

5

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM FAIRFIELD COUNTY
Court of Common Pleas

Carol A. Tolen, Special Referee
Trial Court Case No. 2012-CP-20-00132

Appellate Case No. 2018-000230

RECEIVED
JUN 28 2018
SC Court of Appeals

ArrowPointe Federal Credit Union, Respondent,

v.

Jimmy Eugene Bailey; Laura Jean Bailey; and U.S. Bank National Association not in its individual capacity but solely in its capacity as Indenture Trustee for WVUE 2015-1, Defendants,

Of which U.S. Bank National Association not in its individual capacity but solely in its capacity as Indenture Trustee for WVUE 2015-1 is the Appellant.

RECORD ON APPEAL

Christy C. Jones
Sherpy & Jones, P.A.
3109 Devine St.
P.O. Box 5977
Columbia, SC 29205 (29250)
P: 803-356-3327, X102

Jonathan M. Milling
Cydney Milling
Milling Law Firm, LLC
2810 Devine St.
Columbia, SC 29205
P: (803) 451-7700
Attorneys for Respondent

Drew B. Walker, Esq., SC Bar No. 78271
Shaun C. Blake, Esq.
Rogers Lewis Jackson Mann & Quinn, LLC
PO Box 11803
Columbia, SC 29211

Sean Foerster, Esq.
Rogers Townsend & Thomas, PC
PO Box 100200
Columbia, SC 29202
Attorneys for Appellant

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EXHIBIT

A

971-41

Recording Requested by &
When Recorded Return To:
US Recordings, Inc.
2925 Country Drive
St. Paul, MN 55117

200900002492
Filed for Record in
FAIRFIELD SC
BETTY JO BECKHAM
10-28-2009 At 02:53:11 pm.
MORTGAGE 26.00
Book 971 Page 41 - 60

Prepared By: Jackie Peterson

Quicken Loans, Inc.
20555 Victor Parkway
Livonia, MI 48152
1-800-226-6308

(Space Above This Line For Recording Data)

MORTGAGE

MIN

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

- (A) "Security Instrument" means this document, which is dated September 29, 2009 together with all Riders to this document.
- (B) "Borrower" is Laura Jean Bailey and Jimmy Eugene Bailey, wife and husband

Borrower is the mortgagor under this Security Instrument.

(C) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the mortgagee under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

SOUTH CAROLINA - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS Form 3041 1/01

20090464095
UNIFORM INSTRUMENT WITH MERS

Page 1 of 15

VMP Mortgage Solutions, Inc.

003221559188 0233 159 0115

(D) "Lender" is Quicken Loans Inc.

Lender is a Corporation
organized and existing under the laws of the State of Michigan
Lender's address is: 20555 Victor Parkway, Livonia, MI 48152

(E) "Note" means the promissory note signed by Borrower and dated September 29, 2009
The Note states that Borrower owes Lender Two Hundred Fifty Six Thousand Five
Hundred Fifty and 00/100 Dollars

(U.S. \$256,550.00) plus interest. Borrower has promised to pay this debt in regular Periodic
Payments and to pay the debt in full not later than November 1, 2039

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the
Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges
due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following
Riders are to be executed by Borrower (check box as applicable):

☒ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☐ Planned Unit Development Rider	☐ 1-4 Family Rider
☐ VA Rider	☐ Biweekly Payment Rider	☒ Other(s) [specify] Legal Attached

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations,
ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final,
non-appealable judicial opinions.

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other
charges that are imposed on Borrower or the Property by a condominium association, homeowners
association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by
check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic
instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit
or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller
machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse
transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid
by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i)
damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the
Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the
value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on,
the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the
Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its
implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to
time, or any additional or successor legislation or regulation that governs the same subject matter. As used

SOUTH CAROLINA - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS

6A(SC) (08/11)

Page 2 of 15

Initials:

3041 1/01



003221355148 0233 189 0215

In this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to MERS (solely as nominee for Lender and Lender's successors and assigns) and to the successors and assigns of MERS, the following described property located in the County of Fairfield

(Type of Recording Jurisdiction)

(Name of Recording Jurisdiction)

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.
SUBJECT TO COVENANTS OF RECORD.

Parcel ID Number:
247 Morninglow Dr

095-02-02-022-000

which currently has the address of

Wixomboro

(City), South Carolina 29180

(Street)

(Zip Code)

("Property Address"):

TO HAVE AND TO HOLD this property unto MERS (solely as nominee for Lender and Lender's successors and assigns,) and to the successors and assigns of MERS, forever, together with all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

SOUTH CAROLINA - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS

6A(SC) (0011)

Page 3 of 15

INSTRUMENT

Form 3041 1/01

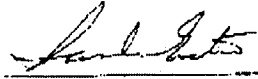


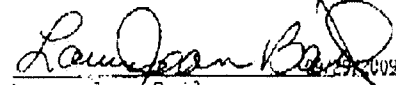
003221559100 0233 159 0315

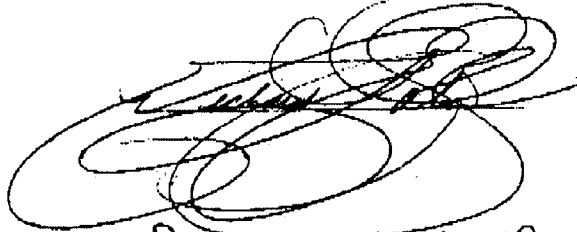
Book 971 Pg 54

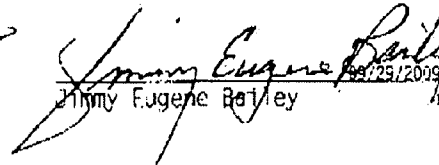
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:


Sandra Eaton


Laura Jean Bailey (Seal)
Borrower


Richard L. Eaton, Jr.


Jimmy Eugene Bailey (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

SOUTH CAROLINA - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS

VINE-6A(SC) 108111

Page 14 of 16

Form 3041 1/01



EXHIBIT A - LEGAL DESCRIPTION

Tax ID Number(s): 095-02-02-022-000

Land situated in the County of Fairfield in the State of SC

All that certain piece, parcel or lot of land, together with the improvements thereon, lying, being and situate in the County of Fairfield, State of South Carolina, being shown and designated as Lot 137 of Section 22 of Lake Wateree on a plat of survey prepared for Patrick Eugene Rachels by Ashmark Land Surveyors dated February 12, 1996, and recorded in Slide 544 of Plats at Page 1233; and being bounded on the North by Lot 136; on the East by Lake Wateree; on the South by Lot 138; and on the West by the right-of-way of Morninglow Drive.

Derivation: This being the same property conveyed unto the Grantor herein by Deed dated February 19, 1995 and recorded in the Office of the Clerk of Court for Fairfield County in Book NV at Page 266.

Being the same property conveyed to JIMMY EUGENE BAILEY and LAURA JEAN BAILEY, by deed dated September 01, 2000 of record in Deed Book QM, Page 349, in the Fairfield County Clerk's Office. *Deed from Patrick Eugene Rachels recorded 9/7/2000*

Group Number: N/A

Commonly known as: 247 Morninglow Dr, Winnsboro, SC 29180



•003951247•

1632 10/12/2009 76014519/1

EXHIBIT

B

EXHIBIT

C



ArrowPointe
FEDERAL CREDIT UNION

P.O. Box 187
Catawba, S.C. 29704



HOME EQUITY SYSTEM

Open-End Home Equity Credit Agreement and Truth in Lending Disclosure

BORROWER 1 NAME BORROWER 1 ADDRESS	JIMMY E BAILEY 247 MORNINGLOW DRIVE WINNSBORO, SC 29180	ACCOUNT NUMBER	
BORROWER 2 NAME BORROWER 2 ADDRESS	LAURA JEAN BAILEY 247 MORNINGLOW DRIVE WINNSBORO, SC 29180	ACCOUNT NUMBER	

CREDIT AGREEMENT AND TRUTH IN LENDING DISCLOSURE

INTRODUCTION. This LOANLINER Home Equity Plan Credit Agreement and Truth in Lending Disclosure will be referred to as this "Plan". This Plan consists of this Agreement and the accompanying Addendum which is incorporated into and becomes a part of this Credit Agreement and Truth in Lending Disclosure. The words "you," "your," and "Borrower" mean each person who signs this Plan. The words "we," "us," "our," "Lender," and "credit union" mean the credit union whose name appears above or anyone to whom the credit union transfers its rights under this Plan.

1. HOW THIS PLAN WORKS. This Plan establishes a revolving line of credit account ("account"). You and the credit union anticipate that you will obtain a series of advances under this Plan from time to time. The maximum amount you can borrow ("credit limit") is disclosed in the Addendum. It is the amount of credit you may borrow, repay all or a portion and re-borrow subject to the terms of this Plan.

2. PROMISE TO PAY. You promise to repay to the credit union, or order, all advances made to you under this Plan, plus finance charges, other applicable charges, and costs of voluntary payment protection for which you are responsible under this Plan. You agree to pay the Minimum Payment on or before the due date.

3. JOINT ACCOUNTS. If this is a joint account, each of you must sign this Plan and you will be individually and jointly responsible for the promises you make in this Agreement, including paying all amounts owed. This means that the credit union can require any one of you to repay all advances plus applicable finance charges, other applicable charges, and voluntary payment protection costs. Unless the credit union's written policy requires all of you to sign for an advance, each of you authorizes the other(s) to obtain advances individually and agrees to repay advances made to the other(s). The credit union can release one of you from responsibility under this Plan without releasing the other(s).

4. SECURITY - INTEREST. This Plan is secured by a mortgage, deed of trust, security deed, or security agreement (the "security instrument") in your dwelling which is described in the Addendum.

5. PROMISES IN SECURITY INSTRUMENT. The security instrument you sign the same day you sign this Plan is incorporated by reference into this Plan. You must keep all the promises you made in the security instrument.

6. APPLICATION OF PAYMENTS. Payments will be applied in the order the credit union chooses to any finance charges, voluntary payment protection costs, and other applicable charges due before being applied to your unpaid balance.

7. CREDIT LIMIT. You promise not to request or obtain an advance that will make your balance exceed your credit limit. Your credit limit will not be increased if you exceed your credit limit. If you exceed your credit limit, you agree to repay the excess immediately.

8. ACCESS DEVICES. You can obtain credit advances in any manner authorized by the credit union from time to time. Your application for this account also serves as a request to receive any additional access devices which may be available in the future in connection with this Plan. The terms of this Plan will also apply to any future access devices we issue to you for accessing this Plan.

9. COST OF CREDIT. The finance charge is the cost you pay for credit. Unless described otherwise on the Addendum, the finance charge on each new advance begins on the date of the advance and continues until the advance has been paid in full. There is no "free ride period" which would allow you to avoid a finance charge. To compute the finance charge, the unpaid balance for each day since your last payment (or since an advance if you have not yet made

(continued on next page)

SIGNATURES

By signing below you agree that you have read the LOANLINER Home Equity Plan Credit Agreement and Truth in Lending Disclosure and Addendum and agree to be bound by the terms of the Agreement. You also acknowledge

receipt of a copy of this Agreement, and the Home Equity Early Disclosure and handbook entitled "When Your Home is On the Line: What You Should Know About Home Equity Lines of Credit" given to you at the time of application.

Notice to Vermont Borrowers: NOTICE TO COSIGNER: YOUR SIGNATURE ON THIS NOTE MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.

X *Laura Jean Bailey* (SEAL) 01/07/09
BORROWER 1 SIGNATURE DATE

X *[Signature]* (SEAL) 01/07/09
WITNESS SIGNATURE DATE

X *Jimmy E Bailey* (SEAL) 01/07/09
BORROWER 2 SIGNATURE DATE

X *[Signature]* (SEAL) 01/07/09
WITNESS SIGNATURE DATE

EXHIBIT

D



October 13, 2009

Mr. O'Neil Cannon
Garvin Appraisals
Columbia, SC

via facsimile (803) 779-4334

Re: Jimmy and Laura Bailey
247 Morninglow Dr.
Winnsboro, SC 29180

Dear Mr. Cannon:

ArrowPointe FCU is in the process of underwriting a loan for the Baileys using a mortgage on the above address. As part of our investigation, we need an appraisal on this address. Please provide this to me at either the address listed below or it may be e-mailed to tlyda@arrowpointe.org. If there is anything else you need, please do not hesitate to let me know.

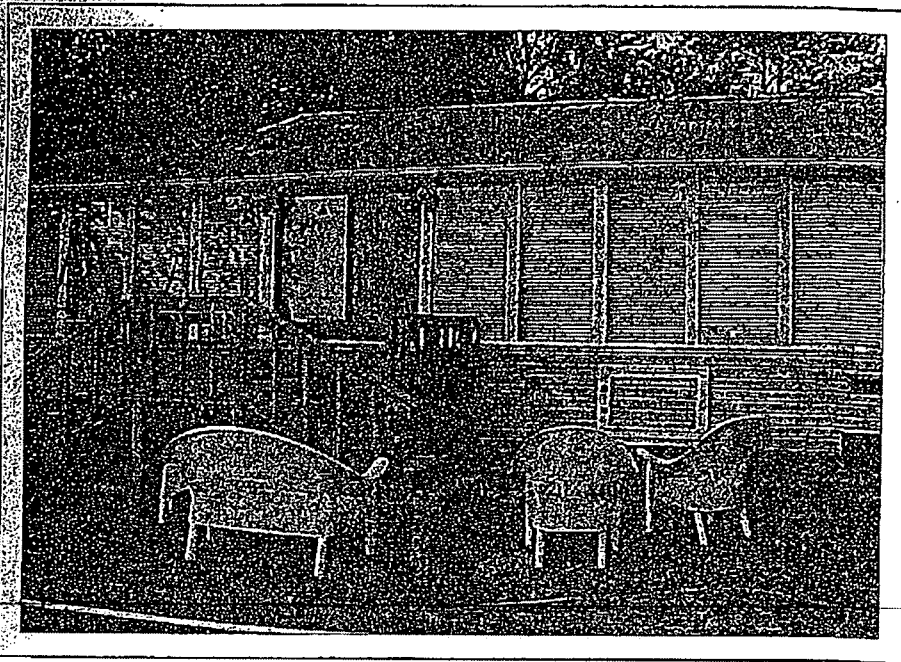
Sincerely,

A handwritten signature in black ink, appearing to read "Tim Lyda", with a stylized flourish at the end.

Tim Lyda
CEO

CC: Bailey file

P.O. Box 12068 Rock Hill, SC 29731
T 803.324.4111 F 803.324.0817
www.ArrowPointe.org



SUMMARY APPRAISAL REPORT
OF THE REAL PROPERTY LOCATED AT

247 Morninglow Drive
Winnsboro, SC 29180

for

Quicken Loans
20555 Victor Parkway, Livonia, MI. 48152

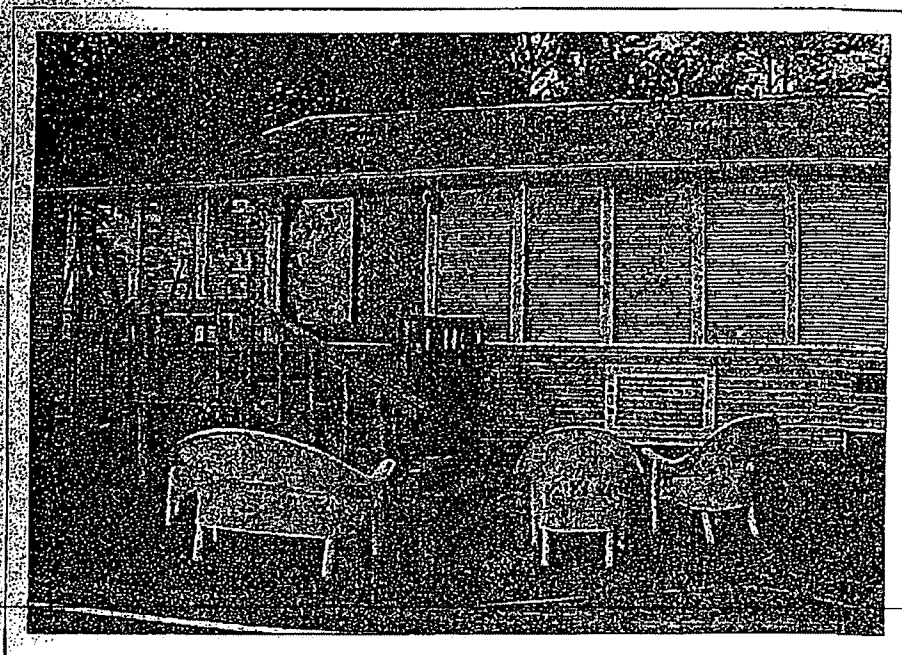
as of

September 11, 2009

by

O'Neil H. Cannon, II
5 CALENDAR COURT STE 103
COLUMBIA, SC 29206

GARVIN APPRAISALS



**SUMMARY APPRAISAL REPORT
OF THE REAL PROPERTY LOCATED AT**

247 Morninglow Drive
Winnsboro, SC 29180

for

Quicken Loans
20555 Victor Parkway, Livonia, MI. 48152

as of

September 11, 2009

by

O'Neil H. Cannon, II
5 CALENDAR COURT STE 103
COLUMBIA, SC 29206

GARVIN APPRAISALS

GARVIN APPRAISALS
5 CALENDAR COURT STE 103
COLUMBIA, SC 29206
803-779-4243

September 15, 2009

Quicken Loans
20555 Victor Parkway, Livonia, MI 48152

Property - 247 Morninglow Drive
Winnsboro, SC 29180
Borrower - Bailey, Jimmy E. & Laura J.
File No. - 090917C
Case No. -

Dear :

In accordance with your request, I have prepared an appraisal of the real property located at 247 Morninglow Drive, Winnsboro, SC.

The purpose of the appraisal is to provide an opinion of the market value of the property described in the body of this report.

Enclosed, please find the Summary Report which describes certain data gathered during our investigation of the property. The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in this report.

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of September 11, 2009 is :

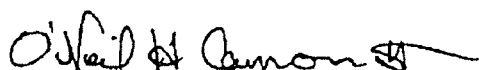
\$370,000

The opinion of value expressed in this report is contingent upon the Limiting Conditions attached to this report.

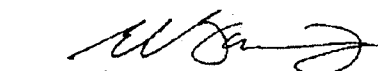
It has been a pleasure to assist you. If I may be of further service to you in the future, please let me know.

Respectfully submitted,

GARVIN APPRAISALS



O'Neil H. Cannon, II
SC Certification #CR 4543



Eugene C. Garvin, Jr.
SC License #CR 2746

Uniform Residential Appraisal Report

File # 090917C

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address: **247 Morningslow Drive** City: **Winnabow** State: **SC** Zip Code: **29180**
 Borrower: **Bailey, Jimmy E. & Laura J.** Owner of Public Record: **Bailey, Jimmy & Laura** County: **Fairfield**
 Legal Description: **Section 22-1 of 137** Tax Year: **2008** RE Taxes: **\$1,235 actual**
 Assessor's Parcel #: **093-08-00-013-000** Map Reference: **Lake Wateree** Census Tract: **9603**
 Neighborhood Name: **Lake Wateree** Special Assessments: **5 none** PUD: **N/A** HOA: **N/A** per year: per month:
 Occupant: ☒ Owner ☐ Tenant ☐ Vacant Leasehold: ☐ Other (describe):
 Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other (describe):
 Assignment Type: ☐ Purchase Transaction ☒ Refinance Transaction ☐ Other (describe):
 Lender/Client: **Quicken Loans** Address: **20555 Victor Parkway, Livonia, MI 48152**
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of the appraisal? ☐ Yes ☒ No
 Report data source(s) used: offering price(s) and date(s): **CMLS/Owner**
 I ☐ did ☒ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed: **Refinance**
 Contract Price: **\$ N/A** Date of Contract: **N/A** Is the property seller the owner of public record? ☐ Yes ☐ No Data Source(s): **N/A**
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No
 If Yes, report the total dollar amount and describe the items to be paid: **N/A**
 Note: Race and the racial composition of the neighborhood are not appraisal factors.
 Neighborhood Characteristics:

Location	Urban	Suburban	Rural	Property Values	Increasing	Stable	Declining	PRICE	AGE	One-Unit	30.0 %
Build-Up	Over 75%	25-75%	Under 25%	Demand/Supply	Shortage	In Balance	Over Supply	\$5000	(Yrs)	2-4 Unit	%
Growth	Rapid	Stable	Slow	Marketing Time	Under 3 mths	3-6 mths	Over 6 mths	35	Low	new	Multi-Family
Neighborhood Boundaries	*** See Additional Comments ***							900	High	50	Commercial
								350	Prod	25	Other
											70.0 %

 Neighborhood Description: **The subject property is located on the shoreline of Lake Wateree in Fairfield County. This area allows for average access to employment centers, shopping and schools. Supply and demand appear to be in balance with typical exposure time being between 3 to 6 months. *** See Additional Comments *****
 Market Conditions (including support for the above conclusions): **Market conditions are currently attractive as interest rates remain at historical lows. Property values in the neighborhood area appear to be stable. Supply and demand are in balance with typical exposure time being from four to eight months. *** See Additional Comments *****
 Dimensions: **no plat provided** Area: **0.5175+- acres** Shape: **basic rectangular** View: **good/Lake**
 Specific Zoning Classification: **RD rural district** Zoning Description: **single family residential**
 Zoning Compliance: ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ illegal (describe):
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe:
 Utilities:

Public	Other (describe)	Public	Other (describe)	Off-site Improvements-Type	Public	Private
Electricity	☒ none/typical	Water	☒ well	Street	gravel/dirt	☒
Gas	☐	Sanitary Sewer	☒ septic	Alley	none/typical	☐

 FEMA Special Flood Hazard Area: ☐ Yes ☒ No FEMA Flood Zone: **C** FEMA Map No: **450075 0135B** FEMA Map Date: **1982-07-19**
 Are the utilities and off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe:
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe:
 The front portion of the subject property may be in the flood hazard area; however the improvements are not. Drainage and utility easements are typical for the area and don't adversely affect the subject's marketability or value. No adverse easements or encroachments were noted. *** See Additional Comments ***
 General Description:

