

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. _____

AUSTIN BELANGER,
on behalf of himself and all others
similarly situated,

Plaintiff,

v.

**CLASS ACTION COMPLAINT
JURY DEMAND**

ROUNDPOINT MORTGAGE
SERVICING CORPORATION, and
GREAT AMERICAN E&S INSURANCE
COMPANY and WILLIS OF OHIO, INC.
D/B/A LOAN PROTECTOR INSURANCE
SERVICES,

Defendants.

_____ /

CLASS ACTION COMPLAINT

Plaintiff Austin Belanger, a Senior Airman in the United States Airforce, files this class action complaint, on behalf of himself and all others similarly situated, against Defendants RoundPoint Mortgage Servicing Corporation (“RoundPoint”), Great American E&S Insurance Company (“Great American”) and Willis of Ohio, Inc. d/b/a Loan Protector Insurance Services (“Loan Protector”) (collectively, “Defendants”).

INTRODUCTION

1. Undersigned Counsel have been litigating force-placed insurance (“FPI”) class actions for more than six years in the Southern District of Florida and in other federal district courts nationwide. The FPI cases have been the subject of two different Multi District Litigation Panel (“MDL”) hearings and have included the discovery of thousands of pages of documents and

dozens of depositions. In early 2011, Undersigned Counsel filed the first of this wave of FPI cases in the Southern District of Florida, *Williams v. Wells Fargo Bank, N.A.*, No. 11-cv-21233-RNS (S.D. Fla.). The *Williams* case was certified as a class action, eventually settled, and was granted final approval on September 11, 2013.

2. Undersigned Counsel subsequently filed additional nationwide class actions and have been appointed Co-Lead Counsel in the Southern District of Florida and in the District of New Jersey against many of the major mortgage lenders and servicers and their partner insurers. These cases were very actively litigated and Undersigned Counsel have now reached nationwide settlements in most of those cases certifying nationwide classes and providing more than \$5.2 billion in monetary relief to over 4.7 million homeowners across the country, plus important injunctive relief which has helped to put an end to most of the alleged unlawful practices for at least five years.

3. Defendants' main defense in nearly all of the cases has been that the "filed-rate doctrine" acts as a complete ban to all of plaintiffs' causes of action. However, Great American acts as a surplus line insurer and thus does not file its FPI rates.

4. This action seeks to redress for injuries resulting directly from Defendants' force-placed insurance practices. Plaintiff and a proposed nationwide class and state subclass of RoundPoint borrowers seek to recover damages they have suffered as a result of Defendants' wrongful conduct in manipulating the force-placed insurance market through collusive agreements involving kickback arrangements and other forms of improper compensation and their standard practice of charging borrowers undisclosed and illegitimate costs in connection with force-placed insurance.

5. Founded in 2007, RoundPoint is a fully-licensed agency and non-agency subservicer for commercial banks, credit unions, mortgage companies and hedge funds. RoundPoint currently services over \$75 billion worth of mortgage assets, which are comprised of its own assets and loans subserviced for many other investor types nationwide. RoundPoint is licensed to service loans in all fifty states, the District of Columbia, and the U.S Virgin Islands. RoundPoint is a seller and servicer for Fannie Mae and Freddie Mac. It is an approved single family issuer and servicer for Ginnie Mae, and maintains current MBS issuer eligibility. RoundPoint is also an approved servicer for the U.S. Department of Housing and Urban Development, the U.S. Department of Veterans Affairs, and the U.S. Department of Agriculture. In addition to servicing loans guaranteed by Fannie Mae, RoundPoint services for third parties and has an extensive portfolio of loans involved in FDIC structured and shared loss transactions.

6. During the class period, RoundPoint, Great American, and Loan Protector engaged in a pattern of unlawful and unconscionable profiteering and self-dealing in the purchase and placement of force-placed insurance coverage on behalf of RoundPoint borrowers in Florida and throughout the country. Their exclusive and collusive relationship has resulted in extraordinary profits for all the Defendants totaling in the millions of dollars.

7. RoundPoint has entered into agreements with Great American and Loan Protector that provide those companies with the exclusive right to monitor the entire RoundPoint loan portfolio and force-place their own insurance coverage pursuant to a master policy that covers the entire RoundPoint portfolio. Great American and Loan Protector provide RoundPoint with various kickbacks that Defendants attempt to disguise as legitimate compensation. These kickbacks include but are not limited to one or more of the following: (1) unearned “commissions” paid to RoundPoint or an affiliate for work purportedly performed to procure individual policies; (2)

“expense reimbursements” allegedly paid to reimburse RoundPoint for expenses it incurred in the placement of force-placed insurance coverage on homeowners; (3) payments of illusory reinsurance premiums that carry no commensurate transfer of risk; and (4) free or below-cost mortgage-servicing functions that Loan Protector and Great American perform for RoundPoint that often have nothing to do with the placement of insurance coverage. Because of these kickbacks, RoundPoint essentially receives a rebate on the cost of the force-placed insurance. RoundPoint homeowners, however, ultimately bear the cost of these kickbacks because Defendants do not pass on these rebates to the borrowers. The charges for force-placed insurance are deducted from borrowers’ escrow accounts and Defendants attempt to disguise the kickbacks as legitimate when, in fact, they are unearned, unlawful profits.

8. During the proposed class period, Defendants treated Plaintiff and every putative class member in an identical manner pursuant to their standard policies and procedures by among other things: (1) notifying them that their coverage had lapsed and new coverage had been forced with the same cycle of form letters; (2) forcing coverage for every borrower from one master policy that covered RoundPoint’s entire loan portfolio; (3) forcing new coverage in the same manner for every member of the proposed classes; and (4) including the same impermissible costs in the amounts charged every putative class member for coverage.

9. This action seeks to redress for injuries resulting directly from Defendants’ force-placed insurance practices. Plaintiff does **not** challenge RoundPoint’s contractual right to obtain force-placed insurance to protect its interest in Plaintiff’s loan but instead challenges the manner in which RoundPoint has manipulated the force-placed insurance process to enrich itself, Loan Protector, and Great American at the expense of Plaintiff and the Class, and in violation of the mortgage agreements.

PARTIES

10. Plaintiff Austin Belanger was charged for force-placed insurance on his home in Navarre, Florida by Defendant RoundPoint. Pursuant to its exclusive arrangement with Loan Protector and Great American, and the master policy in place, and upon information and belief, RoundPoint purchased the force-placed insurance coverage through Loan Protector and Great American in 2016, and backdated the policy to August 2015. Mr. Belanger is a citizen of the State of Florida.

11. RoundPoint is, and was at all relevant times, a corporation organized under the laws of Florida, with its principal place of business in Charlotte, North Carolina. RoundPoint services residential mortgage loans in Florida and throughout the United States, including loans within this district. RoundPoint serviced the Plaintiff's loans.

12. Great American is a Delaware company with its headquarters in Cincinnati, Ohio. It is a surplus line insurance carrier in Florida, and throughout the country. Surplus line insurance carriers do not file their insurance rates with State insurance regulators and therefore their rates (and the ultimate insurance premiums) are not approved by the States.

13. Willis of Ohio, Inc. d/b/a Loan Protector Insurance Services ("Loan Protector") is an Ohio corporation with its principal place of business in Colon, Ohio. It provides lender placed insurance and insurance tracking services to the mortgage servicing industry. Loan Protector provides lender placed insurance and outsourced insurance tracking programs to residential and commercial mortgage lenders and servicers across the United States. Loan Protector contracts with servicers and lenders to act as a force-placed insurance vendor. During the relevant time periods described in this Complaint, Loan Protector contracted as a force-placed insurance vendor with RoundPoint. Upon information and belief, Loan Protector, along with Great American, tracks

loans in RoundPoint's mortgage portfolio, handles customer service duties related to force-placed insurance, and issues certificates from the force-placed insurance master policy on properties when a borrower's insurance has lapsed. At all relevant times described in this complaint, Loan Protector was acting as an agent, servant, employee, partner, and joint venturer of Defendants RoundPoint and Great American. Loan Protector had actual or constructive knowledge of the acts of each of these Defendants, and ratified, approved, joined in, acquiesced in, or authorized the wrongful acts of each co-defendant, and retained the benefits of said wrongful acts. Loan Protector was a direct, necessary, and substantial participant in the common course of conduct complained of herein, and was aware of its overall contribution to and furtherance of the conspiracy and common course of conduct. Loan Protector conducts business throughout the United States, including Florida.

NATURE OF THE CASE

14. All mortgage lenders and servicers' force-placed insurance schemes operate in a materially similar fashion. When a homeowner's voluntary insurance policy lapses, the mortgage servicer force-places insurance on the property and charges the borrower inflated amounts. Borrowers are told they will be charged the cost of coverage and contract to do so, but in fact pay an amount greater than what the mortgage servicer, here RoundPoint, ultimately pays for the force-placed insurance. This is because after the servicer pays the insurer for the force-placed coverage, the insurer kicks back a percentage of the payment to the servicer or one of its affiliates. The kickback essentially provides a rebate on the cost of the insurance coverage. The benefit of that rebate is not, however, passed on to the borrower.

15. The amounts charged to borrowers for forced coverage are also inflated to cover other costs that are properly borne by the loan servicer. These kickbacks, which are described in

greater detail below, not only allow the insurer to secure an exclusive relationship with the mortgage lender or servicer and keep the market closed, but also provide the participants in the scheme with millions of dollars in ill-gotten gains—all at borrowers' expense.

16. The amounts charged to the borrowers by RoundPoint for forced coverage often have little to do with the actual risk insured or the value of the property, and are purely a function of this kickback scheme. This action seeks compensation for borrowers who have been victimized by this practice and an end to this illegal scheme.

