **CONTRACT DATE.** The term "Contract Date" means 01/02/2014.
  - 1.5. **EFFECTIVE DATE.** The term "Effective Date" means the latter date indicated in signature block, *Page 5*.

- 1.6. **GROSS PURCHASE PRICE.** The term “Gross Purchase Price” means the gross purchase price set forth in any purchase and sale agreement agreed to in writing by Ocwen, Owner and a third party buyer.
- 1.7. **INDEBTEDNESS.** The term “Indebtedness” means the debt which is secured or partially secured by a mortgage, deed of trust or similar security instrument in favor of Ocwen’s client and serviced by Ocwen, regardless of whether the Owner was or is personally liable for the debt.
- 1.7.1. **LISTING AGREEMENT.** The term “Listing Agreement” means that certain listing agreement dated as of \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ whereby Owner engaged Listing Broker to list and market the Property, for sale or lease, on behalf of Owner, as it may be amended, modified, restated or supplemented from time to time.
- 1.8. **OCWEN.** The term “Ocwen” means Ocwen Loan Servicing, LLC, a Delaware limited liability company.
- 1.9. **OWNER.** The term “Owner” means -
- 1.10. **PERSON.** The term “Person” means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any governmental authority or any other entity.
- 1.11. **PROPERTY.** The term “Property” means the real property, improvements, appurtenances and hereditaments located at \_\_\_\_\_ Rogue River, OR 97537, with a Tax Id No. of \_\_\_\_\_
- 1.12. **SALES CONTRACT.** The term “Sales Contract” means that certain contract between Owner and Buyer, procured by or through Listing Broker, for the sale and purchase of the Property.
- 1.13. **SERVICES.** The term “Services” means facilitating a short sale through:
- (a) Communicating with prospective buyers and cooperating brokers to provide information about:
    - (i) The Property;
    - (ii) Ocwen’s process for receiving and evaluating potential terms and offers for the purchase of the Property; and
    - (iii) Ocwen’s short sales process in general.
  - (b) Providing oversight and guidance of lien negotiation and junior lien identification;
  - (c) Facilitating a full title Search and preliminary title commitments as well as documents required for Short Sale program;
  - (d) Providing prospective buyers and cooperating brokers with Listing Broker’s contact information so that Listing Broker can arrange for potential showings of the Property; and
  - (e) Providing information to Listing Broker and Ocwen, upon request, regarding any potential terms and offers entered on Hubzu for the purchase of the Property.
- 1.14. **TOTAL COMMISSION.** The term “Total Commission” means a commission equal to 6% of the gross purchase price.
2. **PROVISION OF SERVICES.**  
Subject to the terms and conditions of this Agreement, RHSS shall provide, or cause to be provided, the Services to Listing Broker.
- 2.1. **RIGHT TO RECEIVE SERVICES IS NON-TRANSFERABLE.** Listing Broker shall not resell, subcontract, license, sublicense or otherwise transfer any of the Services to any Person whatsoever or permit use of any of the Services by any Person other than by Listing Broker.
- 2.2. **RHSS’S USE OF AFFILIATES OR THIRD PARTIES TO PROVIDE SERVICES.** RHSS and Hubzu may provide Services through RHSS’s Affiliates or through third-party contractors, whether by unilateral assignment, designation or subcontract, in whole or in part, without Listing Broker’s consent.
3. **COMMISSIONS AND FEES.**  
In the event the RHSS team and Hubzu platform do not produce a different buyer with a higher offer, no fees shall be charged under this Agreement. If the ultimate buyer of the Property is not the Buyer or if the gross purchase price set forth in any purchase and sale agreement agreed to in writing by Ocwen, Owner and a third party buyer (the “Gross Purchase Price”) is higher than the proposed sales price in the Sales Contract, Listing Broker hereby confirms the Total Commission and agrees to pay from the Total Commission, as shown on the table below: (i) the program fee to RHSS as compensation for the Services;

and (ii) the selling commission to the selling broker (or procured buyer's agent as applicable), if any. However, if there is no selling broker or procured buyer's agent, then the selling commission shall be paid by Listing Broker as a payment against the Indebtedness.