Units	One	One with Accessory Unit	Condo's Slab	Crawl Space	Foundation Walls	piers/slab/good	Floors	carpet/vinyl/good
# of Stories	1				Exterior Walls	vinyl/good	Walls	drywall/panel/good
Type	☒ Det.	☐ S-Devl'd Unit	Basement Area	None sq ft	Road Surface	metal/good	Trim/Finish	average/average
Design (Style)	1 sty vinyl		Basement Finish	N/A %	Outlets & Downspouts	none	Bath Floor	carpet/vinyl/gd
Year Built	1980+		Outside Entry/Exit	N Sump Pump	Window Type	SH insulated/good	Bath Wainscot	floorless/good
Effective Age (Yrs)	10		Evidence of	N Infestation	Storm Sash/Insulated	none	Car Storage	None
			N Dampness	N Settlement	Screens	screens/good	Driveway	# of Cars 5+
Attic		None	Heating	☒ FWA	Radiant	Amberies	Wood/Glove(s) #	Driveway Surface
Drop Stair		Stairs	Other	Fuel	electric	Fireplace(s) #	Fence	Garage
Floor		Scrub	Cooling	☒ Central Air Conditioning	☒ Patio/Deck 2	☒ Porch	cslp	Carport
Finished		Heated	Individual	Other	Pool	☒ Other	dock	Art
			Other (describe)					Det.
Appliances	Refrigerator	☒ Range/Oven	Dishwasher	Disposal	Microwave	Washer/Dryer	Other (describe)	

 Finished area above grade contains: **5 Rooms 2 Bedrooms 2 Baths** 1,637 Square Feet of Gross Living Area Above Grade
 Additional features (special energy efficient home, etc.): **2 decks, dock, metal roof, 12X18 workshop with window a/c, fence, dh insulated windows with screens.**
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.): **The subject property has been well maintained and is in good overall condition. There is no functional or external obsolescence noted and no major repairs cited. Overall quality of construction is considered good. Physical depreciation does not apply to new construction.**
 Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe:
 There are no known or apparent adverse environmental conditions that would negatively impact the value or marketability of the subject property; however, your appraiser is not an environmental expert.
 Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe:

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There are 12 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 309,900.00 to \$ 399,000.00	
There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 325,000.00 to \$ 395,000.00	
FEATURE	SUBJECT
247 Morninglow Drive Address Winnboro, SC 29180	324 Gunsite Road Winnboro, SC 29180
377 Windy Cove Lane Ridgeway, SC 29130	1818 Horsechestnut Trail Ridgeway, SC 29130
Proximity to Subject	3 Mi. NW
Sale Price	\$ 310,000
Sale Price/Gross Liv. Area	\$ 237.91 sq ft
Data Source(s)	CMLS DOM 8
Verification Source(s)	Appraiser
VALUE ADJUSTMENTS	DESCRIPTION
Sale or Financing	conv
Concessions	unknown
Date of Sale/Time	03/2009 closed
Location	suburban
Leasehold/Fee Simple	fee simple
Site	good/lake
View	good/lake
Design (Style)	1 sty vinyl
Quality of Construction	good
Actual Age	29+-
Condition	good
Above Grade	Total Bdrms. Baths
Room Count	5 2 2
Gross Living Area	1,637 sq ft
Basement & Finished	none
Rooms Below Grade	none
Functional Utility	good
Heating/Cooling	central
Energy Efficient Items	adequate
Garage/Carport	none
Porch/Patio/Deck	estp/deck
	workshop
Net Adjustment (Total)	\$ 39,200
Adjusted Sale Price	\$ 349,200
of Comparables	
I ☒ did not research the sale or transfer history of the subject property and comparable sales. If not, explain	
My research ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
Data Source(s) tax assessor	
My research ☒ did not reveal any prior sales or transfers of the comparable sales for the prior year to the date of sale of the comparable sale.	
Data Source(s) tax assessor	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	
ITEM	SUBJECT
Date of Prior Sale/Transfer	no prior sale
Price of Prior Sale/Transfer	public record
Data Source(s)	CMLS/tax assessor
Effective Date of Data Source(s)	09/14/2009
Analysis of prior sale or transfer history of the subject property and comparable sales According to the tax assessor's office there has been no prior sale on the subject property within the previous 36 months and no prior sales on any of the comps within the previous 12 months from the sales dates posted above.	
Summary of Sales Comparison Approach All six comps are located on the shoreline of Lake Wateree, like the subject. Comp four is dated, and all six comps exceed the proximity guidelines; however all of this is typical and unavoidable when appraising homes on Lake Wateree. Comp one is on a small cove and the adjustment is made under the "site" and "view" item. Comp two is on a larger lot and the adjustment is made under the "site" item. Comp four differs as to "condition". A final opinion of value of \$370,000 is within market range. The Intended User of this appraisal report is the Lender/Client. The Intended use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of the appraisal form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.	
Indicated Value by Sales Comparison Approach \$ 370,000	
Cost Approach (if developed) \$ 354,200	
Income Approach (if developed) \$ N/A	
This appraisal is made ☒ "as is," ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair.	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 370,000 as of September 11, 2009, which is the date of inspection and the effective date of this appraisal.	

ADDITIONAL COMPARABLES													
Borrower Bailey, Jimmy E. & Laura J.													
Property Address 247 Morninglow Drive													
City Winnsboro			County Fairfield			State SC			Zip Code 29180				
Lender/Client Quicken Loans													
FEATURE		SUBJECT		COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6			
247 Morninglow Drive				1648 Catclaw Lane			781 Molly Creek Circle			1309 Rolling Hills Road			
Address Winnsboro, SC 29180				Ridgeway, SC 29130			Ridgeway, SC 29130			Ridgeway, SC 29130			
Proximity to Subject				10.8 Mi. SE			5.9 Mi. SE			7 Mi. SE			
Sale Price				\$ 370,000			\$ 370,000			\$ 367,500			
Sale Price/Gross Liv. Area				\$ 308.33 sq ft			\$ 236.88 sq ft			\$ 216.18 sq ft			
Data Source(s)				CMLS DOM 77			CMLS DOM 311			CMLS DOM 131			
Verification Source(s)				Appraiser			Appraiser			Appraiser			
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-)\$ Adjustment		DESCRIPTION		DESCRIPTION		+(-)\$ Adjustment	
Sale or Financing Concessions				cash no concessions				current listing		current listing			
Date of Sale/Time				10/2008 closed				current listing		current listing			
Location		suburban		suburban				suburban		suburban			
Leasehold/Fee Simple		fee simple		fee simple				fee simple		fee simple			
Site		good/lake		good				good		good			
View		good/lake		good/lake				good/lake		good/lake			
Design (Style)		1 sty vinyl		1 sty vinyl				1 sty vinyl		1 sty vinyl			
Quality of Construction		good		good				good		good			
Actual Age		29+-		40+-				20+-		12+-			
Condition		good		very good		-5,000		good		good			
Above Grade		Total Bdrms. Baths		Total Bdrms. Baths				Total Bdrms. Baths		Total Bdrms. Baths			
Room Count		5 2 2		6 3 1		+6,000		6 3 2		7 3 2.5		-3,000	
Gross Living Area		1,637 sq ft		1,200 sq ft		+15,300		1,600 sq ft		1,700 sq ft		-2,200	
Basement & Finished Rooms Below Grade		none		none				none		none			
Functional Utility		good		good				good		good			
Heating/Cooling		central		central				central		central			
Energy Efficient Items		adequate		adequate				adequate		adequate			
Garage/Carport		none		none				none		det carport		-1,500	
Porch/Patio/Deck		cstp/decks		cpor/deck		+500		cpor/deck		cpor/deck/cpor		-2,000	
		dock		dock				dock		dock			
		workshop		none		+2,500		none		workshop			
Net Adjustment (Total)				[X] + .		\$ 19,300		[X] + .		\$ 1,500		[X] + . \$ -8,700	
Adjusted Sale Price of Comparables				Net Adj. 5.22 %		Gross Adj. 7.92 % \$ 389,300		Net Adj. 0.40 %		Gross Adj. 0.92 % \$ 380,500		Net Adj. 2.37 %	
												Gross Adj. 2.37 % \$ 358,800	
ITEM		SUBJECT		COMPARABLE SALE #4			COMPARABLE SALE #5			COMPARABLE SALE #6			
Date of Prior Sale/Transfer		no prior sale		no prior sale			no prior sale			no prior sale			
Price of Prior Sale/Transfer		public record		public record			public record			public record			
Data Source(s)		CMLS/tax assessor		CMLS/tax assessor			CMLS/tax assessor			CMLS/tax assessor			
Effective Date of Data Source(s)		09/14/2009		09/14/2009			09/14/2009			09/14/2009			
Comment on Sales Comparison													

GARVIN APPRAISALS

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This report has been electronically prepared in compliance with the USPAP Guidelines which included a digital signature and adequate security measures in place to protect the integrity of the data produced by the appraiser. This report has been electronically prepared in compliance with the USPAP Guidelines which included a digital signature and adequate security measures in place to protect the integrity of the data produced by the appraiser. Digital photographs have not been retouched, electronically manipulated or enhanced in any way to deviate from their original perspective. This appraisal report is not intended to be used for insurance purposes. There is no personal property included in the value opinion of the subject property. The 70% other land use is the lake and vacant land. Only the area around the lake is built up. I certify, as the appraiser, that I have complied with the Home Valuation Code of Conduct in all aspects of the appraisal process.

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/buyer to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

The estimated opinion of value of the subject site is derived from previous sales and appraisals on similar lots within the subject neighborhood.

ESTIMATED	☐ REPRODUCTION OR ☒ REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$ 225,000
Source of cost data	Marshall & Swift/local builders	Dwelling 1,637 Sq. Ft. @ \$ 75	= \$ 122,775
Quality rating from cost service	good Effective date of cost data 12/2008	Sq. Ft. @ \$	= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)		appliances/decks/dock/workshop	25,000
The cost approach estimates the reproductive cost of the improvements plus the estimated value of the subject lot.		Garage/Carport	Sq. Ft. @ \$ = \$
Cost figures are based on data on file and information from local contractors. The land cost to value ratio is normal for this area. Remaining Economic Life = 50 years		Total Estimate of Cost-New	= \$ 147,775
		Less: Physical Functional External	
		Depreciation 24,531	= \$ (24,531)
		Depreciated Cost of Improvements	= \$ 123,244
		'As-is' Value of Site Improvements	= \$ 6,000
			= \$
Estimated Remaining Economic Life (HUD and VA only)	50 Years	Indicated Value By Cost Approach	= \$ 354,244

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier N/A = \$ N/A Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) Not Applicable

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project N/A

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data Source(s)

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source(s)

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities

ADDITIONAL COMMENTS

Borrower or Owner Bailey, Jimmy E. & Laura J.

Property Address 247 Morninglow Drive

City Winnsboro

County Fairfield

State SC

Zip Code 29180

Lender or Client Quicken Loans

NEIGHBORHOOD BOUNDARIES

The subject neighborhood is bounded to the north and east by Lake Wateree, to the south by Longtown Road, and to the west by US Highway 21.

NEIGHBORHOOD DESCRIPTION

The Lake Wateree area is rapidly changing from a weekend cottage destination to a year round residential community with large, custom built homes being constructed on the lake. Overall marketability and acceptance for this area is good and growing. The 70% "Other" under the Percent Land Use section above is vacant land & the lake.

MARKET CONDITIONS

Homes in the this area are typically financed with conventional loans with the buyer and seller negotiating closing costs.

ADVERSE SITE CONDITIONS AND/OR EXTERNAL FACTORS

Wells & septic tanks are typical for this area and pose no adverse affect. The subject property does not have access to a public sewer system.

SALES COMPARISON APPROACH

The Intended use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of the

Uniform Residential Appraisal Report

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit, including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications: The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Uniform Residential Appraisal Report

File # 090917C

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.

4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature Neil H. Cannon II
 Name O'Neil H. Cannon II
 Company Name GARVIN APPRAISALS
 Company Address 5 CALENDAR COURT STE 103
COLUMBIA, SC 29206
 Telephone Number 803-779-4243
 Email Address neilcannon@garvinappraisals.com
 Date of Signature and Report September 15, 2009
 Effective Date of Appraisal September 11, 2009
 State Certification # CR 4543
 or State License # _____
 or Other _____
 State SC
 Expiration Date of Certification or License 06/30/2010

ADDRESS OF PROPERTY APPRAISED
247 Morninglow Drive
Winnsboro, SC 29180
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 370,000

LENDER/CLIENT

Name _____
 Company Name Quicken Loans
 Company Address 20555 Victor Parkway, Livonia, MI 48152
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature Eugene C. Garvin, Jr.
 Name Eugene C. Garvin, Jr.
 Company Name GARVIN APPRAISALS
 Company Address 5 CALENDAR COURT STE 103
COLUMBIA, SC 29206
 Telephone Number 803-779-4243
 Email Address ecgarvin@garvinappraisals.com
 Date of Signature September 15, 2009
 State Certification # _____
 or State License # CR 2746
 State SC
 Expiration Date of Certification or License 06/30/10

SUBJECT PROPERTY

- ☒ Did not inspect subject property
☐ Did inspect exterior of subject property from street
 Date of Inspection _____
☐ Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- ☒ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
 Date of Inspection _____

Market Conditions Addendum to the Appraisal Report File No. 090917C

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **247 Morninglow Drive** City **Winnsboro** State **SC** ZIP Code **29180**

Borrower **Bailey, Jimmy E. & Laura J.**

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	2	1	1	Increasing	☒ Stable	Declining
Absorption Rate (Total Sales/Months)	0.33	0.33	0.33	Increasing	☒ Stable	Declining
Total # of Comparable Active Listings	10	12	13	Declining	☒ Stable	Increasing
Months of Housing Supply (Total Listings/Ab. Rate)	30.00	36.00	39.00	Declining	☒ Stable	Increasing
Median Sale & List Price, DOM, List/Sale Ratio	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	\$340,000	\$395,000	\$325,000	Increasing	☒ Stable	Declining
Median Comparable Sales Days on Market	42.5	76	321	Declining	☒ Stable	Increasing
Median Comparable List Price	\$382,400	\$393,250	\$379,000	Increasing	☒ Stable	Declining
Median Comparable Listings Days on Market	297.5	254.5	229	Declining	☒ Stable	Increasing
Median Sale Price as % of List Price	91.98%	92.07%	81.45%	Increasing	☒ Stable	Declining
Seller (developer, builder, etc.) paid financial assistance prevalent?	Yes ☐ No ☒			Declining	☒ Stable	Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condos fees, options, etc.). **Seller concessions are typical for this neighborhood and that trend has held steady for the previous 12 months. It does not appear that these concessions are increasing, but as always they are negotiated by the seller & borrower.**

Are foreclosure sales (REO sales) a factor in the market? Yes ☐ No ☒ If yes, explain (including the trends in listings and sales of foreclosed properties). **Foreclosure sales are not a factor in this particular market. There may occasionally be a relocation sale, but they are usually in market range and are not a factor in the market.**

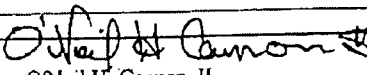
Cite data sources for above information. **tax assessor's office/CMLS/appraiser's office data**

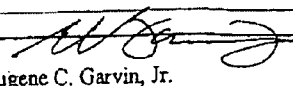
Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions. **The above data supports the information in the Neighborhood section of the appraisal report. There has been a slowdown of sales in the general area due to the current economic conditions. Due to limited sales, it is difficult to determine if any significant trends have been established.**

If the subject is a unit in a condominium or cooperative project, complete the following:				Project Name:		
Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				Increasing	☐ Stable	Declining
Absorption Rate (Total Sales/Months)				Increasing	☐ Stable	Declining
Total # of Active Comparable Listings				Declining	☐ Stable	Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				Declining	☐ Stable	Increasing

Are foreclosure sales (REO sales) a factor in the project? Yes ☐ No ☐ If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature 
 Appraiser Name **O'Neil H. Cannon, II**
 Company Name **GARVIN APPRAISALS**
 Company Address **5 CALENDAR COURT STE 103, COLUMBIA, SC 29206**
 State License/Certification # **CR 4543** State **SC**
 Email Address **neilcannon@garvinappraisals.com**

Signature 
 Appraiser Name **Eugene C. Garvin, Jr.**
 Company Name **GARVIN APPRAISALS**
 Company Address **5 CALENDAR COURT STE 103, COLUMBIA, SC 29206**
 State License/Certification # **CR 2746** State **SC**
 Email Address **ecgarvin@garvinappraisals.com**

EXHIBIT

E



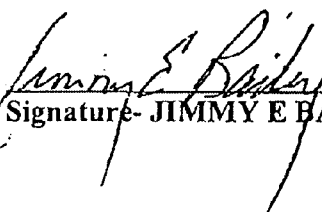
Individual or Joint Credit Form

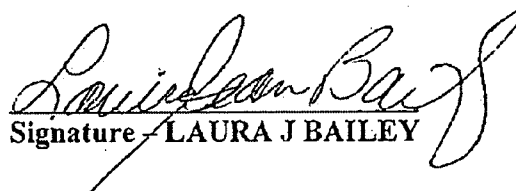
We are applying for \$ 99,000.00 on 10/27/2009 with
ArrowPointe Federal Credit Union. (date)

() I am applying for individual credit in my own name and I am relying on my own income and assets and not the income or assets of another person.

() I am applying for individual credit and I am relying on my income or assets, as well as income or assets from other sources.

(X) We are applying for joint credit


Signature- JIMMY E BAILEY


Signature- LAURA J BAILEY


Member's Account Number

EXHIBIT

F

* New 2 Bed / 1 Bath addition

\$74,000

* tear out and replace existing Deck
as per verbal.

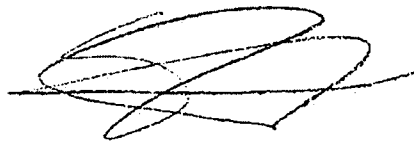
\$7,700.00 materials, labor, disposal

* Support and re-build existing Floor system under
Sunroom as Best as possible.

\$2300.00 materials & labor.

Contract to be signed Before construction begins,
Must show proof of funds.

Thanks,



Steve L. Reynolds Sr

Pres. Generation III Inc.

803-600-0195

EXHIBIT

G

GARVIN APPRAISALS
5 CALENDAR COURT STE 103
COLUMBIA, SC 29206
803-779-4243

October 14, 2009

ArrowPointe Federal Credit Union
P.O. Box 12068
Rock Hill, SC
29731

Property - 247 Morninglow Drive
Winnsboro, SC 29180
Borrower - Bailey, Jimmy E. & Laura J.
File No. - 100928C
Case No. -

Dear :

In accordance with your request, I have prepared an appraisal of the real property located at 247 Morninglow Drive, Winnsboro, SC.

The purpose of the appraisal is to provide an opinion of the market value of the property described in the body of this report.

Enclosed, please find the Summary Report which describes certain data gathered during our investigation of the property. The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in this report.

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of October 13, 2009 is :

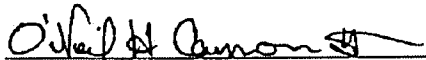
\$500,000

The opinion of value expressed in this report is contingent upon the Limiting Conditions attached to this report.

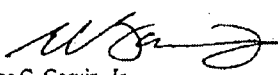
It has been a pleasure to assist you. If I may be of further service to you in the future, please let me know.

Respectfully submitted,

GARVIN APPRAISALS



O'Neil H. Cannon, II
SC Certification #CR 4543


Eugene C. Garvin, Jr.
SC License #CR 2746

Uniform Residential Appraisal Report

File # 100928C

The purpose of this summary appraisal report is to provide the lender/buyer with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address **247 Morninglow Drive** City **Winnsboro** State **SC** Zip Code **29180**
 Borrower **Bailey, Jimmy E. & Laura J.** Owner of Public Record **Bailey, Jimmy & Laura** County **Fairfield**
 Legal Description **247 Morninglow Drive Section 22-Lot 137**
 Assessor's Parcel # **093-08-00-013-000** Tax Year **2008** R.E. Taxes \$ **2000** est
 Neighborhood Name **Lake Wateree** Map Reference **Lake Wateree** Census Tract **9603**
 Occupant ☒ Owner ☐ Tenant ☐ Vacant Special Assessments \$ **none** PUD ☐ HOA \$ **N/A** per year ☐ per month
 Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)
 Assignment Type ☐ Purchase Transaction ☒ Refinance Transaction ☐ Other (describe)
 Lender/Cliant **ArrowPointe Federal Credit Union** Address **P.O. Box 12068, Rock Hill, SC 29731**
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of the appraisal? ☐ Yes ☒ No
 Report data source(s) used, offering price(s), and date(s): **CMLS/Owner**
 I ☐ did ☒ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed: **Refinance**
 Contract Price \$ **N/A** Date of Contract **N/A** Is the property seller the owner of public record? ☐ Yes ☐ No Data Source(s) **N/A**
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No
 If Yes, report the total dollar amount and describe the items to be paid: **N/A**
 Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Percent Land Use %	
Location	☐ Urban	☒ Suburban	☐ Rural	Property Values	☐ Increasing	☒ Stable	☐ Declining	PRICE	AGE	One-Unit	30.0 %
Built-Up	☐ Over 75%	☒ 25-75%	☐ Under 25%	Demand/Supply	☐ Shortage	☒ In Balance	☐ Over Supply	3(000)	(yrs)	2.4 Unit	%
Growth	☐ Rapid	☒ Stable	☐ Slow	Marketing Time	☐ Under 3 mths	☒ 3-6 mths	☐ Over 6 mths	35	Low	MHS-Family	%
Neighborhood Boundaries *** See Additional Comments ***								900	High	50	Commercial %
								450	Prod.	25	Other 70.0 %

Neighborhood Description **The subject property is located on the shoreline of Lake Wateree in Fairfield County. This area allows for average access to employment centers, shopping and schools. Supply and demand appear to be in balance with typical exposure time being between 3 to 6 months. *** See Additional Comments *****
 Market Conditions (including support for the above conclusions) **Market conditions are currently attractive as interest rates remain at historical lows. Property values in the neighborhood area appear to be stable. Supply and demand are in balance with typical exposure time being from four to eight months. *** See Additional Comments *****
 Dimensions **no plat provided** Area **0.5175+- acres** Shape **basic rectangular** View **good/lake**
 Specific Zoning Classification **RD rural district** Zoning Description **single family residential**
 Zoning Compliance ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe
 Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private
 Electricity ☒ Water ☐ well ☒ Street **gravel/dirt** ☒
 Gas ☐ none/typical Sanitary Sewer ☒ septic Alley **none/typical** ☐
 FEMA Special Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone **C** FEMA Map No. **450075 0135B** FEMA Map Date **1982-07-19**
 Are the utilities and off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe
 Are there any adverse site conditions or external factors (essments, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe
The front portion of the subject property may be in the flood hazard area; however the improvements are not. Drainage and utility easements are typical for the area and don't adversely affect the subject's marketability or value. No adverse easements or encroachments were noted. * See Additional Comments *****