17. At all relevant times, RoundPoint purchased force-placed insurance through Loan Protector and Great American pursuant to a longstanding agreement whereby Great American furnished insurance coverage for the entire RoundPoint portfolio of mortgage loans under a master policy. Loan Protector facilitates the arrangement by taking over certain mortgage servicing functions on behalf of RoundPoint, at below cost, including tracking the loans in the RoundPoint portfolio for lapses in insurance, and notifying Great American of any lapse so an individual certificate for the particular borrower's property can be issued under the master policy.

18. This arrangement returns a significant financial benefit to RoundPoint that is unrelated to any contractual or bona fide interest in protecting RoundPoint's interest in the loan. Pursuant to its agreement, RoundPoint purchases insurance coverage with inflated prices from Great American, and in exchange, RoundPoint receives kickbacks from Great American and Loan Protector in the form of unearned "commissions," ceded premiums for riskless reinsurance, subsidies for below-cost mortgage servicing functions (that often have nothing to do with providing insurance coverage), or illusory "expense reimbursements," among other things, that amount to a rebate on the cost of the FPI to RoundPoint. RoundPoint then imposes these inflated charges upon borrowers in amounts it claims to represent the cost of the insurance it paid for, but

in fact it is a greater amount than RoundPoint paid because the charges include the secret kickbacks and other illicit consideration that is remitted to RoundPoint, and that amount to a rebate that RoundPoint does not pass on to its borrowers.

19. RoundPoint's desire to reap greater profits through its prearranged agreements with Loan Protector and Great American leads it to select high-priced insurance that includes a rebate to RoundPoint but subsequently charges its borrowers an amount that does not pass on the rebate. The charges RoundPoint imposes on borrowers, which RoundPoint attributes to the cost of the insurance, are not only greater than its actual cost of providing the insurance and the actual cost paid by RoundPoint, but also are usually greater than the premiums for the borrowers' voluntary insurance, even though the force-placed insurance typically provides less coverage. Through this manipulation of the force-placed insurance selection process, RoundPoint maximizes its own profits and those of its co-Defendants to the detriment of Plaintiff and the Class members.

The Force-Placed Insurance Industry

20. Lenders and mortgage servicers, like RoundPoint here, force place insurance coverage when a borrower fails to obtain or maintain proper hazard, flood, or wind insurance coverage on property that secures a loan. Under the typical mortgage agreement, if the insurance policy lapses or provides insufficient coverage, the lender has the right to force-place coverage on the property to protect its interest in the loan and to charge the borrower the cost of coverage.

21. Force-placed insurance schemes like the one at issue here take advantage of the discretion afforded to the lenders and servicers in standard form mortgage agreements. The mortgage agreements typically require the borrower to carry hazard insurance sufficient to cover the lender's interest in the property against fire and other perils. If a homeowner's "voluntary" policy lapses, the mortgage agreement allows the lender to "force place" a new policy on the

property at the borrower's expense.

22. These schemes also violate the mortgage contract's express terms. The borrower contracts to compensate the lender for the actual cost that the lender or servicer pays the insurer for the forced coverage, but is then charged an inflated amount – more than the lender or servicer actually paid. Typically, lenders delegate to servicers the lenders' rights to enforce the terms of the mortgage contract.

23. Force-placed insurance providers enter into exclusive relationships with servicers to provide the FPI policies. To maintain their exclusive relationships with these servicers, the force-placed insurers, using an insurance agency like Loan Protector as a conduit, pay unearned kickbacks, often calculated as a percentage of the force-placed premiums and disguised as "commissions" or "expense reimbursements," offer subsidized mortgage servicing functions; enter into lucrative captive reinsurance deals with them; and/or provide other financial benefits not attributable to the cost of insuring the property.

24. The money to finance these force-placed insurance schemes comes from unsuspecting borrowers who are charged inflated amounts for force-placed insurance by lenders or servicers. Borrowers are required to pay the full amount that the lender or servicer initially pays to the insurer despite the fact that a considerable portion of that amount is kicked back to the lender or servicer in the manner described above. RoundPoint gets the benefit of an effective rebate from Great American that it does not pass on to the borrower. Instead, it charges the borrower the full amount, purportedly for the cost of insurance coverage. Lenders and servicers and their exclusive force-placed insurers reap these unconscionable profits entirely at the expense of the unsuspecting borrowers.

25. During a 2012 hearing on force-placed insurance at the National Association of

Insurance Commissioners (“NAIC”), Mr. Birny Birnbaum, an expert on the force-placed insurance market, illustrated the staggering growth in profits that force-placed insurance schemes have reaped in recent years:¹

LPI Premiums Have Quadrupled Since 2004

<i>Year</i>	<i>Gross Written Premium (\$ Millions)</i>	<i>Net Written Premium (\$ Millions)</i>
2004	\$1,485	\$796
2005	\$1,832	\$919
2006	\$2,163	\$1,074
2007	\$3,058	\$1,647
2008	\$4,000	\$2,209
2009	\$5,181	\$3,049
2010	\$5,915	\$3,223
2011	\$5,692	\$3,450
2004- 2011	\$29,326	\$16,368

2009-2011 GWP Understated, Reporting Errors by QBE

CEJ LPI Presentation to NAIC

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August 9, 2012

26. It is no surprise that these practices have come under increased scrutiny in recent years by the government and regulators:

- At hearings before the New York Department of Financial Services (“NYDFS”) on May 17, 2012 related to the force-placed insurance market, the Superintendent of Financial Services, Benjamin Lawskey, stated that the Department’s initial inquiry uncovered “serious concerns and red flags” which included: 1) exponentially higher premiums, 2) extraordinarily low loss ratios, 3) lack of competition in the market, and 4) tight relationships between the banks, their subsidiaries, and insurers. He went on to state:

In sum when you combine [the] close and intricate web of relationships between the banks and insurance companies on the one hand, with high premiums, low loss ratios, and lack of competition on the other hand, it raises serious questions

. . . .

- In 2013, as a result of its investigation, the NYDFS entered into Consent

¹ This graph and the ones that follow are from Mr. Birnbaum’s presentation to the NAIC on August 9, 2012. The presentation is available at: http://www.naic.org/documents/committees_c_120809-public_hearing_lender_placed-insurancepresentation_birnbaum.pdf.

Order with certain FPI providers that acknowledged that the “commissions” are unearned, noting, in relevant part:

Commissions paid to affiliates are a form of reverse competition; when insurers compete for servicers’ business by offering higher commissions to servicers’ affiliates, there is no incentive to reduce force-place insurance premium rates. Commissions are paid to affiliates of servicers because they are a cost of staying in the market, not for any particular work the affiliates perform.

- Similarly, the National Association of Insurance Commissioners (NAIC) has expressed concern with the “reverse competition” at play in the force-placed insurance market whereby the insurers compete by offering mortgage lenders and servicers a share in the profits, rather than by offering lower prices. On its website, the NAIC states:

A key regulatory concern with the growing use of lender-placed insurance is “reverse competition,” where the lender chooses the coverage provider and amounts, yet the consumer is obliged to pay the cost of the coverage. Reverse competition is a market condition that tends to drive up prices to the consumers, as the lender is not motivated to select the lower price for coverage since the cost is born by the borrower. Normally competitive forces tend to drive down costs for consumers. However, in this case, the lender is motivated to select coverage from an insurer looking out for the lender’s interest rather than the borrower.

See http://www.naic.org/cipr_topics/topic_lender_placed_insurance.htm

- The Consumer Financial Protection Bureau’s new regulations on force-placed insurance became final on January 17, 2013 and prohibit servicers of federally regulated mortgage loans from force-placing insurance unless the servicer has a reasonable basis to believe the borrower’s insurance has lapsed and require the servicer to provide three notices of the force-placement in advance of issuing the certificate of insurance.²
- On December 18, 2013, Fannie Mae issued its Servicing Guide Announcement related to force-placed insurance that, among other things,

² See Consumer Financial Protection Bureau Proposes Rules to Protect Mortgage Borrowers available at <http://www.consumerfinance.gov/pressreleases/consumer-financial-protection-bureau-proposes-rules-to-protect-mortgage-borrowers/>

prohibits servicers from including any commissions, bonuses, or other incentive compensation in the amounts charged to borrowers for force-placed insurance and further requires that the force-placed insurance carrier cannot be an affiliated entity of the servicer.³

- In September 2015, an FPI provider, America Modern Insurance Group, and its related entities (together, “American Modern”), entered into a Consent Order⁴ with the Florida Office of Insurance Regulation (“FLOIR”) after FLOIR discovered massive issues with American Modern’s force-placed insurance program, the Consent Order prohibited some of the same practices described in this Complaint including:
 - Paying commissions to a bank or servicer or a person or entity affiliated with a bank or servicer on force-placed insurance policies obtained by the servicer;
 - Issuing force-placed insurance on mortgaged property serviced by a bank or servicer affiliated with American Modern;
 - Reinsuring force-placed insurance policies with a captive insurer of any Servicer;
 - Paying contingent commissions based on underwriting profitability or loss ratios to any Servicer or person or entity affiliated with a Servicer;
 - Providing free or below-cost, outsourced services to servicers or their affiliates; and
 - Making any incentive payments, including but not limited to the payment of expenses, to servicers or their affiliates in connection with securing business;
- On May 6, 2016, American Modern entered into a Consent Order with the State of Minnesota Commissioner of Commerce, which included numerous pertinent findings of fact, including that American Modern:
 - Paid commissions to servicer-affiliated agencies in connection with its force placed products;
 - Paid commissions to insurance producers that are affiliates of Servicers;
 - Paid commissions to insurance producers that are not affiliates of Servicers;
 - Made other payments or discounts to servicers and their affiliates in connection with its force-placed products;

³ See <https://www.fanniemae.com/content/announcement/svc1327.pdf>

⁴[http://www.floir.com/siteDocuments/American Modern Insurance Group Inc%20 Consent Order 174210-15-CO.pdf](http://www.floir.com/siteDocuments/American%20Modern%20Insurance%20Group%20Inc%20Consent%20Order%20174210-15-CO.pdf)

- Entered into agreements with servicers and their affiliates that provided for the payment of compensation.