<u>TYPE</u>	<u>AMOUNT</u>	<u>PAID BY</u>	<u>PAID TO</u>
Total Commission	6.0% of the gross purchase price	Owner	Listing Broker
Selling Commission	2.0% of the gross purchase price	Listing Broker	Selling Broker (or procured Buyer's Agent), but if none, then applied to Indebtedness
Facilitation Fee	1.5% of the gross purchase price	Listing Broker	RHSS

**4. TERM AND TERMINATION.**

**4.1. TERM.** The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until the earlier date of either: (i) the expiration of the Listing Agreement; or (ii) five (5) days following RHSS's delivery to Listing Broker of written notice of termination, which may be for any reason or no reason.

**4.2. EFFECTS OF TERMINATION.**

**4.2.1. NO ESTOPPEL.** No termination, cancelation or expiration of this Agreement shall prejudice RHSS's right to recover any payment due under this Agreement, even if a closing occurs after the time of termination, cancellation or expiration (or any payment accruing as a result thereof), nor shall it prejudice any cause of action or claim of RHSS hereto accrued or to accrue by reason of any breach or default by Listing Broker.

**4.2.2. SURVIVAL.** Notwithstanding any provision herein to the contrary, *Sections 3, 4.2.2, 5, 6, 9 and 10* of this Agreement shall survive the termination of this Agreement.

**5. LIMITATION OF LIABILITY; INDEMNIFICATION.**

**5.1. RHSS'S LIABILITY.** None of RHSS or any of RHSS's Affiliates or any of its or their respective officers, directors, employees, agents, attorneys-in-fact, contractors or other representatives shall be liable for any action taken or omitted to be taken by RHSS, such person under or in connection with this Agreement or the negligence, gross negligence or willful misconduct of any third party.

**5.2. INDEMNIFICATION.** Listing Broker shall indemnify and hold RHSS, Hubzu, Ocwen, their respective Affiliates and any of their respective officers, directors, employees, agents, attorneys-in-fact, contractors or other representatives (individually or collectively, as applicable, the "Indemnified Party"), jointly and severally, harmless from and against any and all damages, claims or losses that the Indemnified Party may at any time suffer or incur, or become subject to, as a result of the gross negligence or willful misconduct of the Listing Broker in connection with this Agreement or the Services provided hereunder.

**6. DISPUTE RESOLUTION PROVISIONS.**

**6.1. GOVERNING LAW, JURISDICTION, VENUE.** This Agreement shall be governed by and construed and interpreted in accordance with the internal laws of the jurisdiction where the Property is located, irrespective of choice of law principles. Any action or proceeding arising out of or relating to this Agreement shall be brought in the courts of the jurisdiction where the Property is located, and each of the Parties hereto or thereto irrevocably submits to the exclusive jurisdiction of each such court.

**6.2. WAIVER OF JURY TRIAL.** EACH PARTY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT AND AGREES THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

**7. RELATIONSHIP OF THE PARTIES.**

The Parties hereto are independent contractors and none of the Parties hereto is an employee, agent, partner or joint venturer of the other. Under no circumstances shall any of the employees of a Party hereto be deemed to be employees of the other Party hereto for any purpose. Except as expressly provided herein, none of the Parties hereto shall have the right to bind the others to any agreement with a third party or to represent itself as a partner, agent or joint venture of the other by reason of this Agreement. RHSS and Hubzu shall not be deemed agents of Owner.

**8. REPRESENTATIONS AND WARRANTIES.**

Listing Broker hereby represents and warrants that (i) Listing Broker is a duly licensed real estate broker, in good standing, within the state in which the Property is located, and (ii) that entering into this Agreement will not conflict with, or cause a breach to, any other agreement to which Listing Broker is a party, or in which Listing Broker is in negotiation to become a party.