General Description		Foundation		Exterior Description (materials/condition)		Interior (materials/condition)	
Units	☒ One ☐ One with Accessory Unit	☒ Concrete Slab	☒ Craw Space	Foundation Walls	piers/slab/vy good	Floors	carpet/vinyl/vy gd
# of Stories	1	☐ Full Basement	☐ Partial Basement	Exterior Walls	vinyl/vy good	Walls	drywall/panel/vy gd
Type	☒ Det. ☐ Att. ☐ S-Det/End Unit	Basement Area None sq. ft.		Roof Surface	metal/very good	Trim/Finish	good/good
☒ Existing ☐ Proposed ☐ Under Const.	Basement Finish N/A %	Gutters & Downspouts yes/very good		Window Type	SH insulated/new	Bath Floor	carpet/vinyl/vy gd
Design (Style) 1 sty vinyl	☐ Outside Entry/Exit ☐ Sump Pump	Storm Sash/Insulated none		Car Storage	None	Bath Wainscot	fbrelssvy gd
Year Built 1980+-	Evidence of ☐ Infestation	Screens screens/new		☒ Driveway	# of Cars 5+		
Effective Age (Yrs) 5	☐ Dampness ☐ Settlement	Amenities		Wood Slove(s)	#	Driveway Surface	concrete
Attic ☐ None	Heating ☒ FWA ☐ HWB ☐ Radiant	Fireplace(s) #		Fence	#	Garage	# of Cars
☐ Drop Stair ☐ Stairs	☐ Other ☐ Fuel electric	☒ Patio/Deck 2		☒ Porch sepor	#	Carport	# of Cars
☐ Floor ☒ Soutie	Cooling ☒ Central Air Conditioning	☐ Pool		☒ Other dock	#	Alt.	Det. ☒ Built-in
Finished	☐ Heated ☐ Individual ☐ Other	Appliances ☐ Refrigerator ☒ Range/Oven ☒ Dishwasher ☐ Disposal ☐ Microwave ☐ Washer/Dryer ☐ Other (describe)					
Finished area above grade contains: 8 Rooms 4 Bedrooms 3 Bath(s) 2,453 Square Feet of Gross Living Area Above Grade							
Additional features (special energy efficient ions, etc.) 2 decks, dock, metal roof, 12X18 workshop with window a/c, fence, insulated windows with screens. *** See Additional Comments ***							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) The subject property is going to be renovated and will be in very good overall condition. The subject is appraised "subject to completion" of the proposed addition & renovation work. A final inspection is required. There is no functional or external obsolescence noted and no major repairs cited. Overall quality of construction is considered good. Physical depreciation is calculated using the age/life method.							
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe							
There are no known or apparent adverse environmental conditions that would negatively impact the value or marketability of the subject property; however, your appraiser is not an environmental expert.							
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe							

Uniform Residential Appraisal Report

File # 100928C

There are 9 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 464,000.00 to \$ 569,000.00	
There are 3 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 475,000.00 to \$ 550,000.00	
FEATURE	SUBJECT
247 Morninglow Drive Address Winnsboro, SC 29180	1961 Wateree Road Winnsboro, SC 29180
Proximity to Subject	3.3 Mi. NW
Sale Price	\$ 475,000
Sale Price/Gross Liv. Area	\$ 197.92 sq. ft.
Date Source(s)	CMLS DOM 209
Verification Source(s)	Appraiser
VALUE ADJUSTMENTS	DESCRIPTION
Sale or Financing Concessions	cash no concessions
Date of Sale/Time	09/2009 closed
Location	suburban
Leasehold/fee simple	fee simple
Site	good 4.28+- acres/super -15.100
View	good/lake
Design (Style)	1 sty vinyl
Quality of Construction	good
Actual Age	29
Condition	very good/renov
Above Grade	Total Bdrms. Baths 8 4 3
Room Count	8 4 3
Gross Living Area	2,453 sq. ft. 2,400 sq. ft. +1,900
Basement & Finished Rooms Below Grade	none
Functional Utility	good
Heating/Cooling	central
Energy Efficient Items	adequate
Garage/Carport	Car 2 det garage -3,000
Porch/Patio/Deck	sepor/decks/patio dock +1,000
	workshop none +2,500
Net Adjustment (Total)	\$ -15,700
Adjusted Sale Price of Comparables	Net Adj. 3.31 % Gross Adj. 5.58 % \$ 459,300
I ☒ did not research the sale or transfer history of the subject property and comparable sales. If not, explain	
My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
Data Source(s) tax assessor	
My research ☐ did ☒ did not reveal any prior sales or transfers of the comparable sales for the prior year to the date of sale of the comparable sale.	
Data Source(s) tax assessor	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	
ITEM	SUBJECT
Date of Prior Sale/Transfer	no prior sale
Price of Prior Sale/Transfer	public record
Data Source(s)	CMLS/tax assessor
Effective Date of Data Source(s)	10/13/2009
Analysis of prior sale or transfer history of the subject property and comparable sales According to the tax assessor's office there has been no prior sale on the subject property within the previous 36 months and no prior sales on any of the comps within the previous 12 months from the sales dates posted above.	
Summary of Sales Comparison Approach All three comps are located on the shoreline of Lake Wateree, like the subject. All three comps are current sales. All three exceed the proximity guidelines; however all of this is typical and unavoidable when appraising homes on Lake Wateree. Comps one and two are on larger sites and the adjustment is made accordingly. A final opinion of value of \$500,000 is within market range. The Intended User of this appraisal report is the Lender/Client. The Intended use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of the appraisal form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.	
Indicated Value by Sales Comparison Approach \$ 500,000	
Indicated Value by: Sales Comparison Approach \$ 500,000 Cost Approach (if developed) \$ Not Required Income Approach (if developed) \$ N/A	
This appraisal is made ☐ "as is," ☒ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. A final inspection is required.	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 500,000 as of October 13, 2009 which is the date of inspection and the effective date of this appraisal.	

Uniform Residential Appraisal Report

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This report has been electronically prepared in compliance with the USPAP Guidelines which included a digital signature and adequate security measures in place to protect the integrity of the data produced by the appraiser. Digital photographs have not been retouched, electronically manipulated or enhanced in any way to deviate from their original perspective. The subject property conforms to the applicable minimum FHA Standards as set forth in HUD Handbook 4150.2 and 4905.1. This appraisal report is not intended to be used for insurance purposes.

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/olist to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

The Cost Approach to Value is not required by FNMA.

ESTIMATED	REPRODUCTION OR	REPLACEMENT COST NEW	OPINION OF SITE VALUE	=S
Source of cost data			Dwelling Sq. Ft. @ \$	=S
Quality rating from cost service	Effective date of cost data		Sq. Ft. @ \$	=S
Comments on Cost Approach (gross living area calculations, depreciation, etc.)				
			Garage/Carport Sq. Ft. @ \$	=S
			Total Estimate of Cost-New	=S
			Less Physical Functional External	
			Depreciation	=S ()
			Depreciated Cost of Improvements	=S
			'As-Is' Value of Site Improvements	=S
				=S
Estimated Remaining Economic Life (HUD and VA only)	55	Years	Indicated Value By Cost Approach	=S

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier N/A = \$ N/A Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) Not Applicable

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project N/A

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data Source(s)

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source(s)

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities

ADDITIONAL COMMENTS

Borrower or Owner Bailey, Jimmy E. & Laura J.Property Address 247 Morninglow DriveCity WinnsboroCounty FairfieldState SCZip Code 29180Lender or Client ArrowPointe Federal Credit Union**NEIGHBORHOOD BOUNDARIES**

The subject neighborhood is bounded to the north and east by Lake Wateree, to the south by Longtown Road, and to the west by US Highway 21.

NEIGHBORHOOD DESCRIPTION

The Lake Wateree area is rapidly changing from a weekend cottage destination to a year round residential community with large, custom built homes being constructed on the lake. Overall marketability and acceptance for this area is good and growing.

MARKET CONDITIONS

Homes in the this area are typically financed with conventional loans with the buyer and seller negotiating closing costs.

ADVERSE SITE CONDITIONS AND/OR EXTERNAL FACTORS

Wells & septic tanks are typical for this area and pose no adverse affect. The subject property does not have access to a public sewer system.

ADDITIONAL FEATURES

The subject property is going to have an addition constructed which will add 816 square feet. This addition will consist of two more bedrooms, one bath and a sitting room. It will also include a double carport below. Also all carpet and windows to be replaced. A screen porch will be added and the deck at the front of the subject will be replaced. The cost of the addition and renovation is \$114,900.

SALES COMPARISON APPROACH

The Intended use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of the

Summary Appraisal Report
Uniform Residential Appraisal Report

File # 100928C

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following: definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

File # 100928C

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Uniform Residential Appraisal Report

File # 100928C

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.

4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature *Neil H. Cannon, II*
 Name Neil H. Cannon, II
 Company Name GARVIN APPRAISALS
 Company Address 5 CALENDAR COURT STE 103
COLUMBIA, SC 29206
 Telephone Number 803-779-4243
 Email Address neilcannon@garvinappraisals.com
 Date of Signature and Report October 14, 2009
 Effective Date of Appraisal October 13, 2009
 State Certification # CR 4543
 or State License # _____
 or Other _____
 State SC
 Expiration Date of Certification or License 06/30/2010

ADDRESS OF PROPERTY APPRAISED

247 Morninglow Drive
Winnaboro, SC 29180
APPRAISED VALUE OF SUBJECT PROPERTY \$ 500,000

LENDER/CLIENT

Name _____
 Company Name ArrowPointe Federal Credit Union
 Company Address P.O. Box 12068
Rock Hill, SC 29731
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature *Eugene C. Garvin, Jr.*
 Name Eugene C. Garvin, Jr.
 Company Name GARVIN APPRAISALS
 Company Address 5 CALENDAR COURT STE 103
COLUMBIA, SC 29206
 Telephone Number 803-779-4243
 Email Address ecgarvin@garvinappraisals.com
 Date of Signature October 14, 2009
 State Certification # _____
 or State License # CR 2746
 State SC
 Expiration Date of Certification or License 06/30/10

SUBJECT PROPERTY

☒ Did not inspect subject property
☐ Did inspect exterior of subject property from street
 Date of Inspection _____
☐ Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

☒ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
 Date of Inspection _____

Market Conditions Addendum to the Appraisal Report Form No. 100928C

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **247 Morninglow Drive** City **Winnsboro** State **SC** ZIP Code **29180**

Borrower **Bailey, Jimmy E. & Laura J.**

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)		2	1	Increasing	☒ Stable	☐ Declining
Absorption Rate (Total Sales/Months)		0.67	0.33	Increasing	☒ Stable	☐ Declining
Total # of Comparable Active Listings	9	10	10	Declining	☒ Stable	☐ Increasing
Months of Housing Supply (Total Listings/Ab. Rate)		15.00	30.00	Declining	☒ Stable	☐ Increasing
Median Sale & List Price, DOM, List/Sale Ratio	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price		\$549,500	\$475,000	Increasing	☒ Stable	☐ Declining
Median Comparable Sales Days on Market		226	209	Declining	☒ Stable	☐ Increasing
Median Comparable List Price	\$549,000	\$534,450	\$529,900	Increasing	☒ Stable	☐ Declining
Median Comparable Listings Days on Market	226	220	211.5	Declining	☒ Stable	☐ Increasing
Median Sale Price as % of List Price		96.13%	89.64%	Increasing	☒ Stable	☐ Declining
Seller (developer, builder, etc.) paid financial assistance prevalent?	Yes ☐ No ☒			Declining	☒ Stable	☐ Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). **Seller concessions are typical for this neighborhood and that trend has held steady for the previous 12 months. It does not appear that these concessions are increasing, but as always they are negotiated by the seller & borrower.**

Are foreclosure sales (REO sales) a factor in the market? Yes ☐ No ☒ If yes, explain (including the trends in listings and sales of foreclosed properties).

Foreclosure sales are not a factor in this particular market. There may occasionally be a relocation sale, but they are usually in market range and are not a factor in the market.

Cite data sources for above information. **tax assessor's office/CMLS/appraiser's office data**

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

The above data supports the information in the Neighborhood section of the appraisal report. There has been a slowdown of sales in the general area due to the current economic conditions. Due to limited sales, it is difficult to determine if any significant trends have been established.

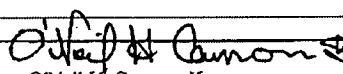
If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				Increasing	☐ Stable	☐ Declining
Absorption Rate (Total Sales/Months)				Increasing	☐ Stable	☐ Declining
Total # of Active Comparable Listings				Declining	☐ Stable	☐ Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				Declining	☐ Stable	☐ Increasing

Are foreclosure sales (REO sales) a factor in the project? Yes ☐ No ☐ If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature 

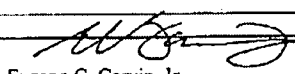
Appraiser Name **O'Neil H. Cannon, II**

Company Name **GARVIN APPRAISALS**

Company Address **5 CALENDAR COURT STE 103, COLUMBIA, SC 29206**

State License/Certification # **CR 4543** State **SC**

Email Address **neilcannon@garvinappraisals.com**

Signature 

Appraiser Name **Eugene C. Garvin, Jr.**

Company Name **GARVIN APPRAISALS**

Company Address **5 CALENDAR COURT STE 103, COLUMBIA, SC 29206**

State License/Certification # **CR 2746** State **SC**

Email Address **ecgarvin@garvinappraisals.com**

EXHIBIT

H

PRELIMINARY TITLE REPORT
FOR
ARROWPOINTE FEDERAL CREDIT UNION

LOAN APPLICATION
JIMMY EUGENE BAILEY AND LAURA
JEAN BAILEY

I do hereby certify that I have made an examination of all the public records of Fairfield County, South Carolina, which affect the title to the property described on the mortgage and I report as follows:

(1) Title is presently vested in Jimmy Eugene Bailey and Laura Jean Bailey. Subject only to current real estate taxes which are not yet due and payable and free from all encumbrances, mortgages, other taxes, liens or objections except as follows:

First mortgage by Laura Jean Bailey and Jimmy Eugene Bailey to MERS as the mortgagee and Quicken Loans, Inc. as the lender dated January 20, 2009 and recorded February 6, 2009 in Record Book 941, at Page 45 in the original amount of \$248,500.00.

Please see attached Exhibit "B" for satisfaction of mortgage not correctly stated.

Mortgage from Jimmy Eugene Bailey and Laura Jean Bailey to Bowater Carolina Federal Credit Union dated February 16, 2001 and recorded February 28, 2001 in Mortgage Book 498, at Page 1 in the original amount of \$153,000.00.

Assigned to CU Lending, Inc. by Assignment recorded February 23, 2001 in Mortgage Book 498, at Page 18.

Assigned to PHH Mortgage Services by Assignment recorded February 23, 2001 in Mortgage Book 498, at Page 19.

Satisfaction of said mortgage by PH Mortgage Corp. formerly known as PHH Mortgage Services reflects that the mortgage above stated was recorded in Book 571, at Page 1 and should have said 498, at Page 1.

Also, the assignments refer to Book 521, at Page 18 and Book 521, at Page 19 and should be 498, at Page 18 and 498, at Page 19.

Will attempt to procure attempted Loss Mortgage Satisfaction from PPH Mortgage Corporation formerly known as PHH Mortgage Services.

(2) Restrictive Covenants. The said real property is subject to the following restrictive covenants.

Easements, Reservations, Conditions and Restrictions Deed Book FR, at Page 242, copy attached.

Option to Purchase back from Edward R. Baker and Minnie M. Baker to Duke Power Company recorded in Deed Book FR, at Page 246, copy attached.

Plat shows right of way of Morning Glow Drive, and power line, copy of plat attached.

(3) Property taxes on Tax Parcel No.: 95-02-02-022.
County taxes have been paid through and including those for the year 2008.
City taxes have been paid through and including those for the year not in city.

(4) Conveyances or other actions necessary to give your association a valid first lien on said property subject to all remaining exceptions and objections, are as follows:

Execution and recordation of mortgage. Satisfaction of above mortgages.

(5) Property title certified down to October 12, 2009 at 9:00 a.m.

HAMILTON, DELLENY & GRIER, PA
ATTORNEYS AT LAW
CHESTER, SC 29709

By: 

Milton E. Hamilton

OBJECTIONS

1. The exact location of boundary line, deficiency in quantity of land, unrecorded easements and right-of-ways, overlaps and/or and other conditions not disclosed by the public records, what would be disclosed by an accurate survey and inspection a of the property.
 2. Compliance with any city, county, state, federal governmental law, regulations, or rule relative to zoning, subdivisions, occupancy, use, construction or development of subject property.
 3. Taxes coming due but not yet payable.
 4. Roll-back Taxes.
 5. Rights of the public and others entitled thereto in and to the use of that portion of the premises within the bounds of a public street or right-of-way.
 6. Rights of upper and lower riparian owners entitled thereto and unto the use of the water and the natural flow thereof.
 7. Rights of others in and to the use of any drains and/or ditches, located over across, in and under the premises, and rights to enter upon said premises to maintain the same.
 8. Party wall rights.
 9. 2009 county taxes not yet due and payable.
-

HAMILTON DELLENY & GRIER, P.A.

ATTORNEYS AT LAW
HISTORIC COUNTY JAIL BUILDING (CIRCA 1842)
128 CENTER STREET
POST OFFICE DRAWER 808
Chester, South Carolina 29706-0808
803-581-2211
FAX
803-581-2215

DAVID HAMILTON (1853-1840)
THOMAS B. HAMILTON (1916-1972)
DAVID LEE HAMILTON (1911-1995)

MILTON E. HAMILTON
F.O. DELLENY JR.
BRIAN T. GRIER

CHESTER OFFICE
128 CENTER STREET
CHESTER, S.C. 29706-0808
803-581-2211

GREAT FALLS OFFICE
215 1/2 DEARBORN STREET
GREAT FALLS, S.C. 29055
803-482-6600

October 13, 2009

Mrs. Barbara Looper
ArrowPointe Federal Credit Union
P.O. Box 465
Great Falls, SC 29055

RE: Jimmy Bailey and Laura Jean Bailey

Dear Barbara:

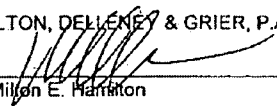
Please find enclosed my Preliminary Title Report in the above matter.

Please note that there is an old mortgage to Bowater Carolina Federal Credit Union which has been satisfied but the wrong deed book was given of reference but I am not taking exception to the same. The only mortgage on this property is the first mortgage to MERS as the mortgagee and Quicken Loans, Inc. as the lender dated January 20, 2009 and recorded February 6, 2009 in Record Book 941, at Page 45 in the original amount of \$248,500.00.

With kind regards, I am

Very truly yours,

HAMILTON, DELLENY & GRIER, P.A.

BY: 
Milton E. Hamilton

MEH:krw

Enclosure

FINAL TITLE REPORT
FOR

ARROW POINTE FEDERAL CREDIT UNION

I herby certify that I have made an examination of all the public records of Fairfield County, South Carolina which affect the title to the property hereinafter described, and I report that JIMMY E. BAILEY AND LAURA JEAN BAILEY has good, marketable title in fee simple thereto, subject only to current real estate taxes, that certain mortgage to Arrow Pointe Federal Credit Union dated October 27, 2009 recorded November 4, 2009 at 12:36 P.M. in Mortgage Book 973, at Page 28 in the Office of the Clerk of Court for Fairfield County, S.C., securing Note for \$99,000.00 with such liens, encumbrances and exceptions as are hereinafter set forth:

All those listed in Preliminary Title Report except mortgage from Jimmy Eugene Bailey and Laura Jean Bailey to Bowater Carolina Federal Credit Union dated February 16, 2001 and recorded February 28, 2001 in Mortgage Book 498, at Page 1 in the original amount of \$153,000.00 has been satisfied of record.

Chester, S.C.

HAMILTON, DELLENEY & GRIER, P.A.

ATTORNEYS AT LAW

October 12, 2009.

CHESTER, S.C. 29706

BY: _____

Milton E. Hamilton

11/23/09
12/15/09
296K

256,550

EXHIBIT

I

HAMILTON, DELLENEY & GRIER, P.A.
ATTORNEYS AT LAW
P.O. BOX 808
CHESTER, SC 29706-0808

WHEN RECORDED, MAIL TO
ARROWPOINTE FCU

P O BOX 187

CATAWBA SC 29704

SPACE ABOVE THIS LINE FOR RECORDER'S USE

REVOLVING CREDIT MORTGAGE

THIS MORTGAGE CONTAINS A DUE-ON-SALE PROVISION AND SECURES INDEBTEDNESS UNDER A CREDIT AGREEMENT WHICH PROVIDES FOR A REVOLVING LINE OF CREDIT AND MAY CONTAIN A VARIABLE RATE OF INTEREST.

THIS MORTGAGE ("Security Instrument") is made on 10/27/2009, The Mortgagor is
JIMMY E BAILEY
LAURA JEAN BAILEY

("Borrower"). The Mortgagee is ArrowPointe Federal Credit Union, duly
chartered and existing under the laws of UNITED STATES OF AMERICA,
whose address is: P O BOX 187

CATAWBA SC 29704

("Lender")

WHEREAS, Borrower is indebted to Lender as described in this paragraph;
TO SECURE to Lender:

- (1) The repayment of all indebtedness due and to become due under the terms and conditions of the LOANLINER Home Equity Plan Credit Agreement and Truth-in-Lending Disclosures made by Borrower and dated the same day as this Security Instrument, and all modifications, amendments, extensions and renewals thereof (herein "Credit Agreement"). Lender has agreed to make advances to Borrower under the terms of the Credit Agreement, which advances will be of a revolving nature and may be made, repaid, and remade from time to time. Borrower and Lender contemplate a series of advances to be secured by this Security Instrument. The total outstanding principal balance owing at any one time under the Credit Agreement (not including finance charges thereon at a rate which may vary from time to time, and any other charges and collection costs which may be owing from time to time under the Credit Agreement) shall not exceed

NINETY - NINE THOUSAND AND 00/100 DOLLARS

(\$99000.00). That sum is referred to herein as the Maximum Principal Balance and referred to in the Credit Agreement as the Credit Limit. On the Final Payment Date, 15 years from the date of this Security Instrument, the entire indebtedness under the Credit Agreement, if not paid earlier, is due and payable.

- (2) The payment of all other sums advanced in accordance herewith to protect the security of this Security Instrument, with finance charges thereon at a rate which may vary as described in the Credit Agreement.
- (3) The performance of Borrower's covenants and agreements under this Security Instrument and under the Credit Agreement.