27. RoundPoint, Loan Protector, and Great American operate their force-placed scheme in the same manner as in the cases above. Defendants' self-dealing and collusion in the force-placed insurance market has caused substantial harm to the named Plaintiff and the proposed classes he seeks to represent. This class action seeks to redress that harm on behalf of these classes of consumers and to recover all improper costs they have incurred related to the forced placement of insurance by the Defendants.

JURISDICTION AND VENUE

28. This Court has jurisdiction over this action pursuant to the Class Action Fairness Act of 2005 ("CAFA"), Pub. L. No. 109-2, 119 Stat. 4 (codified in various sections of 28 U.S.C.).

29. Plaintiff Austin Belanger is a citizen of Florida who owns property in Florida on which insurance coverage was forced by Defendant RoundPoint through its exclusive arrangements.

30. RoundPoint is a Florida corporation and registered to do business in Florida. The amount in controversy exceeds \$5,000,000 and there are at least one hundred members of the putative class.

31. This Court has subject-matter jurisdiction over this action because Plaintiff's claims arise under the federal Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. § 1962(d), according to the statute's jurisdictional statement, 18 U.S.C. § 1964. Further, pursuant to 28 U.S.C. § 1331, this Court has subject-matter jurisdiction based on Plaintiff's claims for violation of the federal Truth in Lending Act ("TILA"), 15 U.S.C. § 1601 *et seq.*

32. This Court has further jurisdiction over Defendants because they are either foreign

corporations authorized to conduct business in Florida, are doing business in Florida and have registered with the Florida Secretary of State, or do sufficient business in Florida, have sufficient minimum contacts with Florida, or otherwise intentionally avail themselves of the Florida consumer market through the promotion, marketing, sale, and service of mortgages or other lending services and insurance policies in Florida. This purposeful availment renders the exercise of jurisdiction by this Court over Defendants and their affiliated or related entities permissible under traditional notions of fair play and substantial justice.

33. In addition, this Court has subject-matter jurisdiction under CAFA because the amount in controversy exceeds \$5 million and diversity exists between Plaintiff and Defendants. 28 U.S.C. § 1332(d)(2). Further, in determining whether the \$5 million amount in controversy requirement of 28 U.S.C. § 1332(d) (2) is met, the claims of the putative class members are aggregated. 28 U.S.C. § 1332(d)(6).

34. Venue is proper in this forum pursuant to 28 U.S.C. § 1391 because Defendants transact business and may be found in this District and a substantial portion of the practices complained of herein occurred in the Southern District of Florida.

35. All conditions precedent to this action have occurred, been performed, or have been waived.

FACTUAL ALLEGATIONS

36. The standard form mortgage agreements for loans serviced by RoundPoint include a provision requiring the borrower to maintain hazard insurance coverage, flood insurance coverage if the property is located in a Special Flood Hazard Area as determined by the Federal Emergency Management Agency, and wind insurance on the property securing the loan. In the event that the insurance lapses, the standard form mortgage agreements permit RoundPoint to

obtain force-placed coverage to protect the its interest in the loan and to charge the cost of the insurance to the borrower rather than declare the borrower in default.

37. What is unknown to borrowers, and not disclosed in the standard form mortgage agreements, is that RoundPoint has exclusive arrangements with Loan Protector and Great American to manipulate the force-placed insurance market and artificially inflate the charges to Plaintiff and the Class members. The charges are inflated to provide RoundPoint with kickbacks disguised as “commissions,” or “expense reimbursements,” or to provide RoundPoint with lucrative reinsurance arrangements that include unmerited charges, and to provide additional financial benefits in the form of below-cost mortgage servicing functions that are not attributable to the cost of insuring the individual property.

Defendants’ Force-Placed Insurance Scheme

38. Great American and Loan Protector have exclusive arrangements with RoundPoint to monitor RoundPoint’s mortgage portfolios, perform various mortgage servicing functions (obligations properly borne by RoundPoint), and provide force-placed insurance coverage. In addition to the subsidized mortgage services it receives, as set forth in detail below, RoundPoint is “kicked back” a percentage of the force-placed premium.

39. The scheme works as follows: RoundPoint purchases a master insurance policy from Great American that covers the entire RoundPoint portfolio of mortgage loans. In exchange, Great American is given the exclusive right to force insurance on property securing a loan within the portfolio when the borrower’s voluntary insurance lapses or RoundPoint determines the borrower’s existing insurance is inadequate.

40. Loan Protector and/or Great American monitor RoundPoint’s entire loan portfolio for lapses in borrowers’ insurance coverage. Once a lapse is identified, they send a cycle of

letters/notices, reviewed and approved by RoundPoint, to the borrower in RoundPoint's name, stating that RoundPoint will purchase insurance for the property, for which the borrowers will be financially responsible, and force-place it on the property. In reality, however, the master policy is already in place and RoundPoint does not seek out and purchase a new policy on the individual borrower's behalf, rather, a certificate of insurance from the master policy is automatically issued by Loan Protector and Great American and RoundPoint is charged for that certificate.

41. The letters or notices sent to borrowers are done pursuant to an automated system used by Great American and Loan Protector that generates and sends the letters at predetermined times. The letters indicate an address for borrowers to submit proof of insurance or correspondence to RoundPoint; however, the address is actually for a Great American or Loan Protector location because they are performing these services for RoundPoint. Each borrower is subject to Defendants' automated system and receives materially the same letters described above.

42. Once a certificate is issued pursuant to the pre-existing master policy, coverage is forced on the property, and RoundPoint charges the borrower an amount they attribute to the "cost" of the force-placed insurance, which is either deducted from the borrower's mortgage escrow account or added to the balance of the borrower's loan.⁵ The borrower's escrow account is depleted irrespective of whether other escrow charges, such as property taxes, are also due and owing.

43. No individualized underwriting ever takes place for the force-placed coverage. Insurance is automatically placed on the property and the inflated amounts, including the unlawful kickbacks, are charged to the borrower.

⁵ On some occasions, when a borrower does not have an escrow account, RoundPoint creates an escrow account with a negative balance and charges the borrower to bring the balance to zero.

44. To fund the force-placed insurance scheme, RoundPoint pays for the certificate of insurance, which issues from the already-existing master policy. RoundPoint, not the borrower, is obligated to pay Great American for the force-placed insurance pursuant to the agreements between Defendants, which govern the mortgage servicing functions that Great American and Loan Protector perform as well as the procurement of the master policy, and are executed and already in place before the borrower's coverage lapses.

45. Once coverage has issued and RoundPoint has paid for the insurance, Great American kicks back a set percentage of the premium to RoundPoint as a "commission" or an "expense reimbursement." The money paid back to RoundPoint and/or its affiliates is not given in exchange for any services provided by it; it is simply grease paid to keep the force-placed machine moving. In an attempt to mask the kickbacks as legitimate, Great American or Loan Protector may disclose in the form letters sent to the borrower that RoundPoint may earn "commissions" as a result of the forced placement of new coverage, that RoundPoint incurred "costs" as a result of the force-placement of insurance, or that a "fee" is due to an agency.

46. These payments are not compensation for work performed; they are an effective rebate on the premium amount owed by RoundPoint, reducing the cost of coverage that RoundPoint pays to Great American. The "commissions" or "expense reimbursements" are not legitimate reimbursements for actual costs, nor are they payments that have been earned for any work done by RoundPoint or an affiliate related to the placement of the insurance; they are unlawful kickbacks to RoundPoint for the exclusive arrangement to force-place insurance.

47. In reality, no work is ever done by RoundPoint to procure insurance for a particular borrower because the coverage comes through the master policy already in place and the procedures, including the issuance of the certificate of insurance, are automated. RoundPoint does

not seek out insurance policies on a borrower's behalf and has no involvement in the placing of the insurance. As a result, the amount paid is not a true "commission," no income is "earned," and RoundPoint does not incur any "expenses" in relation to the force-placement of insurance for any particular borrower.

48. In addition to these direct payment kickbacks, RoundPoint also enters into exclusive agreements whereby Great American and Loan Protector provide mortgage servicing functions on RoundPoint's entire loan portfolio at below cost. These functions, which include, but are not limited to activities such as "new loan boarding," "escrow administration," "customer service," and "loss draft services," are often not related to the provision of force-placed insurance and are performed at below cost as a way to keep the exclusive arrangement in place. Indeed, Great American does not perform these services for RoundPoint without also being the exclusive provider of force-placed insurance. Loan Protector does not perform these services for RoundPoint without also being the exclusive vendor for the procurement of force-placed insurance.

49. Upon information and belief, Loan Protector and Great American are able to perform many of the mortgage servicing functions for RoundPoint at below-cost because of the funds received from the force-placed insurance charges, which subsidize any expenses incurred for performing the services.

