

SPS | SELECT
Portfolio
SERVICING, inc.

P.O. Box 551170
Jacksonville, Florida 32255

December 12, 2006

NC Justice Center
Carlene McNulty, Esq.
PO Box 28068
Raleigh, NC 27611-8068

Re: *Select Portfolio Servicing Loan No. 2054811712*
Claude and Ulet Alexander

Dear Ms. McNulty:

Thank you for your correspondence dated November 17, 2006, regarding the mortgage loan account of Claude and Ulet Alexander. We understand that the Alexanders authorized us to communicate directly with you regarding their loan. Due to the nature of your concern, the inquiry was forwarded to me for handling. In the correspondence, you requested a payoff statement and a breakdown of all fees assessed to the account.

The Alexanders filed a petition for a Chapter 13 Bankruptcy on February 2, 2001, which was terminated on April 16, 2004. The Alexanders filed a petition for a Chapter 13 Bankruptcy on March 8, 2004, which was discharged on September 11, 2006.

SPS acquired the servicing rights for this account on August 1, 2000. Enclosed is a Key Loan Transactions (KLT) schedule, which includes all history for the Alexanders' account for the period from September 2000 through December 5, 2006, the date prepared.

Enclosed is a Payoff Statement dated December 11, 2006, which is good through January 10, 2007. The following is a brief explanation of the items listed on the payoff statement.

Principal balance – At the time the payoff statement was generated on December 11, 2006, the principal balance owed was \$115,786.91. The principal balance is not a payoff figure. All amounts due and owing according to the Deed of Trust, a copy of which is enclosed, are required to satisfy the debt. Until all the fees listed are paid in full, the loan will not be satisfied.

Interest – At the time the payoff statement was generated on December 11, 2006, the account was due for the November 18, 2005 payment and all subsequent payments, or 14 contractual payments. Because interest is calculated in arrears, the payoff statement includes interest from October 18, 2005 to January 10, 2007, the date quoted good through.

Escrow advance - An "escrow advance" is the term for amounts advanced by the lender for which the borrowers are responsible to repay. Escrow advances include funds paid for Lender Placed Insurance (LPI) or delinquent taxes in connection with the property. To the extent incurred by the lender but not paid by them, interest is charged on the balance of these advances on a monthly basis at the rate of interest under the Balloon Note. For a summary of the escrow

activity on this account, please refer to the column labeled Escrow / Advance Activity on the enclosed KLT. The escrow advance balance on December 11, 2006, was \$14,433.31.

Taxes - According to the terms of the Deed of Trust, the Alexanders are required to pay, when due, all taxes levied on the property.

In September 2002, SPS received notice of delinquent Wake County taxes for the years 2000, 2001 and 2002. On September 16, 2002, SPS advanced funds totaling \$3,086.78, to pay the 2000 and 2001 taxes to protect the Note holder's interest in the property securing the mortgage loan.

In November 2005, SPS received notice of delinquent Wake County taxes for the years 2002, 2003, 2004 and 2005. On January 9, 2006, SPS advanced funds totaling \$5,224.88 to pay these taxes to protect the Note holder's interest in the property securing the mortgage loan. Pursuant to the terms of the Deed of Trust, the Alexanders are required to repay SPS for these escrow advances.

Late fees - Pursuant to the terms of the Alexanders' Balloon Note, a copy of which is enclosed, payment is due on the 18th day of each month. Any payment received after that date is therefore late. However, according to Section 6A of the Balloon Note, a late charge of 4% of the principal and interest payment will be assessed only if payment has not been received within 15 calendar days after the date the payment was due. A review of the account shows that all late charges have been assessed in accordance with the terms of the Alexanders' Balloon Note, as shown on the enclosed KLT. At the time the payoff statement was printed on December 11, 2006, there were no outstanding late fees due on the account.

Loan level advances - A "corporate advance" or loan level advance is the term for certain costs and expenses advanced by the lender for which the borrower is responsible to repay. Corporate advances may include fees paid for property inspections, Broker Price Opinions (BPOs), deferred interest, legal costs, and other similar fees incurred to protect the interest in the property when an account is delinquent. Corporate advances are assessed in accordance with the terms of the Deed of Trust. These advances are summarized in the column labeled Corporate Advance Activity on the enclosed KLT.

Property inspections / Broker Price Opinions - When an account becomes delinquent, SPS commissions property inspections and Broker Price Opinions (BPOs) to determine the occupancy, condition and value of the property securing the mortgage loan. Property inspections are performed in order to determine if the property is occupied and being properly maintained. The BPO allows us to determine the value of the property and protect the Note holder's interest in the property securing the mortgage loan. Property inspections and BPOs allow SPS to consider alternative measures that benefit the customer. During a recent Bankruptcy audit we discovered that some BPO fees were charged to this account in error. Therefore, we have removed \$425.00 in BPO charges and \$11.35 in property inspection fees. This transaction was completed on December 7, 2006, and is not reflected on the enclosed KLT. This will reflect on the next monthly billing statement. The remaining loan level balance of \$2,421.01 is valid and due.

