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INSPECTION MANUAL

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Introduction

Congratulations on becoming an approved vendor for United FS, and welcome to the team. Our goal is to offer our customers the services they request in a timely and professional manner. Since we cannot be present on the field for every work order, we rely on our vendor partners to help keep our clients satisfied. We depend on our vendor partners to be our eyes and ears out on the field. This manual was created for our vendors to understand what is required of them to fulfill work orders. Please understand that unique situations may arise that will not be covered in this manual. However, our specialists will be available to help our vendors with such unique issues. Along with the contents of this manual, our vendors are required to understand conveyance, FNMA, FHLMC, FHA, VA, HUD, and REO Guidelines. In addition, vendors should be able to comply by local, state, and federal laws, regulations, ordinances, and rules.

****Before accepting any work orders from United FS, please read this manual carefully and discuss its contents with your team and crews****

Acknowledgement of United FS Guidelines

All United FS Field Representatives are required to understand and comply with investor regulations, such as Conv, FNMA, FHLMC, FHA, VA, HUD, and REO Guidelines, as well as local laws, state laws, federal laws, and United FS company policies

- By signing below you indicate that you have read United FS Property Preservation Manual and you will train your team and crew on United FS policies.
- You understand that United FS may perform a background check on your company and the individual owners of your company.
- You indicate that you understand and will comply by Conv, FNMA, FHLMC, FHA, VA, HUD, and REO Guidelines.
- You represent that while providing your services to United FS, you will comply with all applicable local, state, and federal laws, ordinances, rules, and regulations.
- You shall not violate any laws or regulations governing fair lending, which include but are not limited to The Fair Housing Act, Equal Credit Opportunity Act, The Home Mortgage Disclosure Act, The Fair Debt Collection Practices Act, and The Community Reinvestment Act.
- You and your company, as a Field Representative for United FS, shall observe and comply with all state and local laws, rules, regulations, ordinances, and guidelines, including but not limited to those concerning: utility shut-off, utility connection, water meters, removal and storage of vehicles, vacancy, abandoned properties, eviction, and personal property.
- You understand that United FS requires that all Field Representatives be aware of and comply with any changes made to investor regulations, such as Conv, FNMA, FHLMC, FHA, VA, HUD, and REO Guidelines, as well as United FS company policies and local ordinances.

Representative Name _____

Representative Signature _____ Date _____

Property Inspection Services

United FS offers a wide variety of services for the mortgage industry, while preserving excellent customer service. United FS provides the following inspection services:

Property Inspections

- No Contact Inspections
- Borrower Interview Inspections
- Occupancy Verification
- Eviction Inspection
- Initial Vacancy Inspection
- Interior Inspection
- Pre-Conveyance Inspection
- Loss Mitigation
- Sale Date Inspections
- Bankruptcy Inspections
- Commercial Property Inspections
- Insurance Loss, Home Improvement, and Construction Compliance Inspections
- Foreclosure Property Inspections
- Automatic Recurring Inspections
- Full Loan Service with call tag left at the property
- Letter Delivery Service
- Appraisals
- BPO's

United FS Protocol

Email

When contacting United FS by email; please indicate the purpose of your email in the subject box. When contacting United FS by email regarding a work order, please include the work order number in the subject box of the email. Field representatives must respond to all emails in a timely manner to ensure our customer's needs are promptly addressed.

Fax When contacting United FS by fax, please indicate which department or representative the fax is meant for by including a cover page. If the fax is regarding a work order, please include the work order number on the cover page. Main fax line: **818-230-7501**

Dress Code and Professionalism

United FS field representatives are expected to conduct themselves in a professional manner while on the field. Field representatives must remain fully clothed at all times while on the property they are servicing. Field representatives must also be considerate and respectful to those around the property. Unprofessional activities such as smoking cigarettes and drinking alcohol are prohibited while on the property being serviced.

Photographic Documentation

We must present photos to our clients with our invoices. United FS assumes no responsibility for lost, missing, damaged, or unclear photos. United FS requires that all photographic documentation strictly adhere to the following requirements. Failure to follow United FS photographic guidelines may result in non-payment. United FS may terminate this contract and pursue possible legal action should the Field Representative alter or provide photos that misrepresent the work performed in each respective work order.

- All before and after photos must be taken from the same angle.
- Photos must be in good quality. Blurry or distorted photos will not be accepted.
- All photos taken should accurately display the condition of the property.
- If there is personal property be sure to photograph it.
- For all work orders, it is required that at least one photo of the front of the property and one showing the address of the property be submitted.
- United FS requires vendors to be able to submit duplicate copies if requested.
- All photos must be submitted with a label/description.