50. The borrower ultimately subsidizes the below-cost mortgage servicing through the inflated charges for FPI imposed by RoundPoint. However, because insurance-lapsed mortgaged property generally comprises only 1-2% of the lenders' total mortgage portfolio, the borrowers, like Plaintiff here, who are charged for the force-placed insurance unfairly bear the cost to service and monitor the entire RoundPoint loan portfolio. These charges, passed on to Plaintiff and the

proposed classes, are not properly chargeable to the borrowers because they are expenses associated with the servicing of all the loans and often have nothing to do with the provision of FPI, and RoundPoint is already compensated for these activities by the owners of the loans (e.g. Fannie Mae).

51. Thus, the small percentage of borrowers who are charged for force-placed insurance subsidize the costs of servicing RoundPoint's entire loan portfolio, effectively resulting in a kickback to RoundPoint to keep its exclusive arrangement in place with Loan Protector and Great American.

52. In addition, upon information and belief, Great American enters into essentially riskless "captive reinsurance arrangements" with RoundPoint or its affiliates, to "reinsure" the property insurance force-placed on borrowers. An *American Banker* article illustrated this reinsurance problem using JPMorgan Chase's program with Assurant, Inc. by way of example:

JPMorgan and other mortgage servicers reinsure the property insurance they buy on behalf of mortgage borrowers who have stopped paying for their own coverage. In JPMorgan's case, 75% of the total force-placed premiums cycle back to the bank through a reinsurance affiliate. This has raised further questions about the force-placed market's arrangements.

Over the last five years, Chase has received \$660 million in reinsurance payments and commissions on force-placed policies, according to New York's DFS[.]

Of every hundred dollars in premiums that JPMorgan Chase borrowers pay to Assurant, the bank ends up keeping \$58 in profit, DFS staff asserted. The agency suggested the bank's stake in force-placed insurance may encourage it to accept unjustifiably high prices by Assurant and to avoid filing claims on behalf of borrowers, since that would lower its reinsurer's returns.

The DFS staff also questioned the lack of competition in the industry, noting that Assurant and QBE have undertaken acquisitions that give them long-term control of 90% of the market. Further limiting competition are the companies' tendency to file identical rates in many

states, Lawsky and his staff argue.

J. Horwitz, *Chase Reinsurance Deals Draw New York Regulator's Attacks*, AM. BANKER, May 18, 2012, available at http://www.americanbanker.com/issues/177_97/chase-reinsurance-deals-regulator-attack-1049460-1.html.

53. RoundPoint's reinsurance program, like those of other servicers, is simply a way to funnel profits from the force-placed scheme, in the form of ceded premiums, to RoundPoint at borrowers' expense. While reinsurance can, and often does, serve a legitimate purpose, here it does not. RoundPoint and/or its affiliates enter into reinsurance agreements with Great American that provide that the insurer will return to RoundPoint significant percentages of the premiums charged to borrowers by way of ceded reinsurance premiums to RoundPoint affiliates – which in turn provide these premiums to RoundPoint often in the form of “soft-dollar” or other credits. The ceded premiums are nothing more than a kickback and a method for RoundPoint to profit from the forced placement of new coverage. Indeed, while RoundPoint's affiliates purportedly provided reinsurance, they did not assume any real risk.

54. The amounts charged to borrowers are also inflated by the interest that accrues on the amounts owed for force-placed coverage. When RoundPoint adds the cost of the high-price force-placed insurance to a homeowner's mortgage balance, it thereby increases the interest paid over the life of the loan by the homeowner to the lender.

55. The actions and practices described above are unconscionable and undertaken in bad faith with the sole objective to maximize Defendants' profits at the expense of Plaintiff and the other Class members. Borrowers who for whatever reason have stopped paying for insurance or are under-insured on mortgaged property, are charged inflated and illegitimate noncompetitive amounts for force-placed insurance. These charges are inflated to finance undisclosed kickbacks

to RoundPoint or its affiliates (who, as described above, perform little, if any, work related to the forced placement of the individual policies), as well as the cost of captive reinsurance arrangements and the provision of below-cost mortgage servicing functions.

56. Borrowers have no say in the selection of the force-placed insurance carrier or the terms of the force-placed insurance policies and have no ability to seek out and purchase their own force-placed insurance policy. Force-placed policies are commercial insurance policies intended to be sold to lenders and servicers and their terms are determined by the lender and/or servicer, here, RoundPoint and the FPI providers, here, Great American. Further, it is RoundPoint and not the borrower that is the Named Insured on the force-placed policies.

57. Plaintiff does not challenge RoundPoint's right to force place insurance in the first instance. He challenges the discretion afforded mortgage lenders and servicers in purchasing force-placed insurance, as well as Defendants' manipulation of the force-placed insurance market whereby Great American and Loan Protector provide kickbacks to RoundPoint to keep the exclusive arrangement in place. These kickbacks provide an effective rebate to RoundPoint on the purchase of the force-placed insurance that RoundPoint does not pass on to the borrower. Servicers, like RoundPoint, are financially motivated to select the insurer, like Great American, that offers the best financial benefit in the terms of "commissions," "expense reimbursements," direct payments, discounted mortgage servicing, or debt forgiveness.

58. This action is brought to put an end to Defendants' exclusive, collusive, and uncompetitive arrangements, and to recover for Plaintiff the excess amounts charged to him beyond the true cost of insurance coverage. Plaintiff seeks to recover the improper charges passed on to him and other RoundPoint borrowers nationwide through his claims for breach of contract, breach of the implied covenant of good faith and fair dealing, unjust enrichment, and violations of

the Florida Deceptive and Unfair Trade Practices Act (FDUTPA), TILA, and RICO.

Plaintiff Austin Belanger

59. Plaintiff Belanger is a Senior Airman in the United States Airforce.

60. Senior Airman Belanger took a mortgage loan from Prime Lending in April, 2015, secured by a mortgage on real property at 210 Ortega St, Navarre, Florida 32566. At all times relevant to the allegations herein, Senior Airman Belanger's mortgage loan was owned and/or serviced by RoundPoint.

61. Senior Airman Belanger's mortgage provides as follows:

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.

* * * *

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 that 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.

* * * *

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 . . . 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[.]

* * * *

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.

Mr. Belanger's mortgage is attached here as **Exhibit A**.

62. Upon purchasing his property, Senior Airman Belanger also obtained a voluntary insurance policy from GulfStream Insurance Company with an annual premium of \$1,138.00.

63. However, while Senior Airman Belanger was deployed in Kuwait, GulfStream cancelled the policy because it had questions about the Plaintiff's dog. Senior Airman Belanger was unaware of the cancellation as he was deployed overseas.

64. Pursuant to the automated procedures in place, on March 22, 2016, a letter purporting to come from RoundPoint was sent to Senior Airman Belanger informing him that RoundPoint "plan[ed] to buy insurance for [his] property." The letter stated that he "must pay us for any period during which the insurance we buy is in effect but you do not have insurance."

65. Pursuant to the automated procedures in place, on April 21, 2016, a second letter purporting to come from RoundPoint was sent to Mr. Belanger informing him that RoundPoint "plan[ed] to buy insurance for [his] property." The letter stated that he "must pay us for any period during which the insurance we buy is in effect but you do not have insurance." Further, the letter stated that the "insurance we buy: is estimated to cost \$4,836.30."

66. Pursuant to the automated procedures in place, on June 20, 2016, a third letter purporting to come from RoundPoint was sent informing Plaintiff Belanger that Roundpoint "bought insurance on your property and added the cost to your mortgage loan account." However, because Defendants backdated the policy over 8 months to begin on August 3, 2015 and expire on

August 3, 2016, a second force placed policy was forthcoming. The annual premium of the current policy was \$4,836.30, and Defendants intended to renew the policy at the same price.

67. Pursuant to the automated procedures in place, on July 5, 2016, a letter identical to the one sent on June 20, 2016 was sent.

68. The letters did not disclose any aspect of the secret and illegal compensation arrangement entered into by Great American, Loan Protector, and RoundPoint, or inform Senior Airman Belanger that he would be charged illegitimate amounts beyond what RoundPoint actually paid for the cost of coverage. Nor did the letters disclose to Senior Airman Belanger that the amounts being charged to him would be inflated to subsidize the cost of Loan Protector or Great American performing mortgage servicing functions for RoundPoint that have little or nothing to do with the provision of the force-placed insurance.

69. The communications to Senior Airman Belanger were false and misleading. RoundPoint represented in the letters that it was charging him the amounts paid for the “cost” of the insurance. However, the charges imposed on Senior Airman Belanger did not reflect RoundPoint’s true cost of coverage because RoundPoint was receiving an effective rebate on the force-placed insurance through the kickback scheme described above. RoundPoint, therefore, paid less for coverage than it represented to and charged Senior Airman Belanger and the Class members.

70. The communications to Senior Airman Belanger were also misleading in that they represented that RoundPoint would “buy” or had “bought” or “purchased” the individual insurance for Senior Airman Belanger’s property when an exclusive arrangement and master policy was already in place with Great American, and RoundPoint did not in fact, perform any additional work to procure coverage for Senior Airman Belanger’s property.

71. It was never disclosed to Senior Airman Belanger or to the putative Class members that because of RoundPoint's kickback scheme, RoundPoint would be receiving a rebate and effectively be paying less for the force-placed insurance coverage than it would charge Senior Airman Belanger and the putative class. Nor was it disclosed to Senior Airman Belanger or the Class members that the amounts charged to them covered other illegitimate kickbacks and below cost mortgage servicing functions not properly charged to them.

72. Plaintiff Belanger was able to obtain a private insurance policy with an effective date of July 18, 2016, and the lender placed policy was cancelled effective of that date.

73. Plaintiff Belanger paid the charges for the force-placed insurance.

74. There were no material differences between RoundPoint's actions and practices directed to Plaintiff Belanger and its actions and practices directed to the Class.