BORROWER does hereby mortgage, grant and convey to Lender the following described property located in the County of _____, State of South Carolina:

200900002622
Filed for Record in
FAIRFIELD SC
BETTY JO BECKHAM
11-04-2009 At 12:36:24 pm.
MORTGAGE 13.00
Book 973 Page 28 - 34

which has the address of _____,
(Street) _____, South Carolina _____
(City) _____ (Zip Code) _____

(herein "Property Address");

TO HAVE AND TO HOLD unto lender and lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and fixtures, all of which shall be deemed to be and remain a part of the property covered by this Security Instrument; and all of the foregoing, together with said property (or the leasehold estate if this Security Instrument is on a leasehold) are hereinafter referred to as the "Property."

Complete if applicable:

This Property is part of a condominium project known as _____

This Property includes Borrower's unit and all Borrower's rights in the common elements of the condominium project.

This Property is in a Planned Unit Development known as _____

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Finance Charges and Other Charges. Borrower shall promptly pay when due all amounts borrowed under the Credit Agreement, all finance charges and applicable other charges and collection costs as provided in the Credit Agreement.

2. Funds for Taxes and Insurance. Subject to applicable law, Lender, at Lender's option, may require Borrower to pay to Lender on the day monthly payments of principal and finance charges are payable under the Credit Agreement, until all sums secured by this Security Instrument are paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Security Instrument, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance and flood insurance, if applicable, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional Lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not

charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Security Instrument that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 22 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Credit Agreement and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, second, (in the order Lender chooses) to any finance charges, other charges and collection costs owing, and third, to the principal balance under the Credit Agreement.

4. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Security Instrument, including Borrower's covenants to make payments when due. Except to the extent that any such charges or impositions are to be paid to Lender under paragraph 2, Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any. Within five days after any demand by Lender, Borrower shall exhibit to Lender receipts showing that all amounts due under this paragraph have been paid when due.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," floods, and such other hazards as Lender may require and in such amounts and for such periods as Lender may require. Unless Lender in writing requires otherwise, the policy shall provide insurance on a replacement cost basis in an amount not less than that necessary to comply with any coinsurance percentage stipulated in the hazard insurance policy, and the amount of coverage shall be no less than the Maximum Principal Balance plus the full amount of any lien which has priority over this Security Instrument.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Security Instrument.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. All insurance proceeds are hereby assigned to Lender and shall be paid to Lender to the extent of all sums secured by this Security Instrument, subject to the terms of any mortgage, deed of trust or security agreement with a lien which has priority over this Security Instrument. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restore or repair the Property; if it is economically feasible to do so.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Security Instrument.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrowers shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Security Instrument is on a leasehold. If this Security Instrument is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrowers' obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and the constituent documents.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's

interest. Any amounts disbursed by Lender pursuant to this paragraph 7, with finance charges thereon, at the rate provided in the Credit Agreement, shall become additional indebtedness of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder. Any action taken by Lender under this paragraph shall not cure any breach Borrower may have committed of any covenant or agreement under this Security Instrument. Borrower agrees that Lender is subrogated to all of the rights and remedies of any prior lienor, to the extent of any payment by Lender to such lienor.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, to the extent of any indebtedness under the Credit Agreement, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Security Instrument.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 21 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Security Instrument, but does not execute the Credit Agreement, (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Security Instrument, (b) is not personally liable under the Credit Agreement or under this Security Instrument, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations or amendments with regard to the terms of this Security Instrument or the Credit Agreement, without that Borrower's consent and without releasing that Borrower or modifying this Security Instrument as to that Borrower's interest in the Property.

12. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

13. Governing Law; Severability. The state and local laws applicable to this Security Instrument shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Security Instrument. In the event that any provision or clause of this Security Instrument or the Credit Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Credit Agreement which can be given effect without the conflicting provision, and to this end the provisions of this Security Instrument and the Credit Agreement are declared to be severable. As used herein, "costs," "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

14. Prior Mortgage or Deed of Trust; Modification; Future Advance. Borrower shall not enter into any agreement with the holder of any mortgage, deed of trust or other security agreement which has priority over this Security Instrument by which that security agreement is modified, amended, extended, or renewed, without the prior written consent of the Lender. Borrower shall neither request nor accept any future advance under a prior mortgage, deed of trust, or other security agreement without the prior written consent of Lender.

15. Borrower's Copy. Borrower shall be furnished a copy of the Credit Agreement and of this Security Instrument at the time of execution or after recordation hereof.

16. Rehabilitation Loan Agreement. Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower may enter into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

17. Waiver of Homestead Exemption. To the extent permitted by law, Borrower hereby waives the benefit of the homestead exemption as to all sums secured by this Security Instrument.

18. Waiver of Statutes of Limitation. To the extent permitted by law, Borrower hereby waives statutes of limitation as a defense to any demand or obligation secured by this Security Instrument.

19. Merger. There shall be no merger of the interest or estate created by this Security Instrument with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

20. Notice of Transfer of the Property; Advances after Transfer. Borrower shall give notice to Lender, as provided in paragraph 12 hereof, prior to any sale or transfer of all or part of the Property or any rights in the Property. Any person to whom all or part of the Property or any right in the Property is sold or transferred also shall be obligated to give notice to Lender, as provided in paragraph 12 hereof, promptly after such transfer. Even if Borrower transfers the Property, Borrower will continue to be obligated under the Credit Agreement and this Security Instrument unless Lender releases Borrower in writing. As a condition to Lender's consent to any proposed transfer or as a condition to the release of Borrower, Lender may require that the person to whom the Property is transferred sign an assumption agreement satisfactory to Lender and Lender may impose an assumption fee. The assumption agreement will not entitle the person signing it to receive advances under the Credit Agreement.

21. Transfer of the Property. Subject to applicable law, Lender shall have the right to accelerate, that is, to demand immediate payment in full of all sums secured by this Mortgage or Deed of Trust, if Borrower, without the written consent of Lender, sells or transfers all or part of the Property or any rights in the Property.

If Lender exercises the option to accelerate, Lender shall give Borrower notice of acceleration in accordance with paragraph 12 hereof. The notice shall provide a period of not less than 30 days from the date of the notice within which Borrower may pay the sums declared due. If Borrower fails to pay those sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 22 hereof.

22. Default, Termination and Acceleration; Remedies. Each of the following events shall constitute an event of default ("event of default") under this Security Instrument: (1) Borrower commits fraud or makes a material misrepresentation in connection with this Security Instrument or the Credit Agreement; (2) Borrower does not meet the repayment terms of the Credit Agreement; or (3) Borrower's action or inaction adversely affects the Lender's rights in the Property secured by this Security Instrument. If an event of default occurs, then prior to exercising any right or remedy provided for in this Security Instrument and prior to acceleration, ~~Lender shall give notice as provided in paragraph 12 hereof and as required by applicable law. The notice shall specify:~~ (a) the event of default; (b) the action required to cure the event of default; (c) a date, not less than twenty days (or any longer period required by applicable law) from the date the notice is given to Borrower by which the event of default must be cured; (d) that failure to cure the event of default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding, and sale of the Property; and (e) any other information required by applicable law. The notice shall further inform Borrower of the right to reinstate after acceleration, if applicable, and the right to assert in the foreclosure proceeding the nonexistence of an event of default or any other defense of Borrower to acceleration and sale. If the event of default is not cured on or before the date specified in the notice, Lender, at Lender's option, without further notice or demand, may declare default, may declare all sums secured by this Security Instrument to be immediately due and payable, and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 22, including, but not limited to, reasonable attorneys' fees, and costs of documentary evidence, abstracts and title reports, all of which shall be additional sums secured by this Security Instrument.

23. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which would then be due under this Security Instrument and the Credit Agreement had no acceleration occurred; (b) cures all other events of default under this Security Instrument and the Credit Agreement; (c) pays all reasonable expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 21.

24. Release. This Security Instrument secures a revolving line of credit and advances may be made, repaid, and remade from time to time, under the terms of the Credit Agreement. When according to the terms of the Credit Agreement, no more advances will be made, and Borrower has paid all sums secured by this Security Instrument (or earlier if required by applicable law), this Security Instrument shall become null and void and Lender shall discharge this Security Instrument. To the extent permitted by law, Lender may charge Borrower a fee for such discharge and require Borrower to pay costs of recordation, if any.

**REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE
UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST**

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Security Instrument to give Notice to Lender, at Lender's address set forth on page one of this Security Instrument, of any default under the superior encumbrance and of any sale or other foreclosure action.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

X Kay R. Widener

Witness

X [Signature]

Witness

X [Signature]

JIMMY E BAILEY

Borrower

(Seal)

X [Signature]

LAURA JEAN BAILEY

Borrower

(Seal)

X

(Seal)

Borrower

X

(Seal)

Borrower

ACKNOWLEDGMENT

STATE OF SOUTH CAROLINA, Chester County ss:

Before me personally appeared Kay R. Widener

and made oath that she saw the within named

Borrower sign, seal, and as their act and deed, deliver the within written Security Instrument; and that with Milton E. Hamilton witnessed the execution thereto.

Sworn before me this 27th day of October, 2009.

(Seal)

Notary Public for South Carolina

Notary Signature

Witness Signature

My commission expires: 9/18/15

EXHIBIT "A"

ALL that certain lot of land with any improvements thereon containing 0.50 acres, more or less situate at 247 Morninglow Drive, Winnsboro, Fairfield County, South Carolina and is shown and designated as Lot No. 137, Section 22 on that certain plat of survey for Patrick Eugene Rachels dated February 12, 1996 and recorded February 28, 1996 in Plat Slide 544, at Page 1233 and has such courses and distances, metes and bounds as shown on said plat which said plat is incorporated herein by reference.

This is the identical real estate conveyed by Patrick Eugene Rachels to Jimmy Eugene Bailey and Laura Jean Bailey by deed dated September 1, 2000 and recorded September 7, 2000 in Deed Book QM, at Page 349.

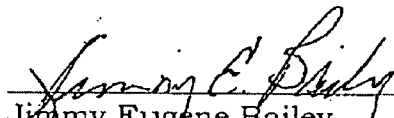
Reference is also made to that certain deed from Jimmy Eugene Bailey and Laura Jean Bailey to Jimmy Eugene Bailey and Laura Jean Bailey as joint tenants with right of survivorship and not as tenants-in-common dated October 27, 2009 and recorded the 4th day of November, 2009 in Deed Book 973, at Page 9.

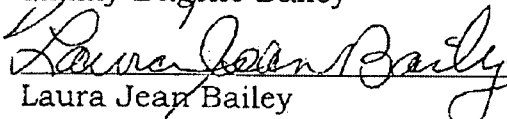
All references being made to the Office of the Clerk of Court for Fairfield County, South Carolina.

Fairfield County Tax Map No.: 95-2-2-22.

Old Tax Map No.: 093-08-00-01.

(JEBailey)


Jimmy Eugene Bailey


Laura Jean Bailey

Date: October 27, 2009.

EXHIBIT

J

2015-9

BC [REDACTED]



MERS MIN: 100039032219346943

Bailey, Laura

NOTE

November 23, 2009
[Date]

Winnsboro
[City]

SC
[State]

247 Morninglow Dr
Winnsboro, SC 29180
[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$296,000.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is Quicken Loans Inc.

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 4.875%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the 1st day of each month beginning on January 1, 2010. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on December 1, 2039, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at P.O. Box 553154, Detroit, MI 48255-3154

or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$1,566.46

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

MULTISTATE FIXED RATE NOTE - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
VMP ©
Wolters Kluwer Financial Services



Form 3200 1/01
VMP5N (C803).00
Page 1 of 3
Initials: [Signature]

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of Fifteen calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.000 % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.



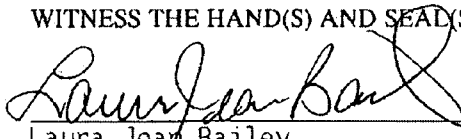
10. UNIFORM SECURED NOTE

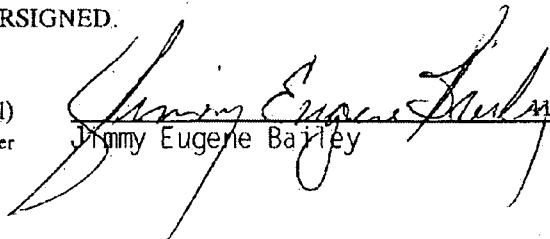
This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.


11/23/2009 (Seal)
Laura Jean Bailey -Borrower


11/23/2009 (Seal)
Jimmy Eugene Bailey -Borrower

(Seal)
-Borrower

(Seal)
-Borrower

WITHOUT RECOURSE
Pay To the Order of

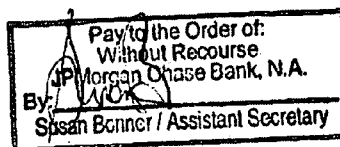
JPMorgan Chase Bank, N.A.

QUICKEN LOANS, INC. (Seal)
-Borrower
By 
THERESA ROODBEEN
CAPTURE MANAGER

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower



[Sign Original Only]



416377 680

Quicken Loans

Engineered to Amaze

Allonge to Note

Allonge to Note Dated: November 23, 2009

Loan Number: [REDACTED]

In Favor Of: Quicken Loans Inc.

In the Amount Of: \$296,000.00

And Executed By: Laura Jean Bailey
Jimmy Eugene Bailey

Property Address: 247 Morninglow Dr
Winnsboro, SC 29180

Without Recourse

Pay to the Order of

BY Jessica Goers
Jessica Goers

Director of Transaction Management

Quicken Loans Inc.

Note Allonge

Borrower: LAURA JEAN BAILEY AND JIMMY EUGENE BAILEY, WIFE AND
HUSBAND

Property Address: 247 MORNINGGLOW DR, WINNSBORO, SOUTH CAROLINA 29180

Loan Amount: \$296,000.00

For the purpose of endorsement of the attached Note, this Allonge is affixed and becomes a permanent part of said
Note.

Pay to the order of:

US BANK TRUST NATIONAL ASSOCIATION NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS
OWNER TRUSTEE OF WESTVUE NPL TRUST, SERIES 2014-1, without recourse

DLJ MORTGAGE CAPITAL, INC. BY: SELENE FINANCE LP ITS SERVICER AND ATTORNEY-IN-FACT

By:

Name: JASON BURR

Title: ASSISTANT VICE PRESIDENT

ALLONGE FOR PURPOSE OF NOTE ENDORSEMENT

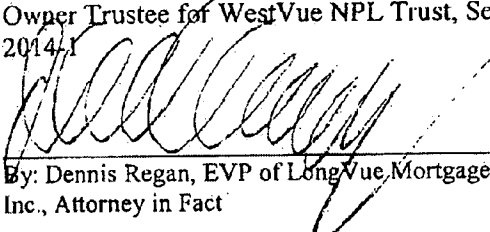
This Allonge is effective as of March 2, 2017 and is to be attached to and made part of that certain NOTE further described herein;

Note Date: 11/23/09
Note Amount: \$296,000.00
Borrower(s): Laura Jean Bailey and Jimmy Eugene Bailey
Payee/Beneficiary: Quicken Loans Inc
Property Address: 247 Morninglow Dr, White Oak, SC 29180

It is to read together with, and is hereby incorporated by reference in, the attached instrument, and contributes an integral part thereof.

**WITHOUT RECOURSE PAY TO THE ORDER OF: U.S. Bank Trust National Association
not in its individual capacity but solely in its capacity as Indenture Trustee for WVUE
2015-1**

U.S. Bank Trust National Association not in its
individual capacity but solely in its capacity as
Owner Trustee for WestVue NPL Trust, Series
2014-1


By: Dennis Regan, EVP of LongVue Mortgage Capital
Inc., Attorney in Fact

EXHIBIT

K

Loan: [REDACTED]

Title Company Client Acknowledgement

State of: SC
County of: Fairfield

Title Company: TITLE SOURCE, INC.
Title File Number: 03443679

INDEMNITY: I/WE AGREE TO PAY TO THE LENDER AND/OR TITLE INSURANCE UNDERWRITER THAT ISSUES THE TITLE INSURANCE POLICY INSURING THIS LOAN TRANSACTION, THEIR SUCCESSORS AND/OR ASSIGNS, ANY AND ALL LIENS, CLAIMS AND COSTS THAT ARE CURRENTLY AGAINST THE PROPERTY DESCRIBED BELOW OR THAT MAY BE PLACED UPON THE PROPERTY THROUGH MY/OUR ACTION(S) PRIOR TO THE CLOSING OF THIS TRANSACTION AND RECORDING OF THE DEED AND/OR MORTGAGE.

The undersigned, hereby acknowledge the following:

1. That they are the true and lawful owners in fee of the following:

Land situated in the City of Winnsboro, Fairfield County, SC.

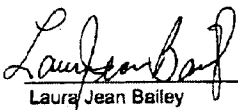
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.
SUBJECT TO COVENANTS OF RECORD.

2. That no other person(s) have any interest and title, in equity or otherwise, in and to said premises unless hereinafter stated, and that the undersigned is not holding title for another in fulfillment of any trust or agreement or for the benefit of any other person, firm or corporation.
3. That no improvements or alterations have been made to the said premises within the past four months and that no claims of laborers or material men remain unpaid and that no material incorporated into the premises is subject to any security interest.
4. That the premises are in the possession of Laura Jean Bailey and Jimmy Eugene Bailey, wife and husband, and to the best of the undersigned knowledge, no claims have been asserted by other parties as to the premises, and no dispute exists between the undersigned and others concerning the title to the premises or the boundary lines of the same nor as to the location of the improvements upon the premises or the adjoining, and that applicable building and use restrictions are not being violated.
5. That the undersigned is over the age of eighteen (18) years.
6. That no proceeding in bankruptcy or receivership have been instituted by or against the undersigned which are now pending, nor have the undersigned made any assignment for the benefit of creditors which is in effect as to the said premises.
7. That the undersigned know of no lien(s), tax suit or pending suits by other governing bodies, federal or state, of any kind or nature which now constitutes a charge on the said premises.
8. That there are no outstanding home improvement loans, mortgages, deeds of trust, or equity lines of credit, recorded or unrecorded, except as follows:

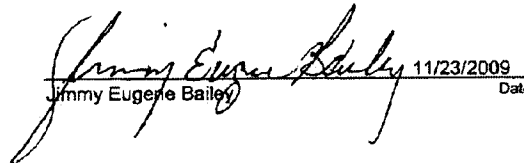
Lender Name: QUICKEN Loan Amount: \$257,459.04

9. That this affidavit is made for the purpose of inducing TITLE SOURCE, INC. to issue its title policy covering the said premises.

Acknowledged this 23rd day of November, 2009.


Laura Jean Bailey

11/23/2009
Date


Jimmy Eugene Bailey

11/23/2009
Date

2102588462

2008/05 ownaffd.pd



001221914694 0405 305 0101

000370

EXHIBIT

L

Return To:
Julie Carroll
Quicken Loans Inc.
20555 Victor Parkway
Livonia, MI 48152

Prepared By:
Alanna Weaver

[Space Above This Line For Recording Data]

→C
3496374 →R

MORTGAGE

MIN

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

- (A) "Security Instrument" means this document, which is dated November 23, 2009, together with all Riders to this document.
- (B) "Borrower" is Laura Jean Bailey and Jimmy Eugene Bailey, wife and husband

Borrower is the mortgagor under this Security Instrument.

(C) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the mortgagee under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

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2102588430

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VMP Mortgage Solutions, Inc.



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(D) "Lender" is Quicken Loans Inc.

Lender is a Corporation

organized and existing under the laws of the State of Michigan
Lender's address is 20555 Victor Parkway, Livonia, MI 48152

(E) "Note" means the promissory note signed by Borrower and dated November 23, 2009
The Note states that Borrower owes Lender Two Hundred Ninety Six Thousand and 00/100 Dollars

(U.S. \$296,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than December 1, 2039

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☐ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☐ Planned Unit Development Rider	☐ 1-4 Family Rider
☐ VA Rider	☐ Biweekly Payment Rider	☒ Other(s) [specify] Legal Attached

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used

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in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to MERS (solely as nominee for Lender and Lender's successors and assigns) and to the successors and assigns of MERS, the following described property located in the
County of Fairfield :

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.
SUBJECT TO COVENANTS OF RECORD.

Parcel ID Number: 0950202022000

which currently has the address of

247 Morninglow Dr

[Street]

Winnsboro

[City] , South Carolina 29180

[Zip Code]

("Property Address"):

TO HAVE AND TO HOLD this property unto MERS (solely as nominee for Lender and Lender's successors and assigns,) and to the successors and assigns of MERS, forever, together with all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

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THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

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in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

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lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

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the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

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attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

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(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

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12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

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16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to Section 22 of this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

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requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence, all of which shall be additional sums secured by this Security Instrument.

23. Release. Upon Payment of all sums secured by this Security Instrument, this Security Instrument shall become null and void. Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Homestead Waiver. Borrower waives all rights of homestead exemption in the Property to the extent allowed by Applicable Law.

25. Waiver of Appraisal Rights. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within 30 days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. TO THE EXTENT PERMITTED BY LAW, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY. This waiver shall not apply so long as the Property is used as a dwelling place as defined in Section 12-37-250 of the South Carolina Code of Laws.

26. Future Advances. The lien of this Security Instrument shall secure the existing indebtedness under the Note and any future advances made under this Security Instrument up to 150% of the original principal amount of the Note plus interest thereon, attorneys' fees and court costs.

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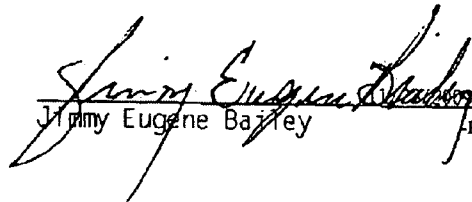
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:


Angela Messer


Laura Jean Bailey 11/23/2009 (Seal)
Borrower


Stacey P. Gardner


Jimmy Eugene Bailey (Seal)
Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

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STATE OF SOUTH CAROLINA

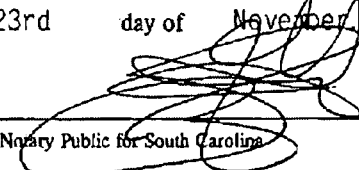
Fairfield

County ss:

I, Stacey P. Gardner
do hereby certify that
Laura Jean Bailey and Jimmy Eugene Bailey, wife and husband

personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 23rd day of November 2009



Notary Public for South Carolina

My Commission Expires: 7-15-2012

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EXHIBIT A - LEGAL DESCRIPTION

Tax ID Number(s): 0950202022000

Land situated in the County of **Fairfield** in the State of **SC**

All that certain piece, parcel or lot of land, together with the improvements thereon, lying, being and situate in the County of Fairfield, State of South Carolina, being shown and designated as Lot 137 of Section 22 of Lake Wateree on a plat of survey prepared for Patrick Eugene Rachels by Ashmark Land Surveyors dated February 12, 1996, and recorded in Slide 544 of Plats at Page 1233; and being bounded on the North by Lot 136; on the East by Lake Wateree; on the South by Lot 138; and on the West by the right-of-way of Morninglow Drive.