**9. AFFILIATED BUSINESS TRANSACTION DISCLOSURE.**

**9.1. ALTISOURCE HUBZU RELATIONSHIP.** Altisource has a business relationship with Hubzu. The Hubzu website is owned and operated by Altisource. Because of this relationship, this Agreement may provide Altisource a financial or other benefit.

**9.2. ALTISOURCE RHSS RELATIONSHIP.** Altisource has a business relationship with RHSS. RHSS is a wholly owned subsidiary of Altisource. Because of this relationship, this Agreement may provide Altisource a financial or other benefit.

**10. GENERAL CONTRACT PROVISIONS.**

**10.1. INTERPRETATION.** Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires. The terms "hereof," "herein," "and "herewith" and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole (including all of the schedules hereto) and not to any particular provision of this Agreement. The word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified. The word "or" shall not be exclusive. There shall be no presumption of interpreting this Agreement or any provision hereof against the draftsperson of this Agreement or any such provision.

**10.2. ASSIGNMENT.**

This Agreement shall inure to the benefit of, and be binding upon, the Parties hereto and their respective successors and permitted assigns. Except as provided in *Section 2.2*, no Party hereto may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Party hereto.

**10.3. ENTIRE AGREEMENT.** This Agreement and the schedules and exhibits hereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein.

**10.4. THIRD PARTY BENEFICIARIES.** Except for the indemnification rights under this Agreement, and except for Ocwen, Altisource and their respective Affiliates, employees, officers and directors, (a) the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and (b) there are no third party beneficiaries of this Agreement, and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

**10.5. DUE AUTHORITY, PROPER EXECUTION.** Listing Broker represents on behalf of itself and RHSS represents on behalf of itself as follows:

- (a) Each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and
- (b) This Agreement has been duly executed and delivered by it and constitutes, or will constitute, a valid and binding agreement of it enforceable in accordance with the terms hereof.

**10.6. NOTICES.** All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given when (a) delivered in person, or (b) at noon local time on the second business day after dispatch if sent by an internationally recognized overnight courier; and (c) if such notice is to RHSS, when (a) or (b) has occurred and a copy is sent and received by e-mail.

**If to RHSS:**  
REALHome Services and Solutions, Inc.

**If to Listing Broker or Owner:**  
SANDRA SCHELL REAL ESTATE



2002 Summit Boulevard, Suite 600  
 Atlanta, Georgia 30319  
 Attention: Corporate Secretary

711 Sherman St

With a copy to: contractmanagement@altisource.com

Either Party may, by notice to the other Party, change the address to which such notices are to be given.

- 10.7. **SEVERABILITY.** If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, the Parties shall negotiate in good faith in an effort to agree upon a suitable and equitable provision to affect the original intent of the Parties.
- 10.8. **HEADINGS.** The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- 10.9. **WAIVERS AND AMENDMENTS MUST BE IN WRITING.** Waivers, amendments, supplements or modifications to this Agreement must be in writing and signed by the authorized representative of the Party against whom it is sought to enforce any waiver, amendment, supplement or modification. Waiver by any Party hereto of any default by any other Party hereto of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.
- 10.10. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, including by facsimile, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party hereto or thereto and delivered to the other Parties hereto or thereto.
- 10.11. **ELECTRONIC SIGNATURES.** This Agreement may be executed by providing an electronic signature under the terms of the Electronic Signatures Act, 15 U.S.C. § 7001 et. seq., and may not be denied legal effect solely because it is in electronic form or permits the completion of the business transaction referenced herein electronically instead of in person.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement as of the Effective Date.