Inspection Services

For the first photograph, take the photo that best captures the front of the house. If the property is set way off the road, it may be necessary to get closer to the home. When updating results please remember to always fill in G-Is Property For Sale. If the property is for sale please check the option realtor/homeowner. It is necessary to provide United FS with the realtor's name and phone number. Always check to see if there is a sign in the yard and be sure to take a photo. If the property is not for sale please check option "Not for sale". View the photo on your camera display before leaving the property to ensure you got a good photograph. In some cases if the inspection is ordered as a Property Inspection (PI) it may be best to take the photograph from your car. It is essential that you make sure your window frame, mirror, hood, etc. are not showing up in the photograph. (More details are provided below.) Additional photos may be necessary depending on the condition of the property. Always take a photo of any adverse conditions at the property. If the property is rundown, damaged, has tall grass, broken windows, rotted wood, damaged roof, etc., an additional photo/photos will be necessary.

The following is a list of descriptions of all inspections offered by United FS.

Loss Mitigation Services/Full Loan Service Report/Letter Delivery

The Field Representative will go to the property and attempt to make contact with the occupant. This service provides a non-confrontational contact with the occupant to determine who is living in the property and to give them a note to call the toll free number provided. If the borrower is unavailable, the Field Representative should leave a call back note or a confidential message at the property. Under no circumstances should the note or message be left in or on the mailbox. The letter must be placed in a sealed envelope that is marked confidential and delivered to the specified address by the Field Representative. The letter must be left with an occupant at the property. There may be specific instructions to each letter delivery. Please note on a three-attempt order, there must be three different dates. If contact has not been made on the first two attempts, the third date must be on a Saturday.

Property Inspections

Any time during the servicing of a mortgage loan the lender may request a property inspection. The Field Representative will go to the property to check for occupancy and will also gather information such as general condition, neighborhood trends, property description, estimated market value, etc. Whether the Field Representative makes contact with the occupants of the property or not is dependent on the type of property inspection being performed.

Bankruptcy Property Inspections

Based on the client's guidelines, the Field Representative inspects the property to verify its condition and occupancy status. This service is an exterior inspection only. No contact should be made with the occupants or any third parties.

Sale Date Property Inspections

This service is completed on the specified date. If for example the client needs to know the occupancy status of a property, the client would order a Sale Date Inspection. It is essential that these inspection results be called in to the office by 1:00 pm CST on the specified day. If a photo is required it must be sent by that business day.

Home Improvement Inspections

After improvement or maintenance repairs have been made to the home, the Field Representative will be sent to the property to ensure that all repairs have been completed per customer specifications. If for some reason the borrower is not happy with the quality of the improvements, take photos of any problems reported and make a note of them on your inspection form. You will need to take at least one photo for visual support for each improvement. Do not comment on quality of work performed.

Commercial Property Inspections

Our Field Representatives perform onsite inspections of commercial businesses. This inspection service includes the verification of business operations, the type of business, business hours, visible inventory and other requests. We will photograph interiors and storefronts according to our client's wishes. You may be asked to provide a list of tenant names or other information depending on the type of business.

Construction Compliance Inspections

Under the lender's guidelines, Field Representatives complete these inspections at various stages of construction projects. Reports come with the inspection and digital photographs are provided under the lender's guidelines.

No Contact Inspections A No Contact Inspection is when the Field Representative performs an exterior inspection of the property without making contact with any occupants or third parties.

Eviction Inspections These inspections must be completed within 72 hours of a scheduled eviction whenever there is any doubt that a property is still occupied. Please perform as you would a basic Occupancy Inspection.

Loss Draft Inspections This inspection is to verify that the requested repairs are complete. If the repairs are not finished, please note the percentage of the service completed and provide a list of what still needs to be done on the property.

Procedure

- When the Field Representative receives a loss draft inspection; the Representative must call the number provided within 24 hours for the contact (either the homeowner or contractor) to set an appointment. The Field Representative should then update the website with all the relevant details. Each inspection will have specific instructions; please follow all guidelines.

- United FS will call the contact when the inspection has been entered into the system to give our contact information. This is to ensure communication between all parties.
- The appointment needs to be entered into the comments for client section.
- Results need to be specific regarding what is completed/needed and any additional information along with photos of damages/repairs. United FS needs the estimated time of overall completion and the percentage of repairs completed at time of inspection.
- Once the inspection is completed results need to be returned to United FS on that same day.
- Please keep in mind that the borrower and contractor are anxious to have the inspection completed. If there are delays, both will be frustrated by the overall progress of the results, and there won't be any funds released so the Field Representative must get the work done on time. If the borrower and contractor miss the appointment please call United FS for further instructions.