Being the same property conveyed to **JIMMY EUGENE BAILEY** and **LAURA JEAN BAILEY**, by deed dated **September 01, 2000** of record in Deed Book **QM**, Page **349**, in the **Fairfield** County Clerk's Office.

Group Number: **N/A**

Commonly known as: **247 Morninglow Drive, Winnsboro, SC 29180**

EXHIBIT

M

When Recorded Return To:
JPMorgan Chase Bank, NA
C/O NTC 2100 Alt. 19 North
Palm Harbor, FL 34683

201200000188
Filed for Record in
FAIRFIELD SC
BETTY JO BECKHAM
01-25-2012 At 11:27:23 am.
Assignment 6.00
Book 1059 Page 62 - 62

Loan #: 1973731957



ASSIGNMENT OF MORTGAGE

-- Contact JPMORGAN CHASE BANK, N.A. for this Instrument 780 Kansas Lane, Suite A, Monroe, LA 71203, telephone # (866) 756-8747, which is responsible for receiving payments.

FOR GOOD AND VALUABLE CONSIDERATION, the sufficiency of which is hereby acknowledged, the undersigned, MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. ("MERS") AS NOMINEE FOR QUICKEN LOANS INC., ITS SUCCESSORS AND ASSIGNS, (ASSIGNOR), (MERS Address: P.O. Box 2026, Flint, Michigan 48501-2026) by these presents does convey, grant, sell, assign, transfer and set over the described MORTGAGE with all interest secured thereby, all liens, and any rights due or to become due thereon to JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, WHOSE ADDRESS IS 700 KANSAS LANE, MC 8000, MONROE, LA 71203 (866)756-8747, ITS SUCCESSORS OR ASSIGNS, (ASSIGNEE)

Said MORTGAGE is made by LAURA JEAN BAILEY AND JIMMY EUGENE BAILEY to MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. and recorded 12/15/2009 in the Recorder or Registrar of Deeds of FAIRFIELD County, South Carolina in Book 977, Page 54, and/or as Document # 200900002941

Date: 01/06/2012 (MM/DD/YYYY)

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. ("MERS") AS NOMINEE FOR QUICKEN LOANS INC., ITS SUCCESSORS AND ASSIGNS

By:

Sandy N. Wells

SANDY N. WELLS

na president

Natasha Price

Witness #1 Natasha Price

Witness #2 Patricia Turner

STATE OF LOUISIANA PARISH OF OUACHITA

The foregoing instrument was acknowledged before me on 01/06/2012 (MM/DD/YYYY) by Sandy N. Wells as na president of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. ("MERS") AS NOMINEE FOR QUICKEN LOANS INC., ITS SUCCESSORS AND ASSIGNS, who, being authorized to do so, executed the foregoing instrument for the purposes therein contained. He/She/they is (are) personally known to me.

Kathleen M. Johnson
Kathleen M. Johnson-68375

Notary Public - State of LOUISIANA
Commission expires: Upon My Death



Document Prepared By: E.Lance/NTC, 2100 Alt. 19 North, Palm Harbor, FL 34683 (800)346-9152

Reviewed and Approved as meeting the South Carolina Code of Laws and Recording Statutes by Biddle Law Firm, P.A., Myrtle Beach, South Carolina.

JPCAS 15258143 - CHASE CJ3448086 MIN 100039032219346943 MERS PHONE 1-888-679-MERS
FRMSC1



15258143

EXHIBIT

N

Return To:
CT LIEN SOLUTIONS
PO BOX 29071
GLENDALE, CA 91209-9071
Phone #: 800-331-3282

201300001574
Filed for Record in
FAIRFIELD SC
RETTY JO BECKHAM
07-03-2013 At 11:48:36 am.
MTG ASSIGN 8.00
Book 1120 Page 74 - 76

Prepared By:
Lem Coleman
LEM COLEMAN
780 KANSAS LANE 2ND FLOOR
Monroe, LA 71203

SOUTH CAROLINA ASSIGNMENT OF MORTGAGE



For Value Received, the undersigned holder of a Mortgage, JPMorgan Chase Bank, NA, (herein "Assignor") with an address at 780 Kansas Ln, MC 8000, Monroe, LA, 71203 does hereby grant, sell, assign, transfer and convey, unto Quicken Loans, Inc., (herein "Assignee"), whose address is 700 Kansas Lane, MC 8000, MONROE, LA, 71203, a certain Mortgage dated 11/23/2009 and recorded on 12/15/2009, made and executed by Laura Jean Bailey and Jimmy Eugene Bailey, to and in favor of Quicken Loans Inc., upon the following described property situated in Fairfield County, State of South Carolina:

Property Address: 247 MORNINGLOW, DR., WINNSBORO, SC, 29180
Legal Description: See attached.

such Mortgage having been given to secure payment of Two Hundred Ninety Six Thousand dollars and Zero cents (\$296,000.00), which Mortgage is of record in Book, Volume, or Liber No. 977 at Page 54-59, in the Office of the County Clerk of Fairfield County, State of South Carolina, and all rights accrued or to accrue under such Mortgage.

TO HAVE AND TO HOLD, the same unto Assignee, its successors and assigns, forever, subject only to the terms and conditions of the above-described Mortgage.

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Mortgage on 04/24/2013.

Assignor:
JPMorgan Chase Bank, NA

By: [Signature]
Lem A. Coleman
Its: Vice President

Witnesses:

[Signature]
Witness: Leonard James

[Signature]
Witness: Latonia Johnson



STATE OF LOUISIANA

PARISH OF QUACHITA

On this day, 04/24/2013, before me, Y.K. Wilson a Notary Public, appeared Lem A. Coleman, to me personally known, who, being by me duly sworn did say that he/she is the Vice President of JPMorgan Chase Bank, NA and that the seal affixed to said instrument is the seal of said national association and that the instrument was signed on behalf of the national association by authority of its Board of Directors or Trustees and that Lem A. Coleman acknowledged the instrument to be the free act and deed of the national association.

[Signature]
Notary Public: Y.K. Wilson
Y. K. WILSON
QUACHITA PARISH, LOUISIANA
LIFETIME COMMISSION
NOTARY ID# 084399

Lem Coleman

EXHIBIT A - LEGAL DESCRIPTION

Tax ID Number(s): 0950202022000

Land situated in the County of Fairfield in the State of SC

All that certain place, parcel or lot of land, together with the improvements thereon, lying, being and situate in the County of Fairfield, State of South Carolina, being shown and designated as Lot 137 of Section 22 of Lake Wateree on a plat of survey prepared for Patrick Eugene Rachels by Ashmark Land Surveyors dated February 12, 1996, and recorded in Silde 544 of Plats at Page 1233; and being bounded on the North by Lot 136; on the East by Lake Wateree; on the South by Lot 138; and on the West by the right-of-way of Morninglow Drive.

Being the same property conveyed to JIMMY EUGENE BAILEY and LAURA JEAN BAILEY, by deed dated September 01, 2000 of record in Deed Book QM, Page 349, in the Fairfield County Clerk's Office.*

Group Number: N/A

Commonly known as: 247 Morninglow Drive, Winnsboro, SC 29180

* by Deed from Patrick Eugene Rachels, recorded September 01, 2000.

EXHIBIT

O

Recording Requested By:
Vince Kawsan
1050 Woodward Ave
Detroit, MI 48226-1906
Return To:
Rachel Volpe
Quicken Loans Inc.
1050 Woodward Ave
Detroit, MI 48226-1906

Assignment of Mortgage

3221934694

FOR VALUE RECEIVED,
Quicken Loans Inc.

its successors and assigns, does hereby grant, sell,
assign, transfer and convey, unto DTJ Mortgage Capital, Inc.
6150 Selenefin Lane LP, 99910 Richmond Ave., Houston, TX 77042, a corporation
organized and existing under the laws of the State of (herein
"Assignee"), whose address is

and whose telephone number is
, its successors and assigns, all its right, title and interest in and to a certain Mortgage
dated November 23, 2009, made and executed by Laura Jean Bailey and Jimmy
Eugene Bailey, wife and husband

whose address is 247 Morningglow Dr, Winnsboro, SC 29180
to and in favor of MERS as nominee for Quicken Loans Inc.

following described property situated in the County of Fairfield upon the
of South Carolina: State

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.
SUBJECT TO COVENANTS OF RECORD.

such Deed of Trust having been given to
secure payment of Two Hundred Ninety Six Thousand and 00/100
(\$ 296,000.00)
(Include the Original Principal Amount) which Mortgage is recorded as Instrument No.
200900002941 on 12/15/2009 in book 977, page 54
Records of Fairfield County, State of South Carolina and all rights
accrued or to accrue under such Mortgage.

TO HAVE AND TO HOLD, the same unto Assignee, its successors and assigns, forever, subject only to the terms and conditions of the above-described Mortgage.

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Mortgage on
July 1, 2014
Quicken Loans Inc.

Rachel Volpe
Witness Rachel Volpe
Dawn Smith
Witness Dawn Smith

By: Ali Beydoun
(Signature)
Ali Beydoun
Quicken Loans Authorized Signer

Attest

State of Michigan
County of Wayne
On July 1, 2014, before me Daniel Dawson
Notary Public of Michigan, personally appeared Ali Beydoun
Quicken Loans Authorized Signer, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf
of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Daniel Dawson

MERS Assignment of Deed of Trust-CA
VMP ©
Walters Kluwer Financial Services © 1991, 2011
VMP-11638 (0212)

DANIEL DAWSON
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF MACOMB
My Commission Expires April 3, 2019
Acting in the County of Wayne

VMP95(CA) (1104).00
Page 2 of 2

EXHIBIT A - LEGAL DESCRIPTION

Tax ID Number(s): 0950202022000

Land situated in the County of Fairfield in the State of SC

All that certain piece, parcel or lot of land, together with the improvements thereon, lying, being and situate in the County of Fairfield, State of South Carolina, being shown and designated as Lot 137 of Section 22 of Lake Wateree on a plat of survey prepared for Patrick Eugene Rachels by Ashmark Land Surveyors dated February 12, 1996, and recorded in Slide 544 of Plats at Page 1233; and being bounded on the North by Lot 136; on the East by Lake Wateree; on the South by Lot 138; and on the West by the right-of-way of Morninglow Drive.

Being the same property conveyed to JIMMY EUGENE BAILEY and LAURA JEAN BAILEY, by deed dated September 01, 2000 of record in Deed Book QM, Page 349, in the Fairfield County Clerk's Office.

Group Number: N/A

Commonly known as: 247 Morninglow Drive, Winnsboro, SC 29180

EXHIBIT

P

EXHIBIT

Q

Stacey Pope Gardner, Esq., LLC

Attorney at Law

803-394-6443 (telephone)

405 Frank Moorer Drive
Swansea, South Carolina 29160
spgardner@yahoo.com

803-794-5099 (facsimile)

11-23, 2009

Authorization to Disburse Funds and to Record Documents

Re: Borrowers Bailey
Order No. [REDACTED]

Dear Lender/ Title Company:

Enclosed please find the completed loan document package for the above referenced order, which closed on 11-23-09. Any documents faxed or copied have been placed in the rear of the stack. Otherwise, they have been kept in order received. You are now authorized to disburse the settlement proceeds in accordance with the settlement statement upon the expiration of any applicable rescission period. All funds must be distributed in the exact amount and to the named payees strictly in accordance with the information provided on the HUD-1 or HUD-1A. Please provide me with a ledger or other documentation confirming the disbursement of the funds in accordance with the settlement statement, so that I may confirm the disbursements have been made correctly.

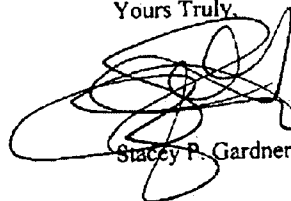
You are now authorized to process the recording of executed mortgage(s) and other recordable documents which may include any Assignments or Subordinations, if applicable, the Deed, if applicable, and any "piggy back" mortgages. The new mortgage must be recorded with the Fairfield County Register of Deeds. Below are detailed instructions for that recording based on state statutes and county ordinances:

- Documents must have original signatures.
- Filing Fees for the mortgage are \$10 for the first four pages and \$1 for each additional page of the mortgage including any exhibit pages
- Filing Fees for the Satisfaction is a \$5 flat rate.
- You should enclose a return envelope with sufficient postage for the original mortgage. The original will be returned after it is microfilmed for the archived in the county where it is recorded. This normally takes between four and eight weeks. Due to the amount of time it takes for the county to return the original, I recommend that at the time of filing, you send an additional copy to be clocked and returned with its own self addressed, metered envelope.
- Mortgages must have a legal description with a derivation clause. The derivation clause shall include the Name of the original Grantor, the Recording Date AND/OR Book and Page number of the Deed which originally conveyed the property to the Grantor. S.C. Code Ann. § 30-5-35.
- Mortgages must have address of grantee and mortgagee to be recorded.
- Any deed executed in conjunction with the transaction should be recorded prior to the mortgage(s) and where there are multiple mortgages, they should be recorded in order of desired priority (ie.- first mortgage should be recorded first).

This letter ends my responsibility in the matters of recordation and disbursement. Please contact me immediately if you have any questions.

With warm regards, I am,

Yours Truly,



Stacey P. Gardner

EXHIBIT

R

CLOSING ATTORNEY'S STATEMENT

Borrower(s): Laura Jean Bailey
Jimmy Eugene Bailey

Property Address: 247 Morninglow Dr
Winnsboro, SC 29180

Lender: Quicken Loans Inc.

Date of Mortgage Loan: November 23, 2009

I closed the above mortgage loan on November 23, 2009. Prior to the execution of the Note and Mortgage by the Borrower(s), I reviewed and explained to the Borrower(s) the terms and provisions of the Note and Mortgage. Following my explanation, the Borrower(s) signed the Note, Mortgage and other related closing documents.


Closing Attorney

11-23-09
Date

2025/05 claff.pcl
2102588465



EXHIBIT

S

HAMILTON DELLENEY & GRIER, P.A.

ATTORNEYS AT LAW
HISTORIC COUNTY JAIL BUILDING (CIRCA 1842)
128 CENTER STREET
POST OFFICE DRAWER 808
Chester, South Carolina 29706-0808
803-581-2211
FAX
803-581-2216

DAVID HAMILTON (1883-1941)
THOMAS B. HAMILTON (1918-1972)
DAVID LEE HAMILTON (1911-1995)

MILTON E. HAMILTON
F.G. DELLENEY JR.
BRIAN T. GRIER

CHESTER OFFICE
128 CENTER STREET
CHESTER, S.C. 29706-0808
803-581-2211

GREAT FALLS OFFICE
215 1/2 DEARBORN STREET
GREAT FALLS, S.C. 29055
803-482-8600

July 18, 2011

Via email and regular mail

Mr. Jim Price
ArrowPointe Federal Credit Union
P.O. Box 187
Catawba, SC 29704

RE: Jimmy Eugene Bailey and Laura Jean Bailey

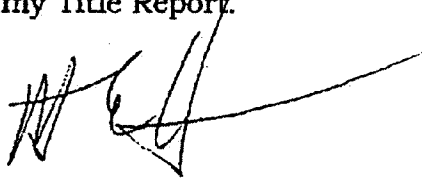
Dear Jim:

As we discussed, as you know, I closed the loan for Mr. & Mrs. Bailey where they borrowed \$99,000.00 from ArrowPointe.

My Title Report indicates that the first mortgage was by Mr. & Mrs. Bailey to MERS and Quicken Loans, Inc. dated January 20, 2009 and recorded February 6, 2009 in Record Book 941, at Page 45 in the original amount of \$248,500.00.

As the Title Report indicates, there was some confusion over the second mortgage that originated with Bowater Carolina Federal Credit Union but that one is now satisfied of record.

After I submitted my Title Report and prior to my closing and recording of the ArrowPointe mortgage, Mr. & Mrs. Bailey refinanced with Quicken Loans, Inc. by mortgage dated September 29, 2009 and recorded October 20, 2009 in Record Book 971, at Page 41. This mortgage was \$8,050.00 more than the first mortgage listed on my Title Report.



Mr. Jim Price
July 18, 2011
Page 2

Next, Mr. & Mrs. Bailey refinanced again with Quicken Loans, MERS being the nominee for the lender and Quicken Loans, Inc. being the lender by mortgage dated November 23, 2009 and recorded December 15, 2009 in Record Book 977, at Page 54 in the amount of \$296,000.00.

Next, the mortgage of September 29, 2009 and recorded October 20, 2009 (ahead of our mortgage) was satisfied by Satisfaction dated December 22, 2009 and recorded January 4, 2010 in Record Book 979, at Page 26.

Therefore, upon my review of the records, I report that our mortgage in the amount of \$99,000.00 is a first mortgage on the property and the last mortgage to Quicken Loans, Inc. dated November 23, 2009 and recorded December 15, 2009 in the amount of \$296,000.00 is a second mortgage to ArrowPointe.

As we further discussed, I would advise you to relay this information to Mrs. Bailey so she may relay it to Quicken Loans in order for it to adequately address the situation as to a possible short sale.

Thank you for contacting me concerning this matter and please let me know if you need any further information or documentation in regards to this matter.

Please find enclosed my statement.

With kind regards, I am

Very truly yours,

HAMILTON, DELLENY & GRIER, P.A.

BY:

Milton E. Hamilton

MEH:krw

Enclosure

EXHIBIT

T

jim price

From: Barbara Looper
Sent: Tuesday, July 12, 2011 1:32 PM
To: jim price
Subject: RE:

I don't know; I'm not asking many questions; just listening to the conversation. I heard her say they will sell for what the bank will take.

From: jim price
Sent: Tuesday, July 12, 2011 1:27 PM
To: Barbara Looper
Cc: tim lyda; Samantha Faulkenberry; Trisha Pittman
Subject: RE:

Barb:

Just out of curiosity and assuming our HELOC is on the primary residence, how will they "do a short sale" with us having a second?????

Thanks.

From: Barbara Looper
Sent: Tuesday, July 12, 2011 1:02 PM
To: jim price
Subject:
Importance: High

Just an update. Mom called Angel today; she has to be out of the house by August 1, 2011. They are doing a short sale.

Might be doing bankruptcy because Mom just called again and said she needed all the loan suffix's on her loans.

Angel has moved into an apartment, rent is \$900; that was the payment on the HELOC. Angel moved across the hall from her brother and her family. Mom and Dad are moving into the apartments, too. Mom also wanted the loan suffix under her individual account, the \$10k personal loan for the Disney time share.

Mom came thru the drive thru last week and took her name off Angel's daughter's account. Nobody seems very upset over the fact that AP is left holding all of this. Angel has made the statement that all the outside lawn furniture and wooden swing set, etc; Mom has given all that away and has already sold the pontoon.

This is strictly confidential, please, or I will be left out of all conversations.

jim price

From: Barbara Looper
Sent: Tuesday, July 12, 2011 5:09 PM
To: jim price
Subject: FW: loan.

Per Angel's conversation to me about 30 minutes ago.

Mom can't make payments anymore; she has contacted Tim to let him know.

Angel said she has talked with Tim about the loans since she was making the payments, but never actually signed the paperwork. Worried about the stability of her job.

Mom can no longer make the payments. Her brother just recently moved back to California drained her parents financially. Has left his wife and young son with the parents.

They are putting the house up for sale; hopefully a short sale and are moving to Rock Hill. May have to declare bankruptcy.

I think they did this in 2002.

From: Barbara Looper
Sent: Thursday, July 07, 2011 8:28 AM
To: jim price
Subject: RE: loan

First I have heard of any of this. Must have happened over the weekend.

#11925-1 is a time share at Walt Disney World; purchased after getting back from there last summer.

264-84 was for the addition to their house to accommodate Angel and her family.

Angel's brother and family moved in last summer; he does not work and I think there has been some hostility with too many families under one roof. This is just from too many phone conversations that come in here every day from her mother.

Thanks

From: jim price
Sent: Monday, July 04, 2011 7:04 PM
To: Samantha Faulkenberry; Trisha Pittman; Barbara Looper
Subject: Fwd: loan

Please give us a status on this member.....anything you might know.

Barb, you, too, but NO comments whatsoever to Angel, PLEASE.

Thanks.

JRP

Sent from my iPhone

Begin forwarded message:

From: tim lyda <tlyda@Arrowpointe.org>
Date: July 4, 2011 5:13:45 PM EDT
To: jim price <jprice@Arrowpointe.org>
Subject: Fwd: loan

FYI - first I've heard of a problem

Maybe the ladies are more familiar with them struggling.

Sent from my iPhone

Begin forwarded message:

From: Laura Jean Bailey <laurajean.bailey10@gmail.com>
Date: July 4, 2011 12:23:36 PM EDT

To: <tlyda@ArrowPointe.org>

Subject: loan

I thought I would explain what is happening with my second mortgage loan. We will miss or be late on our first payment this month. My business closed because of the economy and the "no smoking" in bars rule that was passed in RH. We have been struggling for the last two years trying to find extra income somewhere. If you look at our bank account history you will see we have been struggling bad for the last 6 months. In the last few months we have contacted several government agencies about help with our first mortgage but found no one to help. We have tried working with several banks to get a lower interest rate but we are now, because of economy, upside down in our mortgage and we are on a fixed income. We are putting our home on the market. We will try to make payments as we can until there is no other recourse. We are working with a realtor now. Our first mortgage is with Chase Bank. Chase has suggested a short sale of our home. I don't know yet if it will come to that.

As for payments, on our mortgage to you, our daughter, Angel Messer, who works for you in Great Falls, has been paying it. She is very upset that we have chosen to sell the home. She loves our home as do we. Angel is also worried about the fact that she works for you and I may not be able to pay this debt. I assured her, as I hope you will, that this has nothing to do with her job. She loves working for Arrowpointe. She has moved to RH, at our request, and will no longer be giving us money for the second mortgage to pay you.

We have considered bankruptcy but that would be a last resort.