<p><b>LISTING BROKER:</b></p> <p>(Agent's name)          (Agent's License # and State)</p> <p>By: _____          Name: _____          Date: _____</p>	<p><b>REALHome Services and Solutions, Inc.</b></p> <p>(Agent's name)          (Agent's License # and State)</p> <p>By: _____          Name: _____          Date: _____</p>
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12-31-2013

Loan Number: \_\_\_\_\_

**EXHIBIT 3**

Assisted Short Sale Details and FAQs

**But I already have a listing and a solid purchase offer. Why would we re-list on Altisource's Hubzu.com site?**

An Assisted Short Sale is the ONLY short sale option available for your property and offers better chances of approval than a traditional short sale. Approvers (i.e., loan owners / investors) often decline short sale offers because they are wary of price fixing and buyer monopolies. Combining your Agent's efforts with the online, open-access hubzu.com listing, is key to persuading the loan owner/investor to approve the short sale.

**What about my existing buyer and the offer they made?**

Don't worry - your efforts won't go to waste. Altisource will create the Hubzu.com listing and open it up to all potential buyers, with your Agent's direct input and approval.

As soon as the hubzu.com listing goes live, your buyer or Agent can easily submit the same offer you sent to us on the Hubzu.com website.

**Doesn't this just make the process more complicated?**

No - that's the last thing we want to do! We designed this program to increase approval rates and make the process easier on everyone. Altisource works directly with us and your Agent to list, price, screen buyers and get the approvals you need to close the deal. Plus, Altisource handles any title issues and negotiates release of any other liens or claims to your property which could block a short sale.

What do I do next?

**You, the Seller** - Sign and return the Consent for Release of Information and Authorization forms. Watch for an email from Altisource with the forms attached, or if we don't have your email, we will send a copy to your Agent for you.

**Authorized agents/realtors** - Your agent will also need to sign and return an emailed Broker Listing Agreement. If your Agent doesn't get an email from Altisource, let us know and we will make sure it's sent right away. Call us toll-free at (800) 746-2936.



12-31-2013

Loan Number: 35909 16

Assisted Short Sale Highlights

**Better Chances of Short Sale Approval**

Little, if any, back and forth negotiation = less hassle for realtor, seller and buyer.

Approvers (ie., loan owners/investors) reassured by full purchase bidding access online, open to all potential buyers.

**Hubzu.com listing supplements and bolsters sale chances**

Altisource does the work of listing the sale on Hubzu.com, with your Agent's final approval.

Anyone can very easily make an offer online, including your original prospective buyer.

Altisource adds more advertising, but your Agent still controls listing detail.

**All bidding done online for everyone to see**

Less work, everything handled online; tedious back and forth not needed

Time-limited, 7-day bidding window once the listing "goes live"

Potential buyers submit bids online while you and your Agent sit back and watch bidding action

Agent/Realtor can still solicit buyers and direct them to bid online

**Realtor/ Agent commission guaranteed with sale**

Minimum listing agent commission is 2.5%

Listing Agent commission is 3% if the original offer submitted to Ocwen is the winning offer and approved selling price.



Loan Number \_\_\_\_\_

## CONSENT FOR RELEASE OF INFORMATION FORM

### Third-Party Authorization Form

Ocwen Loan Servicing, LLC

Mortgage Lender/Servicer Name ("Servicer")

Account/Loan Number

By signing below, Borrower and Co-Borrower (if any) (individually and collectively, "Borrower" or "I"), authorize the above Servicer, its partners or affiliates, and the third parties listed below (individually and collectively, "Third Party") to obtain, share, release, discuss, and otherwise provide to and with each other public and non-public personal information contained in or related to the mortgage loan of the Borrower. This information may include (but is not limited to) the name, address, telephone number, social security number, credit score, credit report, income, government monitoring information, loss mitigation application status, account balances, program eligibility, and payment activity of the Borrower.

\_\_\_\_\_ Counseling Agency

\_\_\_\_\_ Agency Contact Name and Phone Number

\_\_\_\_\_ State HFA Entity

\_\_\_\_\_ State HFA Contact Name and Phone Number

\_\_\_\_\_ Other Third Party

\_\_\_\_\_ Third Party Contact Name and Phone Number

\_\_\_\_\_ Relationship to Borrower/Co-Borrower

I/We do not wish to authorize any third parties to receive information about the mortgage.