Legal Issues in the Field

City Citations

Inspections pertaining to City Citations are to be followed according to specified instructions. The inspection should indicate what work is needed to satisfy the City Citation and copies of the actual citation must accompany your inspection as well as all required photos. If you have any questions on the City Citation, you may call our office for instructions. However, it may be necessary to call the city inspector for specific guidelines. Inspections for City Citations are issued on a Rush basis and must be completed by the due date. Certain situations may call for a meeting at the property with the city inspector. When the city issues a citation, they give the mortgage company a set amount of time to complete the inspection or service. If the city issues a fine because the inspection or service was not completed on time, you will be held accountable for the fine. If you go to a property and find a City Code violation posted, forward a copy of the citation to United FS with your update. DO NOT remove the original posted citation or demolition orders.

Always call the city inspector to say that we are working to correct the problem.

Firearms and Illegal Substances

If you encounter weapons or ammunition while performing an inspection on a property, immediately call United FS so that we may contact the client to see how they would prefer to address the situation. In some cases local law enforcement should be contacted immediately to inquire how they would like you to handle the removal of these items. The process varies depending on the jurisdiction in which the property is located. Some areas require such items to be removed by the authorities; other areas require us to report the items to the client before storing them so there is a record. Other areas advise us to leave them in the home and to report the items to the client as personals. In all scenarios, it is required to report the contact

name and phone number at the police department and to document your conversation with the authorities under the comments section. If upon arrival at a property should you encounter law enforcement officials, reasonably cooperate with their request and contact United FS for further instructions.

Legal Complaints

On occasion, complaints may be received from mortgagors. United FS makes no judgments or assumptions on any complaint received until the company has conducted a thorough investigation. For any complaint filed, it is necessary for the Field Representative to respond and inform United FS of the complaint within 24 hours to allow United FS the time to provide updates to clients in a timely manner. It is the expectation of United FS that all Field Representatives will be truthful and accurate in their response to mortgagor complaints. United FS as part of the investigation will review any information the Field Representative provides. Each and every claim made by a mortgagor, a client, or the local authorities is thoroughly examined by United FS. Should the local authorities contact United FS, we may provide the Field Representative's contact information so that any necessary correspondence can occur directly between the Field Representative and the proper authorities. There may be times when a Field Representative encounters a mortgagor, family member or visitor of the mortgagor, or a neighbor while at a property. It is imperative that United FS be notified of any interactions with a mortgagor, neighbor or any other person. Any interactions that are negative, threatening, or confrontational should be communicated by phone directly to a United FS representative. The Field Representative shall always notify United FS in the form of a written statement of any damages done to the property or to any other adjacent property when performing work. Communication of this information should never come first from a client's complaint. By hearing about it from the Field Representative first, United FS will be able to proactively address and resolve the situation.

Payment Invoice Protocol

It is the Field Representative's responsibility to ensure all invoices/photos are submitted to United FS with-in 48 hours of completion of the work order. When invoicing United FS, the Field Representative must bill according to FHA/VA regulations or client pricing unless otherwise instructed. When submitting invoices please make sure that:

- All work is completed per the work order instructions.
- Photos justify work completed, bids/estimates, and/or reported damage.
- Description of work completed corresponds with line item pricing.

Any work order that is rejected for additional information should be addressed within 24 hours. If the additional information is not received and/or clarified, United FS will take alternative action in obtaining the requested information. This could result in loss of compensation for the work order, reassignment and reduced work flow. Please note that United FS does not compensate for photographs of preservation related services. The Field Representative is subject to all company penalties and procedures for work orders or services not completed by deadline.

Invoice Payment Timeframes

Invoices will be paid 15-45 days of the completing a work order.

Discount

When United FS first contracts a Field Representative, the Field Representative agrees to give United FS a discount percentage rate. The discount rate is a set percentage taken off the total charges for all work completed by the Field Representative and is currently set to 25%.

- It is the Field Reps responsibility to ensure that all invoices are submitted within 24 hours of completion of the work order.
- Please follow the property preservation work, photo and invoicing procedures outlined in this manual. Please contact United FS if you have any questions in regards to work protocol.

Inspection Invoice Timeframes

United FS Field Representatives are expected to complete all Property Inspections work orders within the provided timeframe. United FS understands that from time to time extenuating circumstances may occur which keeps you from being able to complete a work order within the scheduled timeframe (such as hurricanes, extreme blizzards, wide spread flooding, etc). When this happens, you must notify United FS immediately and document the website with comments. Failure to notify United FS in advance of the delay in work will result in the following penalty schedule:

- If received back at United FS within 1 through 12 days there will be no penalty.
- If received back at United FS within 13-20 days, you will receive 15% penalty.
- If received back at United FS after 21-30 days, there will be a 35% penalty.
- If received back at United FS after 31 days, there will be a 100% penalty.

The Field Representative agrees that if he or she neglects to perform a service on time, the Field Representative will still complete and return all reports with the understanding that the client needs such services completed to conduct business. Exceptions can be made in certain cases, but it is the responsibility of the representative to contact and alert United FS of such extenuating circumstances.