Sincerely,

Laura Jean Bailey
laurajeane.bailey10@gmail.com

jim price

From: Laura Jean Bailey [laurajeane.bailey10@gmail.com]
Sent: Sunday, July 17, 2011 11:11 AM
To: jim price
Subject: regarding our phone conversation

Jim,
I think this is the info you need.
Chase account# 1973731957
The last letter I got about my ineligibility for a loan modification came from Chase Fulfillment Center PO Box 469030 Glendale Calif. 888-708-7105. I called to let them know we chose Short Sale over Deed-in-lieu of Foreclosure but I have not gotten any response from them. Chase is not easy to deal with. I suppose it's because they have so many people in trouble right now. The realtor I am using has dealt with Chase and done many short sales with them, he was recommended by my lawyer. His name is Ray Covington, (803) 331-8833, wrrc@weichert.com. I will be in Rock Hill at my daughters Mon-Wed this week. You can reach me at 417-6688. I will not have email until I return home Thursday morning.

Sincerely,

--

Laura Jean Bailey
laurajeane.bailey10@gmail.com

EXHIBIT

U

(T)erminal or (R)eceipt printer :

Suffix: 84
Effective Date: 15NOV2011

[15NOV2011]

PAY-OFF STATUS (15NOV11)

ACCOUNT # : 264 NAME : JIMMY E BAILEY
LOAN SUFFIX-84 ON 15NOV11

LOAN BALANCE	99,519.00
INTEREST (6.00%)	2,208.01
LATE CHARGE	10.00
P/O TOTAL	101,737.01
INT PER DIEM	16.3593
NOTE NUMBER	2009-80541
MISC DATA	

Proof given to
Kathy Conder
Realty co.

Chau Spelling's

Is requesting
close date move to
11/15/11. Kathy

says they are
trying to figure
out a way
to get back in
front.

9/23/11

EXHIBIT

V

STATE OF SOUTH CAROLINA

COUNTY OF FAIRFIELD

ArrowPointe Federal Credit Union,

Plaintiff,

v.

Jimmy Eugene Bailey, Laura Jean Bailey, and
DLJ Mortgage Capital, Inc.,

Defendants.

IN THE COURT OF COMMON PLEAS

CIVIL ACTION # 2012-CP-20-00132

AFFIDAVIT OF VERIFIED
STATEMENT OF ACCOUNT

(S22310-2 SMF)

BEFORE ME, an officer authorized to take oaths this day personally appeared
Dave (H2) a (printed name) of LongVue Mortgage Capital, Inc.
("LongVue"), who, being first duly sworn, deposes and says:

1. I am authorized to sign this affidavit on behalf of U.S. Bank National Association not in its individual capacity but solely in its capacity as Indenture Trustee for WVUE 2015-1 ("U.S. Bank"), assignee of and successor in interest to DLJ Mortgage Capital, Inc., with respect to the mortgage loan (the "Loan") of Jimmy Eugene Bailey and Laura Jean Bailey. LongVue is the manager of the Loan on behalf of U.S. Bank. LongVue's servicer for the Loan is FCI Lender Services, Inc. ("FCI").
2. FCI maintains records for the Loan in the ordinary course of its business. Such records are also the business records of LongVue. As part of my job responsibilities for LongVue, I am familiar with the types of records maintained in connection with the Loan.
3. The information in this affidavit is taken from these business records for the Loan. I have personal knowledge of the procedures for creating these records. They are: (a) made at or near the time of the occurrence of the matters recorded by persons with personal knowledge of the information in the business record, or from information transmitted by persons with personal knowledge; (b) kept in the course of regularly conducted business activities; and (c) it is the regular practice of FCI to make such records.
4. U.S. Bank, directly or through an agent, has possession of the original promissory note. The promissory note evidence the Loan has been duly endorsed. U.S. Bank is the assignee of the mortgage securing the Loan.

5. The following principal, interest, late charges (if applicable) and escrow/advances, which I have confirmed following my review of the business records for the Loan, are a true and accurate record of the Loan's currently owed balance (excepting any attorney's fees and attorney's costs that will be addressed by our attorneys through their own affidavit) to the date herein.

6. As of March 13, 2017, the balance due under the terms of the note and mortgage at issue in this action is calculated as follows:

A. Principal	\$289,175.07
B. Interest from June 1, 2011 through March 13, 2017 @ 4.875%.....	\$81,550.23
C. Unpaid Late Fees	\$1,409.76
D. Escrow Advances	\$30,050.87
TOTAL PRINCIPAL, INTEREST AND EXPENSES	\$402,185.93

The per diem interest is \$43.85

FURTHER AFFIANT SAYETH NOT.

Signature: [Signature]
Printed Name: David L. Hedder
Title: Esq

STATE OF _____
COUNTY OF _____
Sworn to before me this See attached Surat day of _____, 2017.

(L.S.)
Notary Public for _____
My Commission Expires: _____

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- ☒ See Attached Document (Notary to cross out lines 1-6 below)
☐ See Statement Below (Lines 1-6 to be completed only by document signer[s], not Notary)

[A large diagonal line is drawn across the page, crossing out lines 1-6.]

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
 County of Orange

Subscribed and sworn to (or affirmed) before me
 on this 3rd day of March, 2017
 by David Haddad
 (1) _____
 (and (2) _____),

Name(s) of Signer(s)



proved to me on the basis of satisfactory evidence
 to be the person(s) who appeared before me.

Signature Shannon Jancek
 Signature of Notary Public

Seal
 Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____



FCI Lender Services, Inc.

Statement Date: 02/17/2017

Customer Service: (800) 931-2424 Fax: 714-282-5775

Customer Information: www.trustfci.com NMLS #4920, BRE #01022780

Demand Loan Payoff

From Borrower

Borrower
LAURA JEAN BAILEY
1827 ROCK GLEN DR. APT 102
ROCKHILL SC 29732

Servicer
FCI Lender Services, Inc.
PO BOX 27370
Anaheim CA 92809-0112
800-931-2424

Account: [REDACTED]

You are authorized to use the following amounts to payoff the above-mentioned loan. All necessary legal documents will be forwarded to the trustee for Full Reconveyance upon receipt of payment in full.

Payoff date : 03/17/2017	
Maturity Date :	12/01/2039
Next Payment Due :	07/01/2011
Interest Rate :	4.8750%
Current Rate :	4.8750%
Interest Paid to Date :	06/01/2011
Unpaid Principal :	\$289,175.07
Deferred Unpaid Principal :	\$0.00
Accru. Int. Balance from 06/01/2011-03/17/2017 :	\$81,725.63
Unpaid Interest :	\$0.00
Deferred Unpaid Interest :	\$0.00
Unpaid Fees:	\$0.00
Acc. Late Charges(Calculated through Payoff Date):	\$5,404.08
Unpaid Late Charges :	\$1,409.76
Deferred Unpaid Late Charges:	\$0.00
Unpaid Charges:	\$42,828.41
Other Fees:	\$0.00
Reserve Balance:	\$0.00
Impound to Use:	\$0.00
Prepayment Penalty :	\$0.00
Principal Credit :	\$0.00
Interest Credit :	\$0.00
Unpaid Charges Credit :	\$0.00
Late Charges Credit :	\$0.00
Impound Credit :	\$0.00
Prepay Credit :	\$0.00
Unpaid Fees Credit :	\$0.00
To Payoff Your Loan , Please Pay:	\$420,542.95
Daily Interest Amount (After 3/17/2017)	\$43.85
* Based on unpaid balance and unpaid charges combined.	

*** If a payment or payoff is not received during the payment grace period, a late charge will be included in payoff of the loan.

PLEASE CALL TO VERIFY PAYOFF AMOUNT AND FEES DUE, PRIOR TO ISSUING PAYMENTS.

We reserve the right to amend this demand should any changes occur that would increase the total amount for payoff. **Please note this demand expires on 03/17/2017**, at which time you are instructed to contact this office for additional instructions (DEMAND FORWARDING FEES ARE DUE EVEN UPON CANCELLATION OF YOUR ESCROW).

Please make your disbursement payable to: **FCI Lender Services, Inc.**

(Only Certified funds, wire transfer or title company check will be accepted)

Sincerely,

Vanessa Davis

FCI Lender Services, Inc.

03/01/2016	4.8750%	\$ 1,120.06	\$ 0.00	\$ 1,120.06	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
04/01/2016	4.8750%	\$ 1,197.30	\$ 0.00	\$ 1,197.30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
05/01/2016	4.8750%	\$ 1,158.68	\$ 0.00	\$ 1,158.68	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
06/01/2016	4.8750%	\$ 1,197.30	\$ 0.00	\$ 1,197.30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
07/01/2016	4.8750%	\$ 1,158.68	\$ 0.00	\$ 1,158.68	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
08/01/2016	4.8750%	\$ 1,197.30	\$ 0.00	\$ 1,197.30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
09/01/2016	4.8750%	\$ 1,197.30	\$ 0.00	\$ 1,197.30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
10/01/2016	4.8750%	\$ 1,158.68	\$ 0.00	\$ 1,158.68	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
11/01/2016	4.8750%	\$ 1,197.30	\$ 0.00	\$ 1,197.30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
12/01/2016	4.8750%	\$ 1,158.68	\$ 0.00	\$ 1,158.68	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
01/01/2017	4.8750%	\$ 1,197.30	\$ 0.00	\$ 1,197.30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
02/01/2017	4.8750%	\$ 1,197.30	\$ 0.00	\$ 1,197.30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
03/01/2017	4.8750%	\$ 1,081.44	\$ 0.00	\$ 1,081.44	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78.32	\$ 0.00	\$ 289,175.07
03/17/2017	4.8750%	\$ 618.11	\$ 0.00	\$ 618.11	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 289,175.07
		\$ 81,725.63	\$ 0.00	\$ 81,725.63	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5,404.08	

** This transaction was already accomplished by the borrower.

Itemization of Unpaid Charges					
Date	Description	Interest Rate	Unpaid Balance	Accrued Interest	Total Due
07/07/2015	Escrow Balance	4.875%	\$27,756.14	\$2,294.73	\$30,050.87
07/07/2015	3rd Party Corporate Advance	4.875%	\$849.34	\$70.22	\$919.56
07/07/2015	Corporate Advance	4.875%	\$10,499.90	\$868.08	\$11,367.98
08/19/2015	INV 828806	0.000%	\$490.00	\$0.00	\$490.00
					\$42,828.41

Property List
247 MORNINGLOW DR, WINNSBORO SC 29180

Itemization of Other Fees	
Description	Amount
Demand Fee	\$0.00
Recording Fee	\$0.00
Reconveyance Fee	\$0.00
	\$0.00

EXHIBIT

W

Quicken Loans

Engineered to Amaze™

1050 Woodward Ave., Detroit, MI 48226

August 2, 2013

LAURA BAILEY
247 MORNINGLOW DR
WINNSBORO SC 29180

RE: QL # 3221934694

Property Address: 247 MORNINGLOW DR
WINNSBORO SC 29180

Date Arrears Due: **July 1, 2011**

Dear Laura,

You are hereby notified that you are in default under the terms and conditions of your mortgage. Demand is made upon it for payment of **\$51,294.64**. The breakdown of this is as follows:

ORIGINAL PRINCIPAL BALANCE AS OF DATE OF LETTER: **\$289,175.07**

July 1, 2011		\$1,906.11
August 1, 2011		\$1,906.11
September 1, 2011		\$1,906.11
October 1, 2011		\$1,906.11
November 1, 2011		\$1,906.11
December 1, 2011		\$1,906.11
January 1, 2012		\$1,906.11
February 1, 2012		\$1,906.11
March 1, 2012		\$1,906.11
April 1, 2012		\$1,906.11
May 1, 2012		\$1,906.11
June 1, 2012		\$1,906.11
July 1, 2012		\$1,906.11
August 1, 2012		\$1,906.11
September 1, 2012		\$1,906.11
October 1, 2012		\$1,906.11
November 1, 2012		\$1,906.11
December 1, 2012		\$1,906.11

January 1, 2013		\$1,906.11
February 1, 2013		\$1,906.11
March 1, 2013		\$1,906.11
April 1, 2013		\$1,906.11
May 1, 2013		\$1,906.11
June 1, 2013		\$1,906.11
July 1, 2013		\$1,906.11
August 1, 2013		\$1,906.11
Late Fees		\$313.28
Other Fees		\$0.00
NSF Fee		\$0.00
Recoverable Costs		\$1,422.50
Suspense Balance		\$0.00
Total Amount Due		\$51,294.64

This total amount due on the loan includes the **July 1, 2011 – August 1, 2013** payments. Reinstatement of this loan must be in certified funds. You may contact the undersigned for a breakdown of the principal amount owed.

NOTICE OF IMPORTANT RIGHTS

Unless you notify this office within thirty (30) days after receiving this notice that you dispute the validity of the debt or any portion thereof, this office will assume this debt is valid. If, within the thirty day period you may notify this office in writing that the debt, or a portion thereof is disputed, we will obtain verification of the debt and mail a copy of such writing thirty days after receiving this notice, this office will provide you with a name and address of the original creditor if different from the current creditor.

PREVIOUS DISCHARGE IN BANKRUPTCY: In the event that the underlying debt has been discharged as a result of a prior bankruptcy proceeding, Quicken Loans hereby acknowledges that it is not assessing personal liability for the debt to the borrower(s) and that its recourse in collection matters shall be limited to the collateral described in the security instrument. If you have previously received a discharge in bankruptcy, this correspondence is not and should not be construed to be an attempt to collect a debt, but only enforcement of a lien against property.

If you have any questions regarding the contents of this letter, please feel free to contact our representatives, Monday – Thursday 8:30AM - 9:00PM EST, Friday 8:30AM - 5:30PM EST and Saturday 9:00AM - 2:00PM EST at 800-508-0944, Option 4.

Sincerely,

Client Solutions Team
Quicken Loans, Inc.

cc: Quicken Loans Inc. Corporate Counsel

EXHIBIT

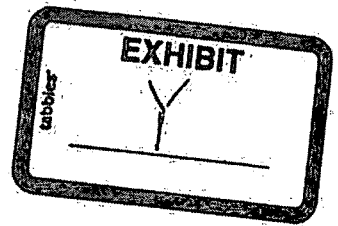
X

EXHIBIT

FAIRFIELD COUNTY
CLERK OF COURT
2017 MAR 13 PM 12 17

Y

Sherpy & Jones, P.A.



POST OFFICE BOX 2599
LEXINGTON, SOUTH CAROLINA 29071

STREET ADDRESS FOR DELIVERIES:
921 CORLEY MILL ROAD
LEXINGTON, SOUTH CAROLINA 29072

PHONE: (803) 356-3327
FAX: (803) 356-3591
E-MAIL: CCJ@SHERPY-JONES-LAW.COM

February 21, 2012

VIA FIRST CLASS AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jimmy Eugene Bailey
1981 Brookstone Way, #108
Rock Hill, South Carolina 29732

Laura Jean Bailey
1981 Brookstone Way, #108
Rock Hill, South Carolina 29732

Re: ArrowPointe Federal Credit Union
Account No. 264-84
Our File No. 3207.191F

Dear Mr. Bailey and Ms. Bailey:

2017 MAR 13 PM 12 17
FAIRFIELD COUNTY
CLERK OF COURT

THIS LETTER IS WRITTEN TO PROVIDE YOU WITH NOTICE OF YOUR RIGHTS PURSUANT TO SECTION 37-5-110 OF THE SOUTH CAROLINA CODE OF LAWS. THE CREDIT UNION UNDERSTANDS THAT YOU HAVE RECEIVED OR MAY RECEIVE A DISCHARGE OF YOUR PERSONAL OBLIGATION TO PAY THE DEBT OWED ON THE REFERENCED LOAN ACCOUNT AS A RESULT OF THE ORDER ENTERED IN YOUR BANKRUPTCY CASE. THE CREDIT UNION'S LIEN RIGHTS REGARDING THE PROPERTY YOU PLEDGED TO SECURE PAYMENT OF THE REFERENCED LOAN ACCOUNT ARE NOT DISCHARGED BY THIS BANKRUPTCY. ACCORDINGLY, THIS LETTER SHOULD IN NO WAY BE INTERPRETED AS A REQUEST FOR PAYMENT OF ANY OBLIGATION THAT WAS OR MAY BE DISCHARGED, AND IS INTENDED SOLELY TO PROVIDE THE NOTICE REQUIRED BY LAW.

ArrowPointe Federal Credit Union recently forwarded the above referenced mortgage loan file to me for foreclosure. The Credit Union elects to exercise its rights under the loan agreements and applicable law. Your obligation to pay the debt above was or will be discharged in your Chapter 7 Bankruptcy case. However, the loan agreements that give us a security interest in the collateral pledge remain in full force and effect.

My client's records indicate that the principal balance on this loan is \$99,811.00. As of today's date, there is an outstanding interest balance of \$3,740.87. Interest will continue to accrue at

the rate of \$16.4073 per day. This loan is delinquent from July 4, 2011. As you are aware, it is secured by a mortgage on the property at 247 Morninglow Drive, Winnsboro, South Carolina 29180.

Failure to cure the default within twenty (20) days may result in the acceleration of the sums secured by the mortgage you have given to ArrowPointe Federal Credit Union and allow ArrowPointe Federal Credit Union to sell the property through foreclosure proceedings. This is not a demand for payment to cure the default, but rather a notice of the Credit Union's intention to foreclose, such notice being required by the Note or Mortgage.

Pursuant to the terms of Paragraph 23 of the Mortgage you executed on October 27, 2009, please be advised that you have the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defenses which would act as a bar to acceleration or foreclosure. If the default is not cured on or before twenty (20) days from the date of this letter, ArrowPointe Federal Credit Union may, at its option, require immediate payment in full of all sums secured by the Mortgage without further demand and foreclose its interest in the Mortgage through judicial proceedings and sell the property.

This letter is written in an attempt to collect the amounts you formerly owed before entering into bankruptcy. You may have certain rights under the Fair Debt Collection Practices Act, which rights are set forth in the notice which is attached hereto. Further, any information you provide to us may be used to foreclose upon the property in question.

To the extent that any of these are consumer loans, the Department of Housing and Urban Development may offer counseling. This counseling only applies to consumer homeowners who are sixty (60) or more days delinquent in their mortgage obligations. Enclosed you will also find a list of HUD-approved counseling centers in your area.

Please contact the undersigned to discuss a resolution of this matter.

Sincerely,

SHERPY & JONES, P.A.


Christy C. Jones

CCJ/eml
Enclosures

cc: Samantha Faulkenberry, ArrowPointe Federal Credit Union

NOTICE REQUIRED BY THE
FAIR DEBT COLLECTION
PRACTICES ACT, (THE ACT)
15 U.S.C. SECTION 1601 AS AMENDED

1. The amount of the debt is \$99,811.00 (to be discharged), plus interest, costs and attorneys' fees.
2. The Creditor is ArrowPointe Federal Credit Union.
3. The debt described in the letter attached hereto will be assumed to be valid by the Creditor's law firm unless you, the debtor, within thirty (30) days after the receipt of this notice, dispute, in writing, the validity of the debt or some portion thereof.
4. If you, the debtor, notify the Creditor's law firm in writing within thirty (30) days of the receipt of this notice that the debt or any portion thereof is disputed, the Creditor's law firm will obtain a verification of the debt and a copy of the verification will be mailed to you, the debtor, by the Creditor's law firm.
5. If the creditor named in the attached letter is not the original Creditor, and if you make a written request to the Creditor's law firm within the thirty (30) days from the receipt of this notice, the name and address of the original Creditor will be mailed to you by the Creditor's law firm.
6. Written requests should be addressed to Christy C. Jones, Sherpy & Jones, P.A., P.O. Box 2599, Lexington, South Carolina 29071.
7. This notice should not be construed as a thirty (30) days grace period. Creditor may pursue collection efforts immediately and not wait thirty (30) days and a default judgment shall be sought against you as set forth in the Summons and Complaint.
8. This notice is an attempt to collect a debt and information obtained will be used for that purpose. Due to your bankruptcy, the debt has or will be discharged.

STATE OF SOUTH CAROLINA

HUD-APPROVED COUNSELING AGENCIES

Aiken County Community Action Commission, Inc. P.O. Box 2094 502 York Street Aiken, SC 29801 (803) 648-6836	Palmetto Legal Services, Inc. 2109 Bull Street P.O. Box 2267 Columbia, SC 29202 (803) 799-9668.
Chesterfield-Marlboro Economic Opportunity Council, Inc. P.O. Box 866 71 Second Street Cheraw, SC 29520 (803) 537-5256	Low Country Community Action Agency, Inc. 334 Wichman Street Walterboro, SC 29488 (803) 549-5576.
Columbia Housing Authority P.O. Box 4307 1917 Harden Street Columbia, SC 29240 (803) 254-3886	Spectrum Institute 1108 Woodrow Street Columbia, SC 29205 (803) 771-0123
Greenville Housing Authority P.O. Box 10047 511 Augusta Street Greenville, SC 29603	Trident United Way 1069 King Street Charleston, SC 29403 (843) 723-1676
Greenville Urban League P.O. Box 10161 15 Regency Hill Drive Greenville, SC 29603 (864) 244-3862	Wateree Community Action Agency 13 South Main Street P.O. Box 1838 Sumter, SC 29150 (803) 773-6512
Consumer Credit Counseling Family Service Center 1800 Main Street Columbia, SC 29201 (803) 733-5450 Toll Free: 1-800-922-5651	Pee Dee Community Action Agency P.O. Drawer 12670 2685 South Irby Street Florence, SC 29504 (843) 662-2579

STATE OF SOUTH CAROLINA
 FAIRFIELD COUNTY
 COUNTY OF BEAUFORT
 CLERK OF COURT

IN THE COURT OF COMMON PLEAS
 FOURTEENTH JUDICIAL CIRCUIT

CASE NO. 2015-CP-07-02081

2017 MAR 13 PM 12 19

CBC National Bank,

Plaintiff,

v.

Richard L. Miller; Donna Walls
 Miller; Quicken Loans Inc.; and
 Mortgage Electronic Registration
 systems, Inc. as nominee for
 Quicken Loans Inc.,

**ORDER GRANTING DEFENDANT QUICKEN
 LOANS INC.'S CROSS-MOTION FOR
 PARTIAL SUMMARY JUDGMENT AND
 DENYING PLAINTIFF CBC NATIONAL
 BANK'S PARTIAL MOTION FOR SUMMARY
 JUDGMENT**

Defendants.

This matter came before me on November 15, 2016, upon the cross-motion of Defendant Quicken Loans Inc. ("Quicken Loans") for partial summary judgment as to the priority of Quicken Loans' mortgage filed of record on October 14, 2016 ("Cross-Motion"). Plaintiff CBC National Bank's ("CBC") partial motion for summary judgment as to lien priority, which is dated September 1, 2016 and is of record, was also heard at this hearing ("CBC Motion"). At the motions hearing, Drew Walker, Esq. appeared for Quicken Loans, Mary Caskey, Esq. appeared for Plaintiff CBC National Bank ("CBC") and Phillip Fairbanks, Esq. appeared for Defendants Richard L. Miller and Defendant Donna Walls Miller (sometimes collectively the "Millers").