Interest on advances - Interest is charged on the balance of the loan level and escrow advances on a monthly basis at the rate of interest under the Balloon Note. These charges are shown in the "Other Fees" column of the enclosed KLT. As a result of the Bankruptcy audit we waived \$199.41 in interest on advances.

Other fees - These fees may include assessments for interest on escrow and loan level advances, Non-Sufficient Funds (NSF) fees, payoff statement fees, fax fees, pay-by-phone fees. These funds are summarized in the column labeled Other Fees on the enclosed KLT. The KLT reflects a balance owed of \$5.00, which we waived on December 8, 2006.

Unapplied funds - As is common in the mortgage servicing industry, SPS does not apply partial payments toward regular monthly payments. When a partial payment is received, it is placed into your unapplied funds account. Should sufficient funds accumulate in the unapplied funds account, we apply these funds to the account as the next monthly payment due.

The unapplied funds balance represents funds remitted, but not yet applied to specific monthly payments or fees assessed to the account. When the payoff statement was requested there was an unapplied funds balance of \$66.09. These funds will be used to reduce the amount of funds needed to pay the loan in full.

Recording fee - This amount represents the fee charged by the local recording office to cover the expense of filing the release of lien after the payoff of the loan, and is within the applicable state or county guidelines.

We appreciate the opportunity to address your concerns and provide the information requested. Should you have any further questions, please contact me directly, at (866) 878-5178 ext. 27709.

Sincerely,



Vicki-Jo Autrey
Customer Advocate

ESTA CARTA CONTIENE INFORMACIÓN IMPORTANTE CONCERNIENTE A SUS DERECHOS. POR FAVOR, HÁGALA TRADUCIR. NUESTROS REPRESENTANTES BILINGÜES ESTÁN A SU DISPOSICIÓN PARA CONTESTAR CUALQUIER PREGUNTA LLAMANDO AL TELÉFONO 1-800-831-0118 Y MARQUE LA OPCIÓN 2.

THIS COMMUNICATION FROM A DEBT COLLECTOR IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE

**MINNESOTA – THIS COLLECTION AGENCY IS LICENSED BY THE MINNESOTA DEPARTMENT OF COMMERCE
NEW YORK CITY – COLLECTION AGENCY LICENSE #0987252**

Enclosures: Payoff Statement dated December 11, 2006
Deed of Trust
Balloon Note
KLT

cc: Claude Alexander
Ulet Alexander
3316 Arrowwood Drive
Raleigh, NC 27604

PAYOFF STATEMENT
Loan Number 2054811712

December 11, 2006

Payment Due Date 11-18-05

This statement expires on: 01-10-07

Requested by:
Vicki

Internal Request

Mortgagor Name/Property Address
Claude Alexander
Ulet Alexander
3316 Arrowwood Dr
Raleigh NC 27604

THE FOLLOWING AMOUNTS ARE SUBJECT TO FINAL VERIFICATION
BASED ON THE RECEIPT OF FUNDS

| | | |
|---------------------------------|----|------------|
| Unpaid Principal Balance | \$ | 115,786.91 |
| Interest Calculated To 01-10-07 | \$ | 17,119.55 |
| Escrow/Impound Advance Balance | \$ | 14,433.31 |
| Loan Level Advance Balance | \$ | 2,421.01 |
| CREDITS DEDUCTED | | |
| Unapplied Funds | \$ | 66.09- |

| | | |
|--|----|------------|
| Total Amounts Due Under Your Note and Mortgage | \$ | 149,694.69 |
|--|----|------------|

Per Diem (Daily Interest) \$ 37.92

| | | |
|----------------------|----|------------|
| Total Other Fees Due | \$ | .00 |
| TOTAL AMOUNT DUE | \$ | 149,694.69 |