CLASS ALLEGATIONS

A. Class Definitions

75. Plaintiff brings this action against RoundPoint pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of himself and all other persons similarly situated. Plaintiff seeks to represent the following two classes:

(1) Nationwide class:

All borrowers who, within the applicable statutes of limitation, were charged for a force-placed hazard or flood insurance policy through RoundPoint or its affiliates, entities, or subsidiaries. Excluded from this class are Defendants, their affiliates, subsidiaries, agents, board members, directors, officers, and/or employees.

(2) Florida Subclass with Mr. Belanger as the Class Representative:

All Florida borrowers who, within the applicable statutes of limitation, were charged for a force-placed hazard or flood insurance policy through RoundPoint or its affiliates, entities, or subsidiaries. Excluded from this

class are Defendants, their affiliates, subsidiaries, agents, board members, directors, officers, and/or employees

76. Plaintiff reserves the right to modify or amend the definition of the proposed Classes before the Court determines whether certification is appropriate.

77. Defendants subjected Plaintiff and the respective Class members to the same unfair, unlawful, and deceptive practices and harmed them in the same manner.

B. Numerosity

78. The proposed classes are so numerous that joinder of all members would be impracticable. Defendants sell and service hundreds of thousands of mortgage loans and insurance policies in the State of Florida, and nationwide. The individual Class members are ascertainable, as the names and addresses of all Class members can be identified in the business records maintained by Defendants. The precise number of Class members number at least in the thousands and can only be obtained through discovery, but the numbers are clearly more than can be consolidated in one complaint such that it would be impractical for each member to bring suit individually. Plaintiff does not anticipate any difficulties in the management of the action as a class action.

C. Commonality

79. There are questions of law and fact that are common to Plaintiff's and Class members' claims. These common questions predominate over any questions that go particularly to any individual member of the Classes. Among such common questions of law and fact are the following:

- a. Whether RoundPoint breached its mortgage contracts with Plaintiff and the Class by selecting higher priced force-placed insurance policies in order to receive illegal kickbacks (in the form of unwarranted commissions, expense reimbursements, below-cost mortgage servicing, or reinsurance payments) and

by charging the higher cost to Plaintiff and the Class members;

b. Whether RoundPoint breached the implied covenant of good faith and fair dealing by entering into exclusive arrangements with selected FPI insurers and/or their affiliates, which resulted in inflated amounts being charged to Plaintiff and the Class members;

c. Whether RoundPoint manipulated the force-placed insurance procurement process in order to maximize its profits to the detriment of Plaintiff and the Class members;

d. Whether RoundPoint or its affiliates performed any work or services in exchange for the “commissions” or other forms of kickbacks it collected;

e. Whether the “expense reimbursements” received by RoundPoint are for true expenses or are just kickbacks pursuant to its exclusive relationship with Loan Protector and Great American;

f. Whether RoundPoint’s charges are inflated to compensate for mortgage servicing activities that Loan Protector and/or Great American and its affiliates provide to RoundPoint, and which are not chargeable to Plaintiff and the Class members under the terms of their mortgages;

g. Whether the charges are inflated to include the cost of an unlawful captive reinsurance arrangement;

h. Whether RoundPoint employed an unconscionable commercial practice, misrepresentation, fraud, false pretense, false promise, misrepresentation, or the knowing, concealment, suppression, or omission of any material fact with content that others rely upon such concealment, suppression or omission by their arrangement, which incentivizes RoundPoint to charge inflated and unnecessary fees for force-placed insurance, and therefore violates FDUTPA;

i. Whether an objective consumer would be deceived by RoundPoint’s FPI arrangement, whereby RoundPoint pays a reduced amount for FPI but charges its borrowers an inflated amount to cover the kickbacks it receives while representing that it is only charging the cost of insurance coverage, and therefore violates FDUTPA;

j. Whether there was actually a transfer of risk under Defendants’ purported reinsurance arrangement;

k. Whether Defendants have been unjustly enriched at the expense of Plaintiff and the Class;

l. Whether RoundPoint violated TILA by failing to disclose kickbacks charged to Plaintiff and the Class members in their mortgages;

m. Whether Great American and Loan Protector intentionally and unjustifiably interfered with Plaintiff's and the Class members' rights under the mortgage contracts by paying kickbacks and providing free or below-cost mortgage servicing functions to RoundPoint or its affiliates thereby inducing a breach of the contract;

n. Whether Defendants were associated with the enterprise and agreed and conspired to violate the federal RICO statutes; and

o. Whether Plaintiff and the Class members are entitled to damages and/or injunctive relief as a result of Defendants' conduct.

D. Typicality

80. Plaintiff is a member of the Classes he seeks to represent. Plaintiff's claims are typical of the respective classes' claims because of the similarity, uniformity, and common purpose of Defendants' unlawful conduct. Each Class member has sustained, and will continue to sustain, damages in the same manner as Plaintiff as a result of Defendants' wrongful conduct.

E. Adequacy of Representation

81. Plaintiff is an adequate representative of the Classes he seeks to represent and will fairly and adequately protect the interests of the Classes. Plaintiff is committed to the vigorous prosecution of this action and has retained competent counsel, experienced in litigation of this nature, to represent him. There is no hostility between Plaintiff and the unnamed Class members. Plaintiff anticipates no difficulty in the management of this litigation as a Class action.

82. To prosecute this case, Plaintiff has chosen the undersigned law firms, which are very experienced in class action litigation and have the financial and legal resources to meet the substantial costs and legal issues associated with this type of litigation.

F. Requirements of Fed. R. Civ. P. 23(b)(3)

83. The questions of law or fact common to Plaintiff's and each Class member's claims predominate over any questions of law or fact affecting only individual members of the class. All claims by Plaintiff and the unnamed Class members are based on the force-placed insurance policies that RoundPoint unlawfully imposed and its deceptive and egregious actions involved in imposing the charges for the force-placed policies.

84. Common issues predominate when, as here, liability can be determined on a class-wide basis, even when there will be some individualized damages determinations.

85. As a result, when determining whether common questions predominate, courts focus on the liability issue, and if the liability issue is common to the class as is in the case at bar, common questions will be held to predominate over individual questions.

G. Superiority

86. A class action is superior to individual actions in part because of the non-exhaustive factors listed below:

- (a) Joinder of all Class members would create extreme hardship and inconvenience for the affected customers as they reside all across the country;
- (b) Individual claims by Class members are impractical because the costs to pursue individual claims exceed the value of what any one Class member has at stake. As a result, individual Class members have no interest in prosecuting and controlling separate actions;
- (c) There are no known individual Class members who are interested in individually controlling the prosecution of separate actions;
- (d) The interests of justice will be well served by resolving the common disputes of potential Class members in one forum;
- (e) Individual suits would not be cost effective or economically maintainable as individual actions; and

(f) The action is manageable as a class action.

H. Requirements of Fed. R. Civ. P. 23(b)(1) & (2)

87. Prosecuting separate actions by or against individual Class members would create a risk of inconsistent or varying adjudications with respect to individual Class members that would establish incompatible standards of conduct for the party opposing the Class.

88. RoundPoint has acted or failed to act in a manner generally applicable to the Classes, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Classes as a whole.

COUNT I

BREACH OF CONTRACT
(against RoundPoint)

89. Plaintiff re-alleges and incorporates the paragraphs above as if fully set forth herein and further alleges as follows.

90. Plaintiff and all similarly situated Class members have mortgages that were owned and/or serviced by RoundPoint.

91. Plaintiff's and these Class members' mortgages are written on uniform mortgage forms and contain substantially similar provisions regarding force-placed insurance requirements and its placement by RoundPoint. The force-placed provisions from Plaintiff's mortgage are set forth above and true and correct copies of the mortgage agreements are attached to this complaint as **Exhibit A**.

92. Plaintiff's mortgage requires that he maintain insurance on his property and provides that if he should fail to do so, RoundPoint might obtain insurance coverage to protect its interest in the property, "force place" the coverage, and charge the borrower the "cost of the

insurance coverage.” Plaintiff’s mortgage further provides that RoundPoint may do and pay for whatever is reasonable or appropriate to protect its interest in the property and rights under the mortgage agreement, including protecting and/or assessing the value of the property and securing and/or repairing the property.

93. RoundPoint charges borrowers amounts for force-placed insurance that are more than the actual amount it pays for the coverage because the charges include unearned “commissions” or “expense reimbursements” and other kickbacks, as well as subsidies for below-cost mortgage servicing functions that have little or nothing to do with the placement of force-placed insurance. These costs are not costs of coverage, and are not applied to protecting RoundPoint’s rights or risk in the collateral for borrowers’ mortgage loans. They are simply bribes to keep the exclusive relationship in place.

94. Through the kickbacks it receives, RoundPoint pays less for force-placed coverage than it charges to Plaintiff and other Class members.

95. RoundPoint breached the mortgage agreements by, among other things, charging Plaintiff and absent class members the amounts beyond the actual cost of coverage and more than what was reasonable or appropriate to protect its interest in the property.

96. Plaintiff and the Class members have suffered damages as a result of RoundPoint’s breach of contract.

WHEREFORE, Plaintiff, on behalf of himself and all similarly situated Class members, seeks compensatory damages resulting from RoundPoint’s breach of contract, as well as injunctive relief preventing it from further violating the terms of the mortgages. Plaintiff further seeks all relief deemed appropriate by this Court, including attorneys’ fees and costs.

COUNT II

BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING
(against RoundPoint)

97. Plaintiff re-alleges and incorporates the paragraphs above as if fully set forth herein and further alleges as follows.

