



4141 B Street, Suite 305
 Anchorage, AK 99503
 (907) 272-1541, fax 272-2046, www.f-m-i.biz

GENERAL INFORMATION

Interest:

An escrow is not calculated the same as a mortgage loan!! Interest on your account is charged daily on the number of days between payments*. To figure the amount of interest that is due between each payment you must calculate the *Per Diem*. *Per Diem* is the daily interest charge. Use the following formula to calculate *Per Diem*.

$$\text{Current Principal Balance} \times \text{Interest Rate} \div 365 = \text{Per Diem} \quad (\$50,000.00 \times 10\% \div 365 = \$13.698)$$

Use the *Per Diem* and multiply by the number of days (last interest paid to date) to determine if the amount submitted will receive principal reduction. Interest must remain current in order to receive principal reduction. Payments should be submitted as directed (monthly, quarterly, annual, etc.) to keep the interest current. If your account continues to accrue interest, and does not receive principal reduction, the payment amount may need to be increased**. As the principal balance decreases the *Per Diem* will decrease.

Interest Reporting:

As required by law, interest paid or received will be reported to the Internal Revenue Service. 1098 and 1099-INT statements will be mailed, to the last known address, to all appropriate parties.

Payment Coupons/Receipts:

Payment Coupons:

Upon set up FMI will send a welcome letter and the first set of coupons within 72 hours. Each year the coupons payment packet will be mailed to the last know address. Payments must be made regardless if your coupon payment packet has been received. Please notify FMI if you have not received your coupons within one week.

Receipts:

All parties will receive, by mail, notifications of payments submitted to FMI. Receipts will provide up-to-date status on the account. Parties should thoroughly review all receipts to report any discrepancies. Please refer to the samples below for easy reference.

*** BUYER RECEIPT ***			
Acct #:	101		
Amt Rec'd:	125.00	Date Rec'd:	05/01/04 Int Pd to: 05/01/04 Int Rate: 9.500
	This Payment	Year-to-Date	Previous Balance:
Principal:	66.92	292.16	8583.17
Interest:	58.08	332.84	Adjustments:
Buyer's Fee:	.00		Current Balance:
Reserve:	.00		8516.25
Late Charge:	.00		Reserve Balance:
			.00
			Lte Chg Balance:
			.00
WILLIAM BUYER		Re:	
MARY BUYER		SAM SELLER	
245 E PINE AVE		SALLY SELLER	
ANYCITY WA 99110		125 N MAIN ST	
		ANYCITY WA 99101	

*** PAYMENT NOTIFICATION ***				LINCOLN CONTRACT SERVICES	
Acct #:	101	Buyer:	WILLIAM BUYER		
Amt Rec'd:	125.00	Date Rec'd:	05/01/04 Int Pd to: 05/01/04 Int Rate: 9.500		
	This Payment	Year-to-Date	Previous Balance:		
Principal:	66.92	292.16	8583.17		
Interest:	58.08	332.84	Adjustments:		.00
Buyer's Fee:	.00		Current Balance:		8516.25
Reserve:	.00		Reserve Balance:		.00
Late Charge:	.00		Lte Chg Balance:		.00
SAM SELLER			Disbursements:		
SALLY SELLER			Seller's Fee		
125 N MAIN ST			SAM SELLER		
ANYCITY WA 99101			115.00		
REF: WILDROSE ACRES LOT 12					

Servicing Fees:

All new accounts require a one time set up fee. Each account is charged an annual service fee that is tailored to its particular needs. The fee amount is based on the balance, late payment monitoring and reserves (retained or pass-thru) interest provisions, etc. Late payment monitoring offers delinquency notice to parties for up to 4 months. Retained reserves are held by FMI to pay property billings, pass-thru reserves are forwarded to a separate party. Please refer to the fee schedule.

The first year fee is due at set up, and due each year on the anniversary of set up. When the fee becomes due, FMI will automatically convert the annual fee into your monthly payment (ex. Monthly payment \$500.00, \$84.00 fee ÷ 12 = \$7.00, new payment \$507.00). Please alert the office if you prefer annual billing.

Release of Information on Your Account:

Your account information is confidential. FMI cannot discuss any account information if you are not a direct party to the contract. Written authorization must be filed with FMI in order to release information to third parties. **Telephone authorization is not accepted.**

Information will be released to:

Parties to contract (payer(s), payee(s), etc.)

Authorized third party

Attorney(s) of record (power of attorney, attorney in fact) Personal Representatives

Representatives of Court (District, Superior, Supreme, Bankruptcy, etc.)

Authorized Realtor(s), Title Company Officer(s)

Internal Revenue Service

Credit Reporting Agencies

Information will not be released to:

Relatives and/or Ex-relatives to parties

Underlying lien holders, unless authorized.

Changes/ Modifications:

All changes and/or modifications must be submitted in writing***. Forms have been provided for most, if not all your escrow needs. If additional sheets (addendums) are necessary please identify accordingly.

Errors or Questions:

Please report any discrepancies immediately! Please utilize the following options to contact FMI, we are here to help. Local Office: 4141 B Street, Suite 305, Anchorage, AK 99503, (907) 272-1541/ fax (907) 272-2046, www.f-m-i.biz.

*This formula applies to a 365 day loan, if your loan is calculated monthly (360), use 360 to figure the monthly interest. Please identify 360 or 365 on the Installment Contract. **Refer to your contract and/or FMI for possible account restrictions. ***Maybe subject to additional fees.