- 1) The Payoff Statement assumes that payments made on your account have cleared your financial institution. If a payment you made is returned you are still responsible to pay that amount, even though we accept the amount of your payoff. Payments received within 30 days of the payoff application are subject to clearance by your financial Institution.
- 2) The amounts set forth in this Payoff Statement are subject to final verification.
- 3) This Payoff Statement expires and is void after 01-10-07. You must obtain an updated WRITTEN statement from us if you want to pay off your loan after the expiration date. Please allow up to 5 business days for us to provide you with an updated Payoff Statement (unless a shorter timeframe is required by state law).
- 4) If your loan documents indicate a prepayment fee on your account, it is included as part of the total amounts due for payoff. If the prepayment fee is waivable, supporting documentation (final HUD1, grant deed, warranty deed, prepayment rider) must be faxed to (801) 269-4269 prior to the receipt of your payoff funds. Upon receipt, the documents will be reviewed for final determination of waiving the prepayment fee. If you have any questions about the prepayment fee, please contact us at (866) 222-3072.
- 5) Foreclosure / Bankruptcy: If the account is currently subject to a pending foreclosure or bankruptcy action, the attorney fees and costs for services actually rendered that have been incurred with respect to this pending action have been included in the outstanding amounts due. Additional attorney fees or costs associated with the servicing of your loan may continue to be incurred. Due to the potential additional legal fees and costs, SPS limited the good through date on this quote to no more than ten (10) days from the date of this letter. Please contact SPS's customer service number to obtain a new Payoff Statement if payoff funds are not received within ten (10) days.
- 6) If the amounts received are not sufficient to pay the account in full, we will return the payoff funds in the same manner as they were remitted. Interest will continue to accrue at the daily (per diem) amount shown on the Payoff Statement and late charges may be incurred until sufficient funds are received to pay the account in full. To avoid a short payoff, please confirm the actual payoff amount by calling (800) 258-8602. A satisfaction/release of mortgage will not be recorded until all amounts due under the terms of your loan documents are received, unless applicable law requires otherwise.

KL1
ALEXANDER
2054811712

| Payment Date | Transaction Date | Effective Date | Amount Received | Interest Rate | Principal & Interest | Principal Portion | Interest Portion | Additional Principal | Principal Balance | Late Charge | Corporate Advance | Corporate Advance Balance | Errand/Advance | Errand/Advance Balance | Optional Items | Other Fees | Other Fees Balance | Unapplied Balance | Unapplied Balance | Comments |
|--------------|------------------|----------------|-----------------|---------------|----------------------|-------------------|------------------|----------------------|-------------------|-------------|-------------------|---------------------------|----------------|------------------------|----------------|------------|--------------------|-------------------|-------------------|--------------------------------|
| 8/18/2003 | 5/27/2003 | 5/27/2003 | \$388.00 | 12.090% | \$1,254.78 | \$39.68 | \$1,195.10 | | \$18,629.64 | \$434.57 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | | \$322.74 | \$348.00 | \$1,366.53 | Interest on Advances for Month |
| 8/18/2003 | 5/28/2003 | 5/28/2003 | \$388.00 | 12.090% | \$1,254.78 | \$39.68 | \$1,195.10 | | \$18,580.96 | \$434.57 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$33.60 | \$356.34 | \$390.14 | \$1,748.53 | Interest on Advances for Month |
| 6/27/2003 | 6/27/2003 | 6/27/2003 | \$388.00 | 12.090% | \$1,254.78 | \$39.68 | \$1,195.10 | | \$18,500.96 | \$434.57 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$40.35 | \$396.69 | \$436.99 | \$2,113.39 | Interest on Advances for Month |
| 9/18/2003 | 6/30/2003 | 6/30/2003 | \$412.00 | 12.090% | \$1,254.78 | \$60.78 | \$1,194.50 | | \$18,439.79 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$626.69 | \$626.69 | \$626.69 | \$2,170.61 | Interest on Advances for Month |
| 10/18/2003 | 6/30/2003 | 6/30/2003 | \$412.00 | 12.090% | \$1,254.78 | \$60.78 | \$1,194.50 | | \$18,378.27 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$40.32 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 11/18/2003 | 7/31/2003 | 7/31/2003 | \$388.00 | 12.090% | \$1,254.78 | \$61.50 | \$1,193.28 | | \$18,316.17 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 12/18/2003 | 8/13/2003 | 8/13/2003 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$18,253.43 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 1/18/2003 | 8/29/2003 | 8/29/2003 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$18,190.05 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 2/18/2003 | 9/22/2003 | 9/22/2003 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$18,126.03 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 3/18/2003 | 10/13/2003 | 10/13/2003 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$18,061.37 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 4/18/2003 | 11/23/2003 | 11/23/2003 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$17,990.09 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 5/18/2003 | 12/29/2003 | 12/29/2003 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$17,920.09 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 6/18/2003 | 1/8/2004 | 1/8/2004 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$17,850.09 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 7/18/2003 | 2/22/2004 | 2/22/2004 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$17,780.09 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 8/18/2003 | 3/17/2004 | 3/17/2004 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$17,710.09 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 9/18/2003 | 4/19/2004 | 4/19/2004 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$17,640.09 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 10/18/2003 | 5/28/2004 | 5/28/2004 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$17,570.09 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 11/18/2003 | 6/30/2004 | 6/30/2004 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$17,500.09 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |
| 12/18/2003 | 7/29/2004 | 7/29/2004 | \$388.00 | 12.090% | \$1,254.78 | \$62.74 | \$1,192.04 | | \$17,430.09 | \$401.43 | \$1,086.78 | \$1,225.00 | | \$3,086.78 | | \$667.01 | \$667.01 | \$667.01 | \$1,270.61 | Interest on Advances for Month |

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