Based upon my review of the Motion, supporting legal memorandum of Quicken Loans, all exhibits filed by the Parties in connection with the Motion, pleadings, requests to admit, requests for production, statutory law, case law, affidavits and other matters properly presented to the Court before and at the time of the hearing, I find and conclude that Quicken Loans' Cross-Motion should be granted as a matter of law and the CBC Motion is denied.

STANDARD OF REVIEW

Summary judgment should be granted where the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law. Rule 56(c), SCRCP. A disputed fact is material only if it might affect the outcome of the lawsuit. *Anderson v. Liberty Lobby Inc.*, 477 U.S. 242, 246 (1986). "Under Rule 56(c), the party

seeking summary judgment has the initial responsibility of demonstrating the absence of a genuine issue of material fact.” *Baughman v. Am. Tel. & Tel. Co.*, 306 S.C. 101, 115, 410 S.E.2d 537, 545 (1991). Once the moving party carries its initial burden, the opposing party must come forward with specific facts that show there is a genuine issue of fact remaining for trial. *Baughman*, 306 S.C. at 115, 410 S.E.2d at 545. “The moving party need not ‘support its motion with affidavits or other similar materials *negating* the opponent’s claim.” *Id.*, quoting *Celotex*, 477 U.S. at 323; *see also Richardson v. State-Record Co.*, 330 S.C. 562, 566, 499 S.E.2d 822, 825 (Ct. App. 1998). The purpose of summary judgment is to expedite disposition of cases which do not require the services of a fact finder. *Dawkins v. Fields*, 354 S.C. 58, 69 580 S.E.2d 433, 438 (2003).

FINDINGS OF FACT

CBC brought this judicial lien foreclosure action on real property situated in Beaufort County as described in its Complaint (“Subject Property”). Quicken Loans holds a mortgage secured by the Subject Property and claims senior lien priority under the doctrine of Replacement Mortgage.

The Millers gave a mortgage to Quicken Loans that was recorded on June 11, 2012 (“Original Mortgage”). The Original Mortgage was in senior lien priority position at the time of recording. The Original Mortgage secured a Note in the principal amount of \$298,650.00 plus interest at an initial rate of 3.75%. See Exhibit A to Quicken Loans’ Motion. In the “Transfer of Rights in the Property” section of the recorded Original Mortgage, the following record notice was provided to all subsequent mortgagees, including CBC, and the public at large: “This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note...” (“Future Advance Clause”). *Id.*

Subsequent to the Original Mortgage transaction, CBC obtained a judgment against Richard L. Miller, entered in the Court of Common Pleas for Beaufort County on February 20, 2013 (“Judgment”) in the principal amount of \$60,821.83 plus interest. The Judgment was then executed, but returned *Nulla Bona* on April 3, 2014. CBC acknowledges that its Judgment was obtained after the Original Mortgage and presents nothing in the record to challenge the priority of the Original Mortgage that Quicken Loans asserts. See ¶16 of CBC’s Reply to Quicken Loans’ Counterclaim. Therefore, Quicken Loans’ assertion that CBC’s judgment held a junior

lien priority position behind the Original Mortgage is unchallenged.

The Millers entered into a subsequent loan transaction with Quicken Loans on May 3, 2013 ("Replaced Mortgage") and obtained a new loan in the principal amount of \$296,725.00 with a fixed interest rate of 3.75%. See Exhibit A to Quicken Loans' Cross-Motion. The principal amount of the Replaced Mortgage was less than the principal amount of the Original Mortgage. Proceeds from this loan were used to pay off the Original Mortgage in the amount of \$292,441.48 ("Payoff"). See Id. As part of the same transaction, the senior Original Mortgage was released of record and was replaced with a new mortgage recorded on May 17, 2013 ("Replaced Mortgage") that was intended to replace the Original Mortgage and retain senior lien priority position. See Id. Quicken Loans did not have actual notice or actual knowledge that the Judgment existed at the time of the Replaced Mortgage, which is unchallenged in the record by CBC. See Id. at ¶16 of Sara Reidy Affidavit.

The Millers entered into another subsequent loan transaction with Quicken Loans on August 22, 2014 ("Replacement Mortgage") and obtained a new loan in the principal amount of \$296,473.11 with an initial interest rate of 3.25%. See Exhibit A to Quicken Loans' Motion. The principal amount of the Replacement Mortgage was less than the principal amount of the Replaced Mortgage. See Id. Proceeds from this loan were used to pay off the Replaced Mortgage in the amount of \$289,922.41 ("Second Payoff"). See Id. As part of the same transaction, the senior Replaced Mortgage was released of record and was replaced with the Replacement Mortgage that was recorded on August 29, 2014 that was intended to replace the Replaced Mortgage and retain senior lien priority position. See Id. Quicken Loans did not have actual notice or actual knowledge that the Judgment existed at the time of the Replacement Mortgage, which is unchallenged in the record by CBC. See Id. at ¶16 of Sara Reidy Affidavit.

The Millers have additional assets that may have sufficient value to satisfy CBC's debt, including the property and values shown in the Affidavit of Sara Reidy. Id. The additional assets are not subject to a lien priority dispute, though the Subject Property is, and Quicken has no rights in those additional assets while CBC does by virtue of its Judgment.

These facts are undisputed and established in the record. CBC acknowledges the chronology and transactions set forth above in the pleadings. Further, CBC acknowledges that the dispute regarding the priority of liens outlined above is legal in nature. See the CBC Motion. For these reasons, the Court applies these undisputed facts in the light most favorable to the non-

moving CBC and determines as a matter of law that Quicken Loans' Replacement Mortgage holds the senior lien priority position on the Subject Property.

CONCLUSIONS OF LAW

I. The Replacement Mortgage Theory

The Restatement Third of Property recognizes the Replacement of Senior Mortgages and its Effect on Intervening Interests as follows:

(a) If a senior mortgage is released of record and, as part of the same transaction, is replaced with a new mortgage, the latter mortgage retains the same priority as its predecessor, except

(1) to the extent¹ that any change in the terms of the mortgage or the obligation it secures is materially prejudicial to the holder of a junior interest in the real estate, or

(2) to the extent that one who is protected by the recording act acquires an interest in the real estate at a time that the senior mortgage is not of record.

See REST 3d PROP-MORT Section 7.3.

The Comments to this Restatement section acknowledge that the replacement of senior mortgages is commonplace in lending transactions involving real property. See Comment a. Further, the commentators state that "[r]equiring the consent of junior interests for such transactions might deny the parties needed flexibility in dealing with changing economic and business conditions. This section aims at resolving those problems in a manner that protects the legitimate expectations of the holders of junior interests, while at the same time denying them the ability to veto workouts or other flexible restructuring arrangements between mortgagors and senior lenders." See Id. Simply put, junior mortgagees do not have veto authority on a financing transaction between a senior mortgagee and its borrower. The junior mortgagee's position should not worsen due to the transaction, but the senior mortgagee will retain priority to the extent of the replaced mortgage. Here, the positions of the junior lienholder CBC and the Millers improved with each transaction by way of lower principal amounts and interest rates as discussed, infra.

Additionally, if the original mortgage validly secures future advances in its recorded

¹ See Illustration 2 of Restatement 3d Prop-Mort Section 7.3 that elaborates on the retention of priority for senior mortgages that are replaced, but only to the extent of the payoff of the replaced mortgage, in instances when the junior lien holder does not have record notice of the potential for future advances that may affect the principal amount.

mortgage, then the intervening lienholder is on notice that the senior debt can increase and should temper its lending decisions accordingly. See Reporters' Note, comment d, REST 3d PROP-MORT Section 7.3.

II. Replacement Mortgage in South Carolina

The South Carolina Supreme Court gives credence to the Restatement Third of Property Mortgages Section 7.6 in its majority opinion in Matrix Fin. Services Corp v. Frazer, 394 S.C. 134, 714 S.E.2d 532 (2011). This Restatement section recognizes an equitable doctrine known as equitable subrogation, which is an exception to the race notice statute that typically determines priority by the earlier date of recording. Much like Replacement Mortgage, Section 7.6 allows a refinancing lender that is different from the original senior mortgagee to retain its priority to the extent the subrogee pays off the prior mortgage. See Id.

Prior to the Restatement Third, many states allowed the same lender to refinance its own mortgage, including South Carolina, and retain priority through the doctrine of equitable subrogation. The Restatement opines that, for practical purposes and by definition, a lender cannot be subrogated to itself. Therefore, the commentators conclude that Replacement Mortgage is the more appropriate doctrine for a mortgagee to retain priority through a new loan that pays off its own prior loan. REST 3d PROP-MORT Section 7.6.

Seeing no practical difference other than the titles of these two theories, some states still allow a lender to refinance its own mortgage and retain priority over junior mortgagees under the title of equitable subrogation. However, following the guidance of the Restatement Third commentators, South Carolina's Supreme Court in Matrix, supra, opted to adopt the Restatement Third of Property Mortgages Section 7.6 while acknowledging the Restatement Third of Property Mortgages Section 7.3 that discusses Replacement Mortgage. The Matrix majority alludes to the Replacement Mortgage theory in dicta but does not make a ruling based on the principle because "Matrix is not asserting priority under a theory of replacement and modification." See Id. at 534.

In discerning the logic of the majority with regard to Replacement Mortgage, the dissenting opinion of Justice Pleicones sheds light on the majority's seeming propensity to favor Replacement Mortgage in South Carolina. "It appears that the majority would agree with me that a refinancer has a right to lien priority, if that refinancer uses the theory of "replacement and modification" rather than equitable subrogation. Heretofore, South Carolina has used the

doctrine of equitable subrogation to restore a refinancer's lien to priority, and I would not reverse this because (Matrix) used this theory rather than the newly announced "replacement and modification" rule. Matrix, supra, at 535 (emphasis added). While the majority did not specifically announce a new rule in its opinion, Justice Pleicones clearly received the impression that the majority favors Replacement Mortgage and would adopt it with the appropriate procedural backdrop.

Here, Quicken Loans expressly pled Replacement Mortgage. South Carolina has previously recognized that its common law is often "rooted" in the RESTATEMENTS. *See, e.g., Johnson v. Robert E. Lee Acad., Inc.*, 401 S.C. 500, 504, 737 S.E.2d 512, 514 (Ct. App. 2012) ("The recognition of a voluntarily assumed duty in South Carolina jurisprudence³ is rooted in the Restatement of Torts...."); *see also, Kolstad v. Am. Dental Ass'n*, 527 U.S. 526, 527, 119 S. Ct. 2118, 2121, 144 L. Ed. 2d 494 (1999) ("The Court's discussion of this question is informed by the general common law of agency, as codified in the Restatement (Second) of Agency....") South Carolina has specifically relied on provisions of the RESTATEMENT (THIRD) OF PROPERTY (2000 and Supp. 2006) in articulating South Carolina's common law. *See Matrix Fin. Servs. Corp. v. Frazer*, 394 S.C. 134, 138, 714 S.E.2d 532, 534 (2011) (quoting the Restatement (Third) of Property (Mortgages); *see also Boyd v. Bellsouth Tel. Tel. Co.*, 369 S.C. 410, 416, 633 S.E.2d 136, 139 (2006); *Matthews v. Dennis*, 365 S.C. 245, 249, 616 S.E.2d 437, 439 (Ct.App.2005); *Howard v. Nasser*, 364 S.C. 279, 288, 613 S.E.2d 64, 68 (Ct.App. 2005); *Goodwin v. Johnson*, 357 S.C. 49, 55, 591 S.E.2d 34, 37 (Ct.App. 2003).

Given that South Carolina has long-recognized the doctrine of equitable subrogation over a lender who knowingly took a second position mortgage and has otherwise done nothing to advance its priority, I hold that Quicken Loans' Replacement Mortgage holds a senior lien position on the Subject Property under South Carolina's common law.

III. Replacement Mortgage in Sister Jurisdictions

Since the Restatement Third's publication in 1997, a number of jurisdictions have already adopted Restatement Section 7.3 on Replacement Mortgages. The Court is unaware of a jurisdiction that has rejected this section or the principles it espouses.

In *Sovereign Bank v. Gillis*, 432 N.J.Super. 36, 74A.3d 1 (NJ 2013), the Superior Court of New Jersey's Appellate Division adopts Restatement Section 7.3 on Replacement and Modification in the context of a refinancer of its own loan to replace priority. The court notes

that there are certain equitable considerations to be taken into account when looking at the general propositions of a race-notice state, like New Jersey (and South Carolina). “An exception to the normal “race-notice” determination of mortgage priorities can sometimes occur when a third party advances money to pay off a mortgage.” Id. at 4. In adopting Replacement Mortgage, this court takes the third party analysis a step further by granting priority to a refinancer of its own loan under the principles of Replacement Mortgage. Id. at 7. The court also opines that a replacement mortgagee’s actual knowledge of the intervening lien is not detrimental to replacement priority so long as the intervening junior mortgagee is not materially prejudiced. Id. One of the stated purposes for the adoption of Replacement Mortgage was to avoid the junior mortgagee from “reaping an undeserved windfall” by virtue of the senior mortgage paid off by the mortgagee. See Id.

Appellate courts from Michigan and Arizona have also adopted replacement mortgage and specifically Restatement Section 7.3 on Replacement and Modification. See CitiMortgage, Inc. v. MERS, 295 Mich.App. 72 (2011) (holding “...because Section 7.3 of the Restatement reflects the present law in Michigan, we hereby adopt it.”); see also Brimet II, LLC v. Destiny Homes Marketing, LLC, 231 Ariz. 457 (2013) (holding “When the lenders are of the same identity, priorities are determined under replacement and not equitable subrogation.”).

Illinois courts have espoused the principles of replacement mortgage for over 100 years. See UnionBank v. Thrall, 374 Ill.App.3d 785 (2007).

...the trial court erred in holding that “first in time, first in right” is the only legal principle properly applicable to this case ... Indeed, the legal doctrine (the replacement mortgage party) invoked has existed in Illinois case law for over 100 years, and it is not limited to the third-party situation described by Union. In Shaver, the supreme court held that a lender’s refinancing of a debt secured by a mortgage, coupled with a simultaneous release of the original mortgage held by the lender, did not disturb the previous priority of liens on the land, where an intervening lienor took his lien with knowledge of the original mortgage ... The authors of the Restatement (Third) of Property prefer the term “replacement of senior mortgages”...Regardless of the label, however, it is clear that the doctrine remains valid under Illinois law and (the replacement mortgage party) properly raised it before the trial court.

Id. at 789-792. The appellate courts of New York have also adopted the principles of replacement mortgage. See Citibank, N.A. v. Kenney, 17 A.D.3d 305 (2005) (see Headnote 1). The United States District Court for the District of Nevada found that Nevada law would

recognize the doctrine of replacement and specifically references Restatement Third of Property Section 7.3. See Freedom Mort. Corp. v. Trovare Homeowner's Assoc., Slip Copy 2013 Order on Plf's Mot. To Reconsider (commenting "Replacement is an equitable doctrine which resolves priority disputes between the holder of a replacement mortgage and an intervening interest. Its function is to preserve the original expectations of the parties, prevent windfalls to an intervening junior lienholder, and allow borrowers to obtain refinancing.").

Finally, Restatement Section 7.3 has case citations from the following jurisdictions that apply the Restatement in determining the holdings of their decisions: Kentucky, Oklahoma, Texas, Washington, Utah and Missouri.

In sum, the doctrine of Replacement Mortgage priority in the Restatement Third of Property is widely-recognized and favored in courts across the country.

IV. Replacement Mortgage in the Instant Matter

In the instant case, Quicken Loans argues that its Replacement Mortgage retains priority through the doctrine of Replacement Mortgage. The payoffs of the Original Mortgage and the Replaced Mortgage are not disputed by CBC and is made clear by the record. See Exhibit A of the Motion.

The Replacement Mortgage theory lists two exceptions: (1) material prejudice and (2) the replaced mortgage not being of record when the intervening lien is recorded. The second exception is not at issue here because CBC admits the Original Mortgage was recorded at the time it recorded its Judgment and thus it had the expectation of being in a junior lien position. See Plaintiff's pleadings.

A. The Replacement Mortgage and the Replaced Mortgage do not materially prejudice CBC

The principal amount secured by the Original Mortgage (\$298,650) is greater than the principal amounts secured by Replaced Mortgage (\$296,725) and the Replacement Mortgage (\$291,825). See Exhibit A of the Motion. Further, the interest amount of the Original Mortgage is greater than or equal to the interest amount of the Replaced Mortgage and Replacement Mortgage. See Id. The Replaced Mortgage and Replacement Mortgage have improved CBC's

position as a junior creditor. Further, CBC has presented no evidence suggesting it was materially prejudiced by Quicken Loans' transactions.

B. Applicability of the Future Advance Clause

Assuming, arguendo, that CBC could suggest a weakened position through the replacement transactions at issue, the publicly recorded language of the Original Mortgage put CBC on notice that future advances could be made and interest rates could change. The Original Mortgage, which irrefutably held priority, contained the Future Advance Clause, supra, that put CBC on notice that "all renewals, extensions and modifications of the Note..." were secured. Additionally, the Original Mortgage put CBC and other junior creditors on notice that interest rates could rise, though they never did in this instance. Essentially, CBC knew or should have known by virtue of the publicly recorded Future Advance Clause that additional sums of money could be advanced by Quicken Loans to the Millers and given priority. If the original mortgage validly secures future advances in its recorded mortgage, then the intervening lienholder is on notice that the senior debt can increase and should temper its lending decisions accordingly. See Reporters' Note, comment d, REST 3d PROP-MORT Section 7.3.

The Replaced and Replacement Mortgages were each a "renewal, extension or modification". Moreover, if the junior mortgagee had notice that future advances could be made in any fashion, the fact that it was a new loan is immaterial. A noteworthy treatise and case law support this theory on postmortgage transactions affecting priority.

As a general rule, entering satisfaction of a mortgage and taking a new one, when designated by the parties to be merely a continuation of the first mortgage and when the two acts are practically simultaneous or parts of the same transaction, is not an extinguishment of the mortgage but merely a renewal and does not give priority to an intervening judgment or mortgage creditor of the mortgagor, especially where it is done in good faith, in ignorance of the existence of the intervening lien, and without any intention to release the lien of the mortgage.

59 C.J.S. Section 320, Renewal or Substitution of Mortgages. The Corpus Juris Secundum commentators view the Quicken Loans transaction as a virtual renewal, which places it under the gambit of the Future Advance Clause, and certainly under the spirit of Restatement Section 7.3. A New Jersey court has applied similar rationale: "This "new loan" was in effect a "modification" as well as a "renewal" ... the court finds that the proceeds of the (Replacement) mortgage were used to take the place of the original (replaced) mortgage, which was a superior lien by recordation and by agreement to plaintiff's mortgages." See UPS Capital Business Credit

v. Abbey, 408 N.J.Super. 524 (2009) at 528-529. The Restatement's Illustration 5 outlines a similar scenario regarding priority when a future advance clause is present.²

Because CBC had notice at the time of its underwriting that future advances could be made by Quicken Loans, the Replacement Mortgage should be given full priority because the expectations of CBC did not change and it has not been materially prejudiced. For these reasons, Quicken Loans has priority and any potential foreclosure sale of the Subject Property will be subject to the Replacement Mortgage.

C. Final analysis on Replacement Mortgage in this case

"The purpose of subrogation (replacement here) is to prevent a junior lien holder from converting the mistake of the lender into a magical gift for himself." Matrix, supra, dissenting opinion, J. Pleicones, (citing United States v. Baran, 996 F.2d 25 (2nd Cir. 1993)). Here, the mistake would seemingly be Quicken Loans' failure to locate the publicly recorded Judgment. Equitable principles excuse such omissions and allow the senior mortgagee to retain its priority, as well as the flexibility to work with its borrower in order to avoid the subordination veto of a junior creditor. Even if Quicken Loans had actual knowledge of the Judgment, the Restatement 7.3 of Replacement Mortgages does not require CBC's permission or allow CBC "the ability to veto workouts or other flexible restructuring arrangements between mortgagors and senior lenders." See Restatement 7.3, supra, comment a; see also, Sovereign Bank supra at 7. Recognizing Quicken Loans' priority here under these equitable principals: (a) reduces foreclosures and facilitates refinancing, (b) reduces title insurances premiums and (c) accomplishes the equitable maxim that no one (CBC) should be enriched by another's loss. See Matrix, dissent, supra; see also, Sovereign Bank, supra, at 6.

CBC should not receive a "magical gift". The equitable principles espoused in the

² Illustration 5: Mortgagor borrows \$15,000 from Mortgagee-1 and gives Mortgagee-1 a promissory note for that amount secured by a mortgage on Blackacre. The mortgage states "this mortgage shall also secure all future loans or advances made by Mortgagee to Mortgagor." The obligation is due and payable in five years. The mortgage is immediately recorded. Two months later, Mortgagor borrows \$10,000 from Mortgagee-2 and gives Mortgagee-2 a promissory note for that amount secured by a mortgage on Blackacre. The latter mortgage is promptly recorded. A year later, Mortgagor and Mortgagee-1 agree to restructure their loan agreement. As a result of this agreement, Mortgagee-1 lends an additional \$20,000 to Mortgagor. Mortgagee-1 then releases its original mortgage of record and, a few days later, Mortgagor delivers to Mortgagee-1 a \$35,000 promissory note secured by a mortgage on Blackacre. The latter mortgage obligation carries the same interest rate and the full \$35,000 is due and payable five years thereafter. It does not secure future advances. The mortgage is promptly recorded. Mortgagee-1's \$35,000 mortgage is senior to Mortgagee-2's.

Restatement Third of Property regarding Replacement Mortgages should be applied here in order to establish the priority of the Replacement Mortgage.

V. CBC Marshaling Assets

Because the ruling in this Order decides the priority issue, I do not rule on Quicken Loans' position in its Cross-Motion that if it did not have a senior priority lien interest in this matter, then CBC should be required to marshal the Millers' assets prior to any levy and sale of the Subject Property.

CONCLUSION

WHEREFORE, IT IS ORDERED, ADJUDGED AND DECREED that Quicken Loans' Cross-Motion for partial summary judgment acknowledging its senior lien position on the Subject Property and holding that any foreclosure sale of the Subject Property in this action be sold subject to the Replacement Mortgage is hereby granted. For the reasons stated in this Order, I also find that the CBC Motion is denied with prejudice. Because Quicken Loans is no longer a necessary party³ to this action to foreclose a junior mortgage subject to the Replacement Mortgage, Quicken Loans is hereby dismissed from this case.

AND IT SO ORDERED.

