



4141 B Street, Suite 305
 Anchorage, AK 99503
 907-272-1541, 907-272-2046
www.f-m-i.biz / www.fmi-alaska.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 payment coupons within 72 hours. Each year the payment coupon packet will be mailed to the last known address. Payments must be made regardless if your payment 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.

*** 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:	8583.17	
Principal:	66.92	292.16	Adjustments:	.00	
Interest:	58.08	332.84	Current Balance:	8516.25	
Buyer's Fee:	.00		Reserve Balance:	.00	
Reserve:	.00		Lte Chg Balance:	.00	
Late Charge:	.00		Disbursements:		
			Seller's Fee	10.00	
			SAM SELLER	115.00	
	SAM SELLER				
	SALLY SELLER				
	125 N MAIN ST				
	ANYCITY WA 99101				
REF:	WILDROSE ACRES LOT 12				

*** 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:	8583.17	
Principal:	66.92	292.16	Adjustments:	.00	
Interest:	58.08	332.84	Current Balance:	8516.25	
Buyer's Fee:	.00		Reserve Balance:	.00	
Reserve:	.00		Lte Chg Balance:	.00	
Late Charge:	.00				
	WILLIAM BUYER		Re:		
	MARY BUYER		SAM SELLER		
	245 E PINE AVE		SALLY SELLER		
	ANYCITY WA 99110		125 N MAIN ST		
			ANYCITY WA 99101		

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 with 3- 120 day past due status. 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 Main ICCA

**Refer to your contract and/or FMI for possible account restrictions.

***Maybe subject to additional fees.