

## SECTION 12003 – TERMINATION OF DUTIES AND PENALTY FEES

### .01 VOLUNTARY TERMINATION OF SERVICING

With AHFC's prior written consent, a Servicer that has not received a notice of termination may assign its responsibility for all or part of the AHFC loans it is servicing.

#### A. Transfer of Servicing at Purchase

(Originating Lender to AHFC Servicing Lender)

1. Normally, AHFC will approve the transfer of servicing of a loan if the transfer is made to an eligible AHFC Servicer.
2. An Assignment of Responsibility for Servicing Loans ([Form SER-1](#)) must be submitted to AHFC upon designation of the Servicing Lender.
3. A transfer fee of \$50 per loan will be charged to the originating Lender and will be deducted from the funded amount at the time of loan purchase.
4. As part of the annual re-certification, AHFC will request updated transfer of servicing information. Should there be any change prior to the annual re-certification, a new [Form SER-1](#) must be submitted to AHFC at the time of purchase.

#### B. Transfer of Existing Servicing

1. AHFC will generally approve a transfer of servicing if the following conditions are met:
  - a. The transferee Servicer must be approved by AHFC as defined in [Section 1005](#) of the Selling Guide.
  - b. The delinquency rate of the transferee has not exceeded 1.5 times AHFC's overall delinquency rate for the three months prior to the month the transfer request is received by AHFC.
  - c. The transferee has an in-state office with personnel capable of performing certain servicing functions including, but not limited to, processing assumptions, signing insurance claim checks, answering borrowers' questions, accepting loan payments, processing owner occupancy waivers, counseling delinquent borrowers and processing foreclosures. Subject to the approval of AHFC, these functions may be performed by an agent of the transferee.

- d. AHFC will not approve a transfer of servicing that will result in an increase in its delinquency rate. A transferee will be required to provide AHFC with the assurance that the borrower will receive acceptable levels of service.

2. Documentation

To initiate a transfer of servicing, the following items should be received by AHFC not less than 45 days prior to the effective date of the transfer:

- a. Assignment of Responsibility for Servicing Loans ([Form SER-1](#) or [Form SER-2](#) along with Attachment A) - properly completed as appropriate and signed by both parties
- b. A check for payment of the processing fee, in the amount of \$50 per loan with a maximum of \$2,500 is required

If the transfer is approved, AHFC will process the loan transfer.