

C. Type II Manufactured Home Loans (Loans Without Land)

The Servicer must be fully aware of the condition of the manufactured home property and protect AHFC's interest. It is AHFC's goal to preserve the value of the collateral and to minimize any potential for loss. Steps are to be taken to insure hazard insurance policies adequately protect AHFC's interest and that the UCC forms have been filed appropriately.

1. Property Inspections

If no personal contact has been made with the borrower by the **30th day of delinquency**, the Servicer must have completed an exterior drive-by inspection of the unit. In any case, an inspection is required no later than the 45th day of delinquency, unless it is required sooner under insurer or guarantor requirements.

Inspections must continue every **30 days thereafter** while the loan is delinquent or until receipt of the first payment in accordance with a loss mitigation plan, or until the unit has been assigned to an AHFC authorized agent. If the borrower defaults on the loss mitigation plan and the plan is not reinstated or if contact is not made with the borrower, inspections are to resume within 10 business days. If the property is in an area that has a high rate of vandalism or neglect, the Servicer is expected to inspect it as often as deemed necessary.

If there are indications that the property may not be occupied, the Servicer must immediately inspect the property.

2. Property Maintenance

The Servicer will take appropriate action during the delinquency and repossession process to protect the premises.