I also understand and consent to the disclosure of my personal information and the terms of any agreements under the Making Home Affordable or Hardest Hit Fund Programs by Servicer or State HFA to the U.S. Department of the Treasury or their agents in connection with their responsibilities under the Emergency Economic Stabilization Act.

Ocwen will take reasonable steps to verify the identity of a Third Party, but has no responsibility or liability to verify the identity of such Third Party. Ocwen also has no responsibility or liability for what a Third Party does with such information.

This Third-Party Authorization is valid when signed by ALL borrowers and co-borrowers named on the mortgage. Authorization remains valid until Ocwen receives a written revocation signed by any borrower or co-borrower.

**I UNDERSTAND AND AGREE WITH THE TERMS OF THIS THIRD-PARTY AUTHORIZATION.**

**SIGN  
HERE** →

\_\_\_\_\_ Borrower Name & Signature

\_\_\_\_\_ Date (MM|DD|YY)

**SIGN  
HERE** →

\_\_\_\_\_ Co-Borrower-1 Name & Signature

\_\_\_\_\_ Date (MM|DD|YY)

**SIGN  
HERE** →

\_\_\_\_\_ Co-Borrower-2 Name & Signature

\_\_\_\_\_ Date (MM|DD|YY)

### Point of Contact Information

Who you would like us to contact for any updates or issues with the short sale transaction?

Name \_\_\_\_\_

Phone Number ( ) - \_\_\_\_\_

Cell Number ( ) - \_\_\_\_\_

Fax Number ( ) - \_\_\_\_\_

Email Address \_\_\_\_\_



Loan Number

### AUTHORIZATION TO ACCESS PROPERTY FORM

Property: Rogue River, OR 97537

Name of contact person to gain access to property : \_\_\_\_\_

Is property on Lockbox?     Yes     No

If Yes, Lockbox combination? \_\_\_\_\_

Telephone number of contact:    (    )    -    \_\_\_\_\_

I/We hereby authorize release to Ocwen Loan Servicing, LLC or its agents to access the subject property for the purposes of obtaining an interior market analysis/appraisal in consideration for a discounted payoff. "Agents" shall include, but not be limited to, all real estate agents, attorneys, their assistants and junior lien holders. A copy of this authorization may be accepted as an original.

### AUTHORIZATION TO NEGOTIATE WITH OTHER LIEN HOLDERS AND TO RELEASE INFORMATION

Borrower hereby authorizes Ocwen Loan Servicing, LLC ("Ocwen") through Altisource Solutions, Inc. ("Altisource") or through any other entity or person Ocwen may designate, to assist in negotiating a release of other liens that may exist on the Property and further authorizes Ocwen to release all Property Information and Borrower information to Altisource or any other entity or person Ocwen may designate to negotiate with other lien holders.

Borrower hereby authorizes all lien holders with regard to the above referenced property, including the specific lien holders identified below, to release to Ocwen, Altisource and/or their respective Agents (as defined below) and assigns any and all information or documentation that may be requested about the below-referenced loan/account and/or the above referenced property ("Property Information"). "Agents" shall mean, without limitation, real estate agents, attorneys, their assistants and lien holders. A copy of this *Authorization to Negotiate With Other Lien Holders and To Release Information* may be accepted as an original.

Borrower shall include below information about any lien holder (and lien account number) of which they have knowledge of:

Lien Holder	Lien Account Number
Lien Holder	Lien Account Number
Lien Holder	Lien Account Number

By signing below, borrower(s) acknowledge they have read, understand, accept and have received a copy of this agreement.

<b>SIGN HERE</b>	_____	_____	_____
	Borrower Name & Signature	Date (MM DD YY)	Borrower-1 Social Security Number
<b>SIGN HERE</b>	_____	_____	_____
	Co-Borrower-1 Name & Signature	Date (MM DD YY)	Co-Borrower-1 Social Security Number
<b>SIGN HERE</b>	_____	_____	_____
	Co-Borrower-2 Name & Signature	Date (MM DD YY)	Co-Borrower-2 Social Security Number