

.10 LEGAL POLICIES

The Servicer is to select an appropriate attorney and pay all fees related to the foreclosure or repossession. Upon completion of the foreclosure or repossession, the Servicer will be reimbursed for the attorney fees and necessary third-party costs, subject to limitations. A Claim for Reimbursement ([Form SER-70](#)) is to be submitted to AHFC's Servicing Department after the action is completed and per the timelines stipulated in [Section 16000.02](#).

A. Attorney Fees and Legal Costs

The Servicer should limit attorney fees and legal costs as specified in Reimbursable Fees and Costs ([Form SER-86](#)).

The limits outlined in Reimbursable Fees and Costs ([Form SER-86](#)) include typical costs, fees and services, plus the cost for the trustee's sale guarantee, third-party costs for mailings in excess of the usual and customary, publication, Notice of Default (public and property), fees, personal service costs (when required) and recording fees. The first three postponements are to be covered within the flat legal expenses. After the third postponement, the Servicer will be reimbursed \$35 for each additional postponement (\$75 in the fourth judicial district). Reimbursement will be allowed for out-of-pocket costs paid to a third party vendor for the crying of the foreclosure sale in an amount not to exceed \$100.

In order to be reimbursable, the costs must be actual, reasonable and necessary, provided they are included in any applicable Guarantor/Insurer claim filed.

Legal expenses exceeding the reimbursable limits, including but not limited to those fees and costs related to all types of foreclosures, repossession, bankruptcies and Suits on Notes, require prior written consent from AHFC.

B. Reimbursable Expenses

Any duty or functions the Servicer delegates to legal counsel or a third party that are considered to be essentially servicing functions (i.e., routine bankruptcy proofs of claim, non-judicial repossessions, notices to vacate or normal routine communication with the borrower) will not be reimbursed to the Servicer. Additionally, to be reimbursable, the appropriate expense(s) must have been included in any applicable insurer/guarantor claim filed by the Servicer and the appropriate AHFC legal status forms submitted.

C. Reinstatement

If foreclosure or repossession proceedings are terminated due to reinstatement, the reinstatement amount must include all fees and costs incurred. The Servicer will absorb any uncollected costs.