98. A covenant of good faith and fair dealing is implied in every contract and imposes upon each party a duty of good faith and fair dealing in its performance. Common law calls for substantial compliance with the spirit, not just the letter, of a contract in its performance.

99. Where an agreement affords one party the power to make a discretionary decision without defined standards, the duty to act in good faith limits that party's ability to act capriciously to contravene the reasonable contractual expectations of the other party.

100. Plaintiff's and the Class members' mortgage contracts allow RoundPoint to force-place insurance coverage on borrowers in the event of a lapse in coverage, but do not define standards for selecting an insurer or procuring an insurance policy.

101. RoundPoint was afforded substantial discretion in force-placing insurance coverage. It was permitted to unilaterally choose the company from which it purchased force-placed insurance and negotiate the price of the coverage it procured without restriction. RoundPoint had an obligation to exercise its discretion in good faith, and not capriciously or in bad faith.

102. The purpose of the mortgage clause allowing a servicer, like RoundPoint, to force place insurance is to protect the servicer's interest in the property that is collateral for the mortgage loan. RoundPoint breached the implied covenant of good faith and fair dealing by making additional profits at Plaintiff's expense through force-placing insurance on the property and

receiving kickbacks on that insurance that bore no relation to protecting its interest in the property.

103. RoundPoint further breached the implied covenant of good faith and fair dealing by, among other things:

- (a) Manipulating the force-placed insurance market by selecting insurers that will artificially inflate premiums to include kickbacks to RoundPoint not necessary to cover RoundPoint's risk;
- (b) Exercising its discretion to choose an insurance policy in bad faith and in contravention of the parties' reasonable expectations, by purposefully selecting force-placed insurance policies with artificially inflated premiums to maximize RoundPoint's own profits;
- (c) Assessing inflated and unnecessary charges against Plaintiff and the Classes which RoundPoint attributes to the cost of the insurance coverage;
- (d) Receiving an effective rebate on the force-placed insurance through the kickback scheme but not passing on that rebate to the borrowers, thereby creating the incentive to seek the highest-priced premiums possible;
- (e) Charging Plaintiff and the Classes for "commissions" or "expense reimbursements" when the insurance is prearranged and no commission is earned or due and no expenses are incurred in placing the certificate of insurance;
- (f) Charging Plaintiff and the Classes the cost of having Loan Protector and Great American perform its obligation of servicing its entire mortgage portfolio, which is not properly chargeable to Plaintiff or the Classes;
- (g) Force-placing insurance coverage that is duplicative of existing coverage, or in excess of what is required by borrowers' mortgage agreements;
- (h) Seeking out a force-placed insurance insurer that will provide it the best deal in terms kickbacks and below-cost mortgage servicing functions with the knowledge that these functions will be subsidized by the amounts paid for force-placed insurance;
- (i) Force-placing insurance coverage in excess of that required to cover its interest in the property; and
- (j) Charging Plaintiff and the Classes an inflated charge for the force-placed insurance due to the captive reinsurance arrangement.

104. As a direct, proximate, and legal result of the aforementioned breaches of the

covenant of good faith and fair dealing, Plaintiff and the Class members have suffered damages.

WHEREFORE, Plaintiff, on behalf of himself and all similarly situated Class members, seeks a judicial declaration that RoundPoint's conduct described above and the amounts charged to borrowers are in contravention of RoundPoint's duties of good faith and fair dealing. Plaintiff also seeks compensatory damages resulting from RoundPoint's breaches of its duties. Plaintiff further seeks all relief deemed appropriate by this Court, including attorneys' fees and costs.

COUNT III

VIOLATION OF THE FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT (Plaintiff Belanger on behalf of the Florida Subclass against RoundPoint)

105. Plaintiff Belanger re-alleges and incorporates the paragraphs above as if fully set forth herein and further alleges as follows.

106. FDUTPA, section 501.201, *et seq.*, Florida Statutes, prohibits "unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce." § 501.204, Fla. Stat.

107. Plaintiff Belanger and the Florida Subclass are "consumers" as that term is defined in section 501.203(7), Florida Statutes.

108. RoundPoint has engaged in, and continues to engage in, unconscionable acts or practices and has engaged in unfair or deceptive acts in the conduct of its trade and/or commerce in the State of Florida.

109. The policies, acts, and practices alleged herein were intended to result and did result in the payment of inflated charges for force-placed insurance by Plaintiff and the Florida Subclass, which in turn were intended to generate unlawful or unfair compensation for RoundPoint.

110. Specifically, RoundPoint had an exclusive relationship with Loan Protector and

Great American, whereby it would pay unreasonable and inflated premiums for force-placed insurance policies, charge that amount to Plaintiff and the Florida Subclass, and then receive compensation through kickbacks, discounted mortgage services, or captive reinsurance arrangements that resulted in an effective rebate for RoundPoint that was never passed on to Plaintiff and the Florida Class members.

111. RoundPoint's conduct of charging inflated amounts for the force-placed coverage to Plaintiff Belanger and members of the Florida Subclass violates FDUTPA and was conceived, devised, planned, implemented, approved, and executed within the State of Florida, which has an interest in prohibiting violations of FDUTPA.

112. RoundPoint is not a bank or savings and loan association regulated by the Florida Office of Financial Regulation of the Financial Services Commission. Further, it is not a bank or savings and loan association regulated by federal agencies.

113. Plaintiff Belanger and the Florida Subclass have sustained actual damages in the form of as a direct and proximate result of RoundPoint's unfair and unconscionable practices. Section 501.211(2), Florida Statutes, provides Plaintiff and the Florida Subclass a private right of action against these Defendants and entitles them to recover their actual damages, plus attorneys' fees and costs.

114. Plaintiff and the Florida Subclass have suffered and will continue to suffer irreparable harm if RoundPoint continues to engage in such deceptive, unfair, and unreasonable practices.

WHEREFORE, Plaintiff Belanger, on behalf of himself and the Florida Subclass, demands judgment against RoundPoint for compensatory damages, pre- and post-judgment interest, attorneys' fees, injunctive and declaratory relief, costs incurred in bringing this action,

and any other relief as this Court deems just and proper.

COUNT IV

UNJUST ENRICHMENT⁶

115. Plaintiff Belanger re-alleges and incorporates the paragraphs above as if fully set forth herein and further alleges as follows.

116. RoundPoint receives a rebate on the cost of the force-placed insurance coverage but does not pass that rebate on to its borrowers. The rebates are provided to RoundPoint in the form of unwarranted kickbacks, including “expense reimbursements” or “commissions,” captive reinsurance arrangements, and free or below-cost mortgage servicing functions. These benefits to RoundPoint are paid through the amounts charged to Plaintiff and the Class members for force-placed insurance.

117. RoundPoint entered into an agreement whereby the insurance vendors – Great American and Loan Protector – would provide below cost mortgage servicing activities and cover RoundPoint’s entire portfolio of loans with a master policy and issue certificates of insurance when a borrower’s voluntary policy lapsed. RoundPoint would then charge Plaintiff and the Class amounts for the force-placed insurance that had been artificially inflated to include the kickbacks described above and then retain the amounts of those kickbacks for itself. The force-placed policies imposed on borrowers therefore cost less than what RoundPoint had actually paid for them.

118. Commissions or kickbacks were paid directly to RoundPoint or its affiliates in order to be able to exclusively provide force-placed insurance policies. Great American and Loan

⁶ Plaintiff pleads his unjust enrichment claim against RoundPoint in the alternative to his contractual claims against it.

Protector were mere conduits for the delivery of the kickbacks and improper rebates to RoundPoint or its affiliates.

119. These payments directly benefitted RoundPoint and were taken to the detriment of the borrower. The kickbacks (in the form of expense reimbursements, commissions, or reinsurance arrangements, as well as subsidized mortgage servicing functions) were subsumed into the charges to borrowers for the force-placed insurance and ultimately paid by them. Therefore, RoundPoint had the incentive to seek out unreasonably inflated prices for the force-placed insurance and charge the inflated amounts to borrowers.

120. Further, RoundPoint was unjustly enriched through financial benefits in the form of increased interest income when the amounts for the force-placed insurance policies were added to the Class members' mortgage loans.

121. As a result, Plaintiff and the Class members have conferred a benefit on RoundPoint.

122. RoundPoint had knowledge of this benefit and voluntarily accepted and retained the benefit conferred on it.

123. Had Plaintiff known the true facts behind RoundPoint's force-placed insurance scheme, that the charges from RoundPoint included the kickbacks described above, and that RoundPoint was receiving an effective rebate on the charges but not passing on that rebate to him, he would have expected remuneration from RoundPoint.

124. RoundPoint will be unjustly enriched if it is allowed to retain the aforementioned benefits, and each Class member is entitled to recover the amount by which RoundPoint was unjustly enriched at his or her expense.

WHEREFORE, Plaintiff, on behalf of himself and all similarly situated Class members,

demands an award against RoundPoint in the amounts by which it has been unjustly enriched at Plaintiff's and the Class Members' expense, and such other relief as this Court deems just and proper.

COUNT V

VIOLATIONS OF THE TRUTH IN LENDING ACT, 15 U.S.C. § 1601, et seq.
(against RoundPoint)

125. Plaintiff re-alleges and incorporates the paragraphs above as if fully set forth herein and further alleges as follows.

126. Plaintiff's and the Class Members' mortgages were consumer credit plans secured by their principal dwellings, and were subject to the disclosure requirements of the Truth in Lending Act ("TILA"), 15 U.S.C. § 1601, *et seq.*, and all related regulations, commentary, and interpretive guidance promulgated by the Federal Reserve Board.

