

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

The following is a minimal collection program that AHFC finds acceptable for collection of delinquent manufactured home loans. The development of a more extensive program by the Servicer is encouraged. The Servicer is fully responsible for protecting AHFC's interest. Loan payments are generally due on the first day of the month and are considered delinquent if received after the first. The target collection timeframes listed below and attempts to contact all parties on the loan at various times of the day, using all telephone numbers, must be documented.

1. Borrowers Who Default in the First Year of Their Loan

The Servicer is required to begin early telephone contact between the 7<sup>th</sup> and the 10<sup>th</sup> of the month and counsel the borrower to make timely payments. Servicers must offer early delinquency counseling to prevent the loan from becoming seriously past due and to avoid establishing a pattern of unnecessary delinquencies in the future.

2. Servicer identification of a delinquent loan should be made as early as possible, but no later than the **16<sup>th</sup> of the month**.

3. A late notice must be mailed by the **17<sup>th</sup> day of delinquency** unless otherwise mandated in the security instrument.

4. By the **20<sup>th</sup> day of delinquency**, the Servicer should have contacted the borrower. Servicers should perform actual telephone calls as the principal form of contact with the borrower. Unmanned automated message calls do not constitute sufficient attempts to contact the borrower.

5. At least 2 quality right party contact attempts must be made prior to the 30<sup>th</sup> day of delinquency.

If no contact has been made with the borrower by the 30<sup>th</sup> day of delinquency, the Servicer should exercise additional methods to achieve and establish contact, including field calls, posting property, skip tracing, additional letters and phone calls to the borrower. The Servicer should take steps to verify status of utilities and space rents.

6. If, by the **45<sup>th</sup> day of delinquency**, satisfactory arrangements to bring the account current have not been made, a face-to-face interview with the borrower should be conducted. Attempts to arrange an interview must be documented.

7. A demand letter must be sent on or before the **50<sup>th</sup> day of delinquency**; however, in some cases a demand letter may be sent as

early as the 32<sup>nd</sup> day of delinquency. The Servicer should consult the individual note/security agreement and comply with the insurer/guarantor requirements. The Servicer is responsible for protecting AHFC's interest and at no point through the delinquency process is the Servicer to stop its collection activity.

8. If it is discovered that the property has been abandoned, a demand letter should be sent immediately to the borrower. The Servicer must also submit a [Form SER-71](#) recommending appropriate action to AHFC's Servicing Department. (Refer to [Section 13000.07](#) – Preservation of Property)
9. The Servicer should review the individual security instrument and consider the implications of complying with the insurer or guarantor requirements. Immediately upon submission of the demand letter or when it is determined the loan will not be reinstated, but no later than the **60<sup>th</sup> day of delinquency** (or 80 days for manufactured homes financed with land), the Servicer must submit a completed [Form SER-71](#) (with any applicable addendums) recommending action to protect AHFC's interest. Comments should fully describe the reason for the default, the borrower's intentions with the property, the servicing action taken, and support the action recommended.