The Honorable Marvin H. Dukes, III
Master in Equity and Special
Circuit Court Judge for Beaufort County

_____, 2017
Beaufort, South Carolina

³ Watson v. Fowler, et al., 165 S.C. 288, 163 S.E. 640 (1932); *see also* Evans v. McLucas, 12 S.C. 56 (1879) (finding that a prior encumbrancer is not a necessary party to a suit for foreclosure); *see also* 27 S.C.Jur. Mortgages §108.



Beaufort Common Pleas

Case Caption: Cbc National Bank VS Richard L Miller , defendant, et al

Case Number: 2015CP0702081

Type: Order/Other

So Ordered:

s/Marvin H. Dukes III #3069

Electronically signed on 2017-01-18 08:57:09 page 12 of 12

STATE OF SOUTH CAROLINA

COUNTY OF FAIRFIELD

ArrowPointe Federal Credit Union,

Plaintiff,

v.

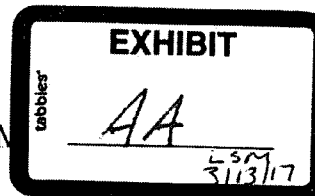
Jimmy Eugene Bailey, Laura Jean Bailey, and
DLJ Mortgage Capital, Inc.,

Defendants.

(522310-2 SMF)

IN THE COURT OF COMMON PLEAS

CIVIL ACTION # 2012-CP-20-00132



AFFIDAVIT OF ATTORNEY'S
FEES AND COSTS
(Rogers Townsend & Thomas PC Only)

PERSONALLY appeared before me, the undersigned, who being duly sworn, deposes and says:

I am one of the attorneys for Defendant DLJ Mortgage Capital, Inc., and its successor-in-interest to the subject loan, U.S. Bank National Association not in its individual capacity but solely in its capacity as Indenture Trustee for WVUE 2015-1, (collectively "Defendants") in the above-captioned action.

Background of Representation and Nature, Extent and Difficulty of the Representation

Defendants engaged my law firm, Rogers Townsend & Thomas PC ("Rogers Townsend"), to foreclose a mortgage that is included in this action. Defendants instructed our firm to handle this action as expeditiously as possible. Moving foreclosure cases along quickly is important to our clients because almost always our client's equity position deteriorates with time as the borrower fails to pay interest on his or her loan. Furthermore, in foreclosure cases, our clients face the increased risk that borrowers will not preserve the value of their homes as well as those borrowers who are not in default. Finally, there is a risk that they will allow their insurance to lapse or will not be able to pay their real property taxes.

When it referred this case to us, our client also provided us with an extensive list of instructions, including compliance with investor requirements and/or government or private insuring agreements and federal and state consumer protection laws.

Foreclosure cases typically involve multiple defendants, defendants with competing interests, and, frequently, third-party bidders. Unlike many other cases involving litigation, they require a title abstract to be performed. Foreclosure cases are governed by state statutes, specific

rules of civil procedure, and an ever-growing body of common law. They also involve consumer rights protected by both federal and state statutes and case law. Frequently, homeowners will file petitions in the United States Bankruptcy Court to forestall the loss of their homes. Foreclosure cases usually involve *pro se* litigants who often contact our firm by telephone or in person (at the office or in court just before the hearing) to learn about the process, to learn how to reach our client directly, to try to bring their loan current, to pay off their loan, or to have their loan modified. At the time we accept a case, we do not know the full extent of the challenges we will run into and have to deal with for the fees we have agreed to handle the case for.

When Rogers Townsend assumed the representation of Defendants in this foreclosure action, we assumed a number of risks. Those risks include the possibility that any of the parties involved (the defendant, the court, our own staff, a third-party bidder, or some other third party) could make an error at any stage of the process. Errors made in the process of a foreclosure case can be expensive to remediate, largely because of the value of real property, but also because our client's instruction that we complete cases as expeditiously as possible requires us to presume that, for the most part, the legal process will run smoothly and without unnecessary errors or delays. We also incurred the risk that the borrower might try to mislead us about a loss mitigation resolution or that he or she might file a bankruptcy petition just before a critical event in the case.

I am informed and believe that Defendants selected Rogers Townsend to handle this foreclosure because we have a large staff of attorneys and other skilled non-attorney professionals who are highly trained in a legal system that enables Rogers Townsend to comply with Defendants' instructions. Rogers Townsend also has expensive computer systems, and Rogers Townsend creates and maintains data about our clients and the court system in the state that enable us to move cases quickly, to comply with the law, and to deal with borrowers. Rogers Townsend also has sufficient capital to allow it to advance the litigation expenses required for cases to move quickly and efficiently. Rogers Townsend has a proven track record with Defendants for accomplishing its work expeditiously and inexpensively.

We reviewed this file and entered data about this case into our system to enable the rest of the foreclosure process to run smoothly. We then updated that data as we learned more about the case. We examined the title to identify all parties having or claiming any interest in the

subject real estate. Ultimately, my fellow counsel, our staff, and I have been responsible for the following actions in this case:

1. Reviewed and analyzed incoming Motion for Reconsideration
2. Prepared and served Notice of Appearance
3. Prepared and served Amended Answer, Counterclaim and Cross-Claim
4. Prepared and served Motion to Substitute Defendant, Amend Caption and Amend Answer
5. Prepared Notice of Hearing regarding Motion to Substitute Defendant, Amend Caption and Amend Answer
6. Attended hearing regarding Motion to Substitute Defendant, Amend Caption and Amend Answer
7. Drafted and served Order Substituting Defendant, Amending Caption and Amending Answer
8. Drafted and served Lis Pendens, Summons to Counterclaims and Cross Claim; Amended Answer, Counterclaims and Cross-Claim and Notice of Foreclosure Intervention
9. Drafted and served FDCPA Notice
10. Reviewed and analyzed incoming Reply of Plaintiff to Defendant's Answer, Counterclaim and Cross-Claim
11. Prepared and served Affidavit of Default as to Cross-Claim
12. Prepared and served Certificate of Non-Occupancy and Certificate of Completion of Foreclosure Intervention
13. Drafted and served Notice of Denial regarding Foreclosure Intervention
14. Reviewed and analyzed incoming Motion for Summary Judgment and Memorandum in Support of Plaintiff's Motion for Summary Judgment
15. Reviewed and analyzed incoming Joint Stipulation
16. Prepared Affidavit of Verified Statement of Account
17. Drafted and served Motion to Substitute Defendant and Amend Caption
18. Drafted Affidavit of Attorney's Fees and Costs
19. Researched Military Status of borrowers
20. Attended Final Hearing
21. Communicated with client throughout case

Additionally, we have been responsible for obtaining reinstatement and payoff figures and payment histories (if requested or required); and scheduling and attending the hearing in this matter.

I am informed and believe that all expenses were reasonably and necessarily incurred.

Time Necessarily Devoted to the Case

We do not keep up with the time we spend on foreclosure cases if they are uncontested. To do so would create unnecessary costs for both our client and for the borrower.

The time I spent was reasonably necessary to accomplish the result of a foreclosure judgment in this case. My paralegal and I have spent 41 hours on this file through March 13, 2017. I billed at a rate of \$200 per hour, and our paralegals billed at a rate of \$100 per hour..

Moreover, depending upon the interest shown by defendants, third parties, or counsel for either and the inherent negotiations required thereby, other time may also be committed to the completion of the case. In that regard, I reserve the right to re-visit the question of attorney's fees should the action proceed in an unexpected way.

Professional Standing of Counsel

The attorneys at Rogers Townsend who primarily work on foreclosure cases in South Carolina are Robert P. Davis, Andrew W. Montgomery, John J. Hearn, Kevin T. Brown, and Jason D. Wyman. Some or all of them worked on this case. We occasionally call on other lawyers in the firm to help us out.

I. Mr. Davis has concentrated his practice in the areas of real estate and foreclosure since his admission to the bar in 2005. His experience includes closing mortgage loan transactions and representing lenders and servicers in foreclosure actions throughout South Carolina.

II. Mr. Montgomery was admitted to the South Carolina Bar in 2010. He concentrates his practice in the areas of foreclosures and real estate. Since 2010, Mr. Montgomery has represented lenders and servicers in foreclosure and other related actions throughout South Carolina.

III. Mr. Brown has concentrated his practice in the areas of bankruptcy, foreclosure and real estate since his admission to the bar in 1991. Since 1993, he has represented lenders and servicers in thousands of foreclosure actions throughout South Carolina. He is personally familiar with the requirements of individual masters-in-equity and special referees in South Carolina.

IV. Mr. Hearn concentrates his practice in the areas of foreclosure and real estate. Since 2002, he has represented lenders or servicers in foreclosure and other related actions throughout the state of South Carolina.

V. Mr. Wyman was admitted to the South Carolina Bar in 2011. He concentrates his practice in the areas of foreclosures and real estate. Since 2011, Mr. Wyman

has represented lenders and servicers in foreclosure and other related actions throughout South Carolina.

VI. I was admitted to the South Carolina Bar in 2008. I concentrate my practice in real estate litigation, mortgage foreclosure litigation, title insurance litigation, and tax sale litigation.

Finally, we are able to provide legal services inexpensively because we use a staff of highly trained and efficient non-attorney professionals, all of whom are supervised by some or all of the attorneys listed above.

Contingency of Compensation

We typically work on a flat-fee basis for uncontested cases. When a case becomes contested, we are paid an additional flat sum for specific tasks, or we are paid by the hour.

In any event, in almost all of our cases our clients do not pay us until long after it has referred the case to us. Because of the long delay between the work we perform and when we are paid, we run the risk that our client will go into insolvency proceedings or transfer a loan to another entity during the foreclosure proceeding and never pay us. Our experience has confirmed the reality of such risk of non-payment.

Beneficial Results Obtained

I have submitted this affidavit because I believe the Court will enter a judgment of foreclosure and sale consistent with the relief we requested in the pleadings. Therefore, if the Court is considering this affidavit, it is only because my law firm has obtained a beneficial result for my client.

Customary Legal Fees for Similar Services

Under the foregoing recitals, I have found that courts generally award attorney's fees of \$16,440.00 or more for similarly contested residential foreclosure cases in South Carolina. The fee I am requesting in this case is in line with those awards. This sum is contemplated in language contained in the mortgage previously offered into evidence in this action.

Fees

My requested attorney's fees breakdown as follows:

Foreclosure fees paid	\$130.00
Litigation fees paid	\$12,560.00
Litigation fees incurred but not paid through 3/13/17	\$3,750.00

Costs

My firm paid or incurred the following expenses:

- (a) Title work and update\$200.00
- (b) Mileage\$48.30
- (c) Transcript Fee (Court Report Appearance).....\$135.00
- (d) Motion Fees\$100.00
(Two Motions to Substitute Defendant, Motion to Amend Caption
and Motion to Amend Answer)

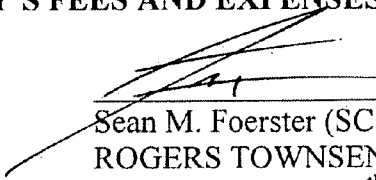
I am informed and believe that all of these litigation fees were reasonably and necessarily incurred.

Conclusion

In view of all of the foregoing facts and the size of the mortgages' debt involved in this case, in my professional opinion reasonable attorney's fees would be \$16,440.00 and reasonable costs would be \$483.30 for a total award of fees and costs of:

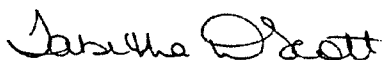
TOTAL ATTORNEY'S FEES\$16,440.00
TOTAL EXPENSES.....\$483.30

TOTAL ATTORNEY'S FEES AND EXPENSES.....\$16,923.30


Sean M. Foerster (SC Bar # 77466)
ROGERS TOWNSEND & THOMAS, PC
1221 Main Street, 14th Floor (29201)
Post Office Box 100200
Columbia, South Carolina 29202-3200
(803)771-7900
sean.foerster@rtt-law.com

Attorneys for the Defendant DLJ Mortgage Capital,
Inc.
Rogers Townsend & Thomas, PC and their staff are debt collectors.

Sworn to before me this 10th day of March, 2017.



Notary Public for South Carolina

My Commission Expires: 6/18/17

STATE OF SOUTH CAROLINA

COUNTY OF FAIRFIELD

ArrowPointe Federal Credit Union,

Plaintiff,

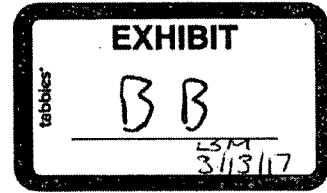
v.

Jimmy Eugene Bailey, Laura Jean Bailey, and
DLJ Mortgage Capital, Inc.,

Defendants.

IN THE COURT OF COMMON PLEAS

CIVIL CASE NO.: 2012-CP-20-00132



AFFIDAVIT OF ATTORNEY'S FEES

PERSONALLY APPEARED BEFORE ME, Drew B. Walker, Esquire, who first being duly sworn, deposes and states that he is a Member of the law firm of Rogers Lewis Jackson Mann & Quinn, LLC, and that he represents Defendant DLJ Mortgage Capital, Inc. in the above-captioned action:

Since the inception of this action, his office has assumed responsibility for the institution of this action and has been responsible for the preparation of the following pleadings and court documents:

1. Lis Pendens;
2. Answer, Counterclaims and Cross-Claim;
3. Interrogatories, Requests for Production and Requests for Admission served upon Plaintiff
4. Responses and Document Redaction and Production to Plaintiff's Requests for Production and Interrogatories;
5. Notice of Deposition to Plaintiff and preparation for depositions
6. Motion for Summary Judgment; research of relevant case law for Court's consideration;
7. Motion for Reconsideration;
8. Proposed Stipulation of Facts Between the Parties and exhibits to same;
9. Memorandum in Opposition to Plaintiff's Motion for Summary Judgment;
10. Trial Brief;
11. Memorandum in Support of Directed Verdict

Additionally, his office has prepared for trial.

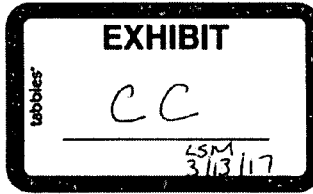
The total debt is \$402,185.93, which does not include attorney's fees. In light of the time and labor expended in excess of Ninety-Five (95) billable hours by attorneys and paralegal as of the date

of the hearing, the time that will be dedicated to the matter post hearing, the novelty and difficulty of the questions raised, the skill required to properly perform the legal services rendered, the attorney's opportunity costs in pressing the instant litigation, the customary fee for like work, the attorney's expectations at the outset of the litigation, the time limitations imposed by the client or circumstances, the amount in controversy and the results obtained, the experience, reputation and ability of the attorney, the undesirability of the case within the legal community in which the suit arose, the nature and length of the professional relationship between attorney and client, attorney's fees awards in similar cases, potential liabilities inherent in a property matter, the attendant responsibilities, the size of the debt, and the uncertainty of collection, he believes a reasonable attorney's fee would be **Seventeen Thousand Five Hundred and 00/100 (\$17,500.00) Dollars.**


Drew B. Walker

SWORN TO AND SUBSCRIBED BEFORE ME
THIS 13th day March, 2017


Notary Public for South Carolina
My Commission Expires: 4-1-2024



STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF FAIRFIELD) CIVIL ACTION NO. 2012-CP-20-132

ArrowPointe Federal Credit Union,
Plaintiff,

vs.

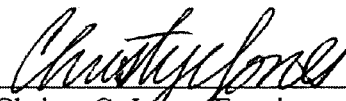
Jimmy Eugene Bailey; Laura Jean Bailey; and
DLJ Mortgage Capital, Inc.,
Defendants.

AFFIDAVIT OF ATTORNEY'S FEES

Personally appeared before me Christy C. Jones, one of the attorneys for the Plaintiff, who first being duly sworn, deposes and says as follows:

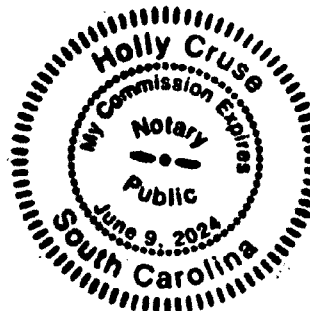
The Plaintiff, having been granted judgment in the above-captioned action and in view of the potential liabilities inherent in a real property matter, the attendant responsibilities, and the size of the mortgage debt, a reasonable attorney's fee in the amount of \$2,795.00 is hereby submitted. This is a flat fee incurred and paid by the Plaintiff.

FURTHER, Affiant sayeth not.


Christy C. Jones, Esquire
Attorney for the Plaintiff

SWORN to before me this 13th
day of March, 2017.


Notary Public for South Carolina
My Commission Expires: June 9th, 2024



DD

LSM
3/13/17

STATE OF SOUTH CAROLINA

COUNTY OF FAIRFIELD

ArrowPointe Federal Credit Union,

Plaintiff,

v.

Jimmy Eugene Bailey, Laura Jean Bailey, and
DLJ Mortgage Capital, Inc.,

Defendants.

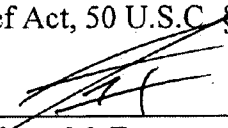
IN THE COURT OF COMMON

CIVIL ACTION # 2012-CP-20-00132

AFFIDAVIT OF
NON-MILITARY SERVICE

(522310-2 SMF)

PERSONALLY APPEARED before me, the undersigned, who being duly sworn, deposes and says that he is one of the attorneys for Plaintiff in the above-entitled action, that he has investigated the occupational status of the Defendants Jimmy Eugene Bailey and Laura Jean Bailey, and that they are not in the Military Service of the United States as contemplated by the provisions of the Servicemembers Civil Relief Act, 50 U.S.C. § 3901 *et seq.*


Sean M. Foerster (SC Bar # 77466)
ROGERS TOWNSEND & THOMAS, PC
1221 Main Street, 14th Floor (29201)
Post Office Box 100200
Columbia, South Carolina 29202-3200
(803)771-7900
sean.foerster@rtt-law.com

Attorneys for the Defendant DLJ Mortgage Capital,
Inc.,
Rogers Townsend & Thomas, PC and its staff are debt collectors.

Sworn to before me this 13th day of March, 2017.


Notary Public for South Carolina
My Commission Expires: 6/18/17

STATE OF SOUTH CAROLINA

COUNTY OF FAIRFIELD

ArrowPointe Federal Credit Union,

Plaintiff,

v.

Jimmy Eugene Bailey, Laura Jean
Bailey, and JPMorgan Chase Bank,

Defendants.

IN THE COURT OF COMMON PLEAS
SIXTH JUDICIAL CIRCUIT

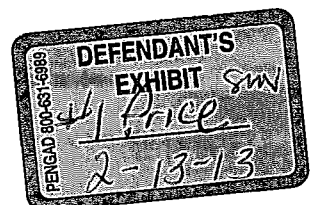
CASE NO. 2012-CP-20-00132

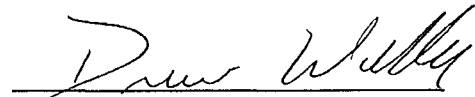
**NOTICE OF 30(b)(6) DEPOSITION OF
ARROWPOINTE FEDERAL CREDIT UNION**

TO: CHRISTY C. JONES, ATTORNEY FOR PLAINTIFF:

PLEASE TAKE NOTICE that on **Wednesday, February 13, 2013** starting at **10:00 a.m.**, at the offices of **Ellis Lawhorne & Sims, P.A., 1501 Main Street, 5th Floor, Columbia, South Carolina**, the attorney for the Defendant JPMorgan Chase Bank will take the oral deposition of the Plaintiff's designated witness, **James Price**, (hereinafter "Deponent"), pursuant to Rule 30(b)(6), SCRPC, before an officer authorized by law to take depositions, said deposition to continue from day to day until completed. Deponent consents to testify on Plaintiff's behalf with respect to the claims alleged in the Complaint and any other papers submitted by the Plaintiff in the above captioned matter, including, but not limited to, the topics set forth on Exhibit A attached hereto.

This deposition is taken pursuant to notice, in accordance with Rule 30, SCRPC. The Deponent is required to attend and in the event of its failure to attend, Defendant JPMorgan Chase Bank reserves its rights under Rule 37(d), SCRPC, to recover from Deponent the reasonable expenses, including attorney's fees, caused by such failure. You are hereby notified to appear and take such part in the examination as you may be advised and as shall be fit and proper.





Drew B. Walker (SC Bar No. 78271)

ELLIS, LAWHORNE & SIMS, P.A.

1501 Main Street, 5th Floor (29201)

PO Box 2285

Columbia, SC 29202

P: 803-254-4190

F: 803-779-4749

dwalker@ellislawhorne.com

Attorney for the Defendant

JPMorgan Chase Bank

January 25, 2013

Columbia, South Carolina

Exhibit A – Deposition Topics

1. Facts known by the witnesses identified in Plaintiff's responses to JPMorgan Chase Bank's discovery requests.
2. The nature of the communication and the parties involved in documents claimed to be privileged in Plaintiff's responses to JPMorgan Chase Bank's written discovery requests.
3. Facts known surrounding the Plaintiff's responses to JPMorgan's Requests to Admit, specifically whether the Plaintiff contends that it satisfied the Prior Mortgage as defined in those Requests to Admit and the factual reason(s) that the Plaintiff denies Request to Admit number 3 and 4.
4. Facts surrounding the loan transactions referenced in the pleadings of this case involving Jimmy Eugene Bailey and Laura Jean Bailey.

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM FAIRFIELD COUNTY
Court of Common Pleas

Carol A. Tolen, Special Referee
Trial Court Case No. 2012-CP-20-00132

Appellate Case No. 2018-000230

ArrowPointe Federal Credit Union, Respondent,

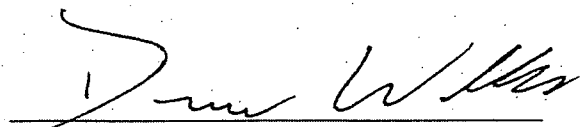
v.

Jimmy Eugene Bailey; Laura Jean Bailey; and U.S. Bank National Association not in its individual capacity but solely in its capacity as Indenture Trustee for WVUE 2015-1, Defendants,

Of which U.S. Bank National Association not in its individual capacity but solely in its capacity as Indenture Trustee for WVUE 2015-1 is the Appellant.

CERTIFICATE OF COUNSEL

The undersigned certifies that this Record on Appeal complies with Rule 210, SCACR.



Drew B. Walker
Shaun C. Blake
Rogers Lewis Jackson Mann & Quinn, LLC
PO Box 11803
Columbia, SC 29211

Sean Foerster, Esq.
Rogers Townsend & Thomas, PC
PO Box 100200
Columbia, SC 29202
Attorneys for Appellant

June 25, 2018