127. RoundPoint is a "creditor" as defined by TILA because it owned or serviced Plaintiff's mortgages and changed the terms of the mortgage so as to create a new mortgage obligation, of which RoundPoint was the creditor.

128. Pursuant to TILA, RoundPoint was required to accurately and fully disclose the terms of the legal obligations between the parties. *See* 12 C.F.R. § 226.17(c).

129. RoundPoint violated TILA, specifically 12 C.F.R. § 226.17(c), when it: (i) added force-placed insurance charges to Plaintiff's mortgage obligations and failed to provide new disclosures; and (ii) failed at all times to disclose the amount and nature of the kickback, reinsurance, discount loan servicing, and/or other profiteering involving RoundPoint and/or its affiliates as a result of the purchase of force-placed insurance.

130. When RoundPoint changed the terms of Plaintiff's mortgage to allow previously

unauthorized kickbacks and insurance amounts in excess of its interests in the property, it changed the finance charge and the total amount of indebtedness, extended new and additional credit through force-placed insurance charges, and thus created a new debt obligation. Under TILA, RoundPoint was then required to provide a new set of disclosures showing the amount of the insurance charges (i.e. finance charges) and all components thereof. On information and belief, to the extent a borrower cannot pay the expense up front, RoundPoint increases the principal amount under Plaintiff's and Class Member's mortgages when it force-places the insurance, which was a new debt obligation for which new disclosures were required.

131. RoundPoint adversely changed the terms of Plaintiff's loans after origination in order to allow a kickback on the force-placed insurance charges. These kickbacks are not authorized in the mortgage in any clear and unambiguous way. RoundPoint never disclosed to borrowers the amount of the "commissions," "expense reimbursements," or other unearned profits paid to it or its affiliates.

132. RoundPoint also violated TILA by adversely changing the terms of Plaintiff's loan after origination by requiring and threatening to force-place more insurance than necessary to protect its interest in the property securing the mortgages.

133. Acts constituting violations of TILA occurred within one year prior to the filing of the original Complaint in this action, or are subject to equitable tolling because RoundPoint's kickbacks, reinsurance, and other unearned revenue-generating scheme was the subject of secret agreements among it and its affiliates and was concealed from borrowers.

134. Plaintiff and Class members have been injured and have suffered a monetary loss arising from RoundPoint's violations of TILA.

135. As a result of RoundPoint's TILA violations, Plaintiff and Class members are

entitled to recover actual damages and a penalty of \$500,000.00 or 1% of RoundPoint's net worth, as provided by 15 U.S.C. § 1640(a)(1)-(2).

136. Plaintiff and Class members are also entitled to recovery of attorneys' fees and costs to be paid by RoundPoint, as provided by 15 U.S.C. § 1640(a)(3).

WHEREFORE, Plaintiff, on behalf of himself and all Class members similarly situated, seeks a judgment in his favor against RoundPoint awarding actual damages and a penalty of \$500,000.00 or 1% of RoundPoint's net worth, as provided by 15 U.S.C. § 1640(a)(1)-(2), as well as of attorneys' fees and costs to be paid by RoundPoint, as provided by 15 U.S.C. § 1640(a)(3).

COUNT VI

Violation of RICO, 18 U.S.C. § 1962(c) **(against all Defendants)**

137. Plaintiff Belanger re-alleges and incorporates the paragraphs above as if fully set forth herein and further alleges as follows.

138. At all relevant times, Defendants employed by and associated with an illegal enterprise, and conducted and participated in that enterprise's affairs, through a pattern of racketeering activity consisting of numerous and repeated uses of the interstate mails and wire communications to execute a scheme to defraud, all in violation of RICO, 18 U.S.C. § 1962(c).

139. The RICO enterprise which engaged in and the activities of which affected interstate and foreign commerce, was comprised of an association in fact of entities and individuals that included RoundPoint, Great American, Loan Protector and their affiliates.

140. The members of the RICO enterprise had a common purpose: to increase and maximize their revenues by forcing Plaintiff and Class members to pay inflated amounts for force-placed insurance through a scheme that inflated such amounts to cover kickbacks and expenses

associated with servicing RoundPoint's entire loan portfolio, and concealing from Plaintiff and Class members the true nature of those charges. Defendants shared the bounty of their enterprise by sharing the illegal profits generated by the joint scheme.

141. The RICO enterprise functioned over a period of years as a continuing unit and maintained an ascertainable structure separate and distinct from the pattern of racketeering activity.

142. RoundPoint, Loan Protector, and Great American conducted and participated in the affairs of this RICO enterprise through a pattern of racketeering activity that projects into the future, lasted more than one year, and consisted of numerous and repeated violations of federal mail and wire fraud statutes which prohibit the use of any interstate or foreign wire or mail facility for the purpose of executing a scheme to defraud, in violation of 18 U.S.C. §§ 1341 and 1343.

143. RoundPoint, along with Loan Protector and Great American, directed and controlled the enterprise as follows:

- a. RoundPoint, Great American, and Loan Protector specifically developed and implemented guidelines and standards for the timing and content of the cycle of deceptive letters sent to borrowers about force-placed insurance, to which RoundPoint agreed;
- b. Great American, Loan Protector, and RoundPoint drafted the language of the fraudulent letters and correspondence to borrowers that was specifically designed to deceive borrowers into believing that they were coming from RoundPoint. The letters fraudulently misrepresented the true "cost" of the insurance forced on their properties, and these letters were approved by RoundPoint prior to being mailed to class members;
- c. Great American and Loan Protector ran the day-to-day operations of the force-placed scheme by, *inter alia*, tracking RoundPoint's portfolio, mailing a cycle of form letters to borrowers notifying them that insurance coverage would be forced, and misrepresenting to borrowers both that they would be charged only the costs of coverage and that an agency would be paid a fee as compensation for securing an individual policy;
- d. RoundPoint received kickbacks and below-cost mortgage servicing functions from Loan Protector and Great American to maintain the exclusive relationship and keep

their force-placed scheme moving forward;

- e. by directing, controlling, and creating an enterprise and arrangement by which RoundPoint would receive unearned kickbacks;
- f. by directing, controlling, and creating an enterprise and arrangement by which RoundPoint would receive illegitimate revenues (ultimately charged to borrowers) in the form of direct payments, reinsurance, expense reimbursements, or credits that were merely bribes to keep the exclusive relationship and not disclosing same to borrowers;
- g. by directing, controlling, and creating an enterprise and program by which RoundPoint received rebates on the cost of the insurance but never charged the borrowers its actual or effective cost to procure the lender placed policies;
- h. by designing and directing an exclusive arrangement by which RoundPoint manipulated the force-placed insurance market in order to artificially inflate the amounts it charged to borrowers for force-placed insurance. The charges were inflated to provide RoundPoint with kickbacks disguised as “commissions” or expense reimbursements, or to cover the cost of discounted mortgage servicing, and/or to provide RoundPoint with lucrative debt forgiveness or reinsurance payments. Great American and Loan Protector benefited by securing business from RoundPoint—they provide kickbacks to RoundPoint at the expense of the borrowers who are charged the inflated charges;
- i. by developing and implementing guidelines and criteria to determine when force-placed insurance is placed on a borrower’s home, in what amount, for what coverages and for what period of time—all of which resulted in inferior and more expensive insurance that covered time periods where no claims were made and/or resulted in “double coverage;” and
- j. by developing and implementing an automated system to send the cycle of deceptive letters to borrowers, to determine the type, time period and amount of substandard and unnecessary coverage, and to remove or charge borrowers’ escrow accounts automatically for improper and inflated charges.

144. In order to further their control and direction of the enterprise, Great American and Loan Protector paid bribes and kickbacks in the form of unearned commissions, direct payments, expense reimbursements, reinsurance payments, and below cost mortgage servicing.

145. As part of and in furtherance of the scheme to defraud, Defendants made numerous material omissions and misrepresentations to Plaintiff and Class members with the intent to

defraud and deceive Plaintiff and Class members.

146. For example, Great American and Loan Protector, with the approval of RoundPoint, sent form letters to Plaintiff on RoundPoint letterhead through the U.S. Mail, stating that RoundPoint would purchase force-placed coverage if voluntary insurance was not secured by a certain date. Specifically, to Plaintiff, it was represented in the letters that RoundPoint would “buy” the required coverage that would cost Plaintiff Belanger \$4,836.30. In making these statements, Defendants knowingly and intentionally falsely stated that the amounts for force-placed insurance that Plaintiff was charged represented the actual cost of the policies, when in fact RoundPoint paid less for the insurance due to the inclusion of the kickbacks and other costs paid as bribes to RoundPoint that resulted in an effective rebate. Defendants engaged in similar conduct as to all class members.

147. Defendants also knowingly and intentionally fostered the mistaken impression that RoundPoint was actively obtaining a policy for the borrower when in fact no work was done and no expenses were incurred by RoundPoint or its affiliates because a master policy was already in place and the force-placed insurance was issued pursuant to the automated procedures in place.

148. None of the letters sent to Plaintiff disclosed the financial arrangement between the Defendants.

149. Defendants had a duty to correct these misstatements and mistaken impressions. These misrepresentations and omissions were material, as they helped Defendants advance their scheme to charge Plaintiff unreasonably high amounts for force-placed insurance and were designed to lull Plaintiff and the Class into believing that the charges were legitimate.

150. Plaintiff and the other homeowners would not have paid, or would have contested these specific charges had RoundPoint disclosed that the illegal bribes and kickbacks were

included and that RoundPoint was effectively paying less for the force-placed insurance than what it charged to Plaintiff and the Class members. Letters such as these were sent to Plaintiff Belanger on March 22, 2016, April 21, 2016, June 20, 2016, and July 5, 2016.

151. Great American and Loan Protector, with the approval of RoundPoint, also sent form letters to Plaintiff and the Class members informing them that force-placed insurance had been purchased. The letters represented that RoundPoint would add the cost to Plaintiff's mortgage loan account. Thus, Defendants knowingly and intentionally fostered the mistaken impression that the amounts for force-placed insurance that Plaintiff and Class Members were charged represented the true cost of the force-placed coverage. In fact, the amount charged to Plaintiff was less than what RoundPoint actually paid for the insurance coverage because it included "commissions," reinsurance profits, direct payments, "expense reimbursements," below-cost administrative services and other compensation returned to RoundPoint but not passed on to Plaintiff or the borrowers. Letters such as these were sent to Plaintiff Belanger on March 22, 2016, April 21, 2016, June 20, 2016, and July 5, 2016.

152. The omission was material, as it gave Defendants a colorable reason to charge Plaintiff unreasonably inflated amounts for insurance and would have influenced Plaintiff's decision to pay the charges or contest them. Plaintiff would not have paid or would have contested the charges for force-placed insurance had he known that the amounts charged to him were more than what RoundPoint paid for the insurance or included kickbacks to RoundPoint. Letters such as these were sent to Plaintiff Belanger March 22, 2016, April 21, 2016, June 20, 2016, and July 5, 2016.

153. For the purpose of executing the scheme to defraud, Defendants sent, mailed, and transmitted, or caused to be sent, mailed, or transmitted, in interstate or foreign commerce

numerous materials, including but not limited to the notices and letters described above informing Plaintiff and Class members that they could charge Plaintiff and Class members unreasonably high amounts for force-placed insurance. This scheme to defraud proximately injured Plaintiff and the Class because it prevented them from making an informed decision regarding whether to dispute or pay the force-placed charges, or whether to allow new coverage to be placed on their property. Had they known that the charges had been artificially inflated to include kickbacks and other improper charges and that they were paying more than what RoundPoint ultimately paid, they would not have paid them or would have contested them. Defendants also transferred sums among themselves, including but not limited to “fees,” or “commissions” to Loan Protector to cover the below-cost mortgage servicing functions it provided in furtherance of their scheme to defraud Plaintiff and Class members, in violation of the wire fraud statutes.

154. By reason and as a result of Defendants’ conduct and participation in the racketeering activity alleged herein, Defendants have caused damages to Plaintiff and Class members in the form of unreasonably high force-placed insurance premiums.

WHEREFORE, Plaintiff and Class members seek compensatory damages, treble damages, and attorneys’ fees and costs, pursuant to 18 U.S.C. § 1964(c).

COUNT VII

Violation of RICO, 18 U.S.C. § 1962(d)
(against all Defendants)

155. Plaintiff re-alleges and incorporates the paragraphs above herein as if fully set forth herein.

156. At all relevant times, Defendants were associated with the enterprise and agreed and conspired to violate 18 U.S.C. § 1962(d). Defendants agreed to conduct and participate,

directly and indirectly, in the conduct and affairs of the enterprise through a pattern of racketeering activity, in violation of 18 U.S.C. § 1962(d).

157. RoundPoint, Loan Protector, and Great American illegally agreed to violate RICO, 18 U.S.C. § 1962(d), by, *inter alia*:

- Through Loan Protector, agreeing that Great American would be RoundPoint's exclusive force-placed insurance providers and would extract unreasonably inflated amounts from RoundPoint's customers. RoundPoint also agreed that Great American and Loan Protector would pay kickbacks to RoundPoint and its affiliates;
- Agreeing that Loan Protector and Great American would administer the LPI program and monitor RoundPoint's mortgage portfolios for lapses in voluntary insurance and would, with the approval of RoundPoint, send misleading notices to borrowers. These misleading notices would inform the borrowers that if new coverage were not procured, coverage would be force-placed, the borrower would be charged the "cost" of the insurance";
- Entering into illusory commission, reinsurance, or outsourcing agreements in order to disguise the true nature of the amounts charged to borrower under the guise of force-placed insurance; and
- Agreeing to commit two or more predicate acts as described above in Count VII.

158. Through "soft-dollar" or other credits, or cash payments RoundPoint affiliates pass profits from this scheme to RoundPoint.

159. RoundPoint committed and caused to be committed a series of overt acts in furtherance of the conspiracy and to affect the objects thereof, including but not limited to the acts set forth above.

160. As a result of Defendants' violations of 18 U.S.C. § 1962(d), Plaintiff and Class members suffered damages in the form of unreasonably high force-placed insurance charges.

WHEREFORE, Plaintiff and Class members seek compensatory and treble damages, and attorneys' fees and costs, pursuant to 18 U.S.C. § 1964(c).

COUNT VIII

**TORTIOUS INTERFERENCE WITH A BUSINESS RELATIONSHIP
(against Great American and Loan Protector)**

161. Plaintiff re-alleges and incorporates the paragraphs above as if fully set forth herein and further alleges as follows.

162. Plaintiff and the Class members have advantageous business and contractual relationships with RoundPoint pursuant to the mortgage contracts. Plaintiff and the Class members have legal rights under these mortgage contracts. For example, Plaintiff and the Class members have a right not to be charged exorbitant amounts attributed to force-placed insurance in bad faith.

163. Great American and Loan Protector had knowledge of the mortgage contracts and the advantageous business and contractual relationships between Plaintiff and the Classes and RoundPoint. Great American and Loan Protector were not parties to the mortgage contracts, nor were they third-party beneficiaries of the mortgage contracts. Further, Great American and Loan Protector did not have any beneficial or economic interest in the mortgage contracts.

164. Great American and Loan Protector intentionally and unjustifiably interfered with Plaintiff's and the Classes' rights under the mortgage contracts, as described above, by, inter alia, entering into an exclusive relationship with RoundPoint and/or its affiliates, whereby Loan Protector provided RoundPoint with below-cost mortgage servicing functions and Great American provided kickbacks in the form of "commissions" or "expense reimbursements," or ceded reinsurance premiums, among other things, which are purposefully and knowingly charged to Plaintiff and the Class members, to RoundPoint in exchange for the exclusive right to be the force-place insurance provider.

165. As a result of Great American's and Loan Protector's interference with Plaintiff's and Class members' mortgage agreements, Defendant RoundPoint breached the express and implied terms of its mortgage contracts with Plaintiff and the Classes, by using funds that were designated to pay insurance, taxes, and other items, in order to pay non-designated costs of Defendants, including kickbacks, reinsurance premiums, and subsidized mortgage servicing functions (i.e. new loan boarding, loss drafts) that have no relation to the placement of force-placed insurance.

166. Plaintiff and the Classes have been damaged as a result of Great American's and Loan Protector's interference with their mortgage contracts by being charged bad faith, exorbitant, and illegal charges in connection with the force-placed insurance in contravention of their rights under the mortgages.

WHEREFORE, Plaintiff, on behalf of himself and all Class members similarly situated, seeks a judgment in his favor against Great American and Loan Protector for the actual damages suffered by him as a result of the tortious interference. Plaintiff also seeks all costs of litigating this action, including attorneys' fees.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and all similarly situated individuals, demands judgment against RoundPoint as follows:

- 1) Declaring this action to be a proper class action maintainable pursuant to Rule 23(a) and Rule 23(b)(1) and (2), or Rule 23(b)(3) of the Federal Rules of Civil Procedure and declaring Plaintiff and his counsel to be representatives of the Classes sought in this complaint;
- 2) Enjoining Defendants from continuing the acts and practices described above;
- 3) Awarding damages sustained by Plaintiff and the Class members as a result of

RoundPoint's breaches of the subject mortgage contracts and the implied covenant of good faith and fair dealing, together with pre-judgment interest;

4) Finding that RoundPoint has been unjustly enriched and requiring it to refund all unjust benefits to Plaintiff and the Class, together with pre-judgment interest;

5) Awarding Plaintiff Belanger and the Florida Subclass damages, injunctive relief, declaratory relief, attorneys' fees, and costs under FDUTPA;

6) Awarding damages sustained by Plaintiff and the Class members as a result of the Great American's and Loan Protector's tortious interference with the mortgage agreement;

7) Awarding Plaintiff and Class members costs and disbursements and reasonable allowances for the fees of Plaintiff's and the Classes' counsel and experts, and reimbursement of expenses;

8) Awarding actual damages and a penalty of \$500,000 or 1% of RoundPoint's net worth as provided by 15 U.S.C. § 1640 (a)(1)-(2), and attorneys' fees and costs as provided by 15 U.S.C. § 1640 (a)(3);

9) Awarding compensatory and treble damages, and attorneys' fees and costs under the federal RICO statute; and

10) Awarding such other and further relief the Court deems just and equitable.

DEMAND FOR JURY TRIAL

Plaintiff and the Classes request a jury trial for any and all Counts for which a trial by jury is permitted by law.

Respectfully submitted this 31st day of August, 2017.

By: /s/ Adam M. Moskowitz

<p>Adam M. Moskowitz, Esq. amm@kttlaw.com Thomas A. Tucker Ronzetti, Esq. tr@kttlaw.com Rachel Sullivan, Esq. rs@kttlaw.com Robert J. Neary, Esq. rn@kttlaw.com KOZYAK TROPIN & THROCKMORTON LLP 2525 Ponce de Leon Blvd., 9th Floor Coral Gables, FL 33134 Telephone: (305) 372-1800 Facsimile: (305) 372-3508 <i>Counsel for Plaintiff</i></p>	<p>Lance A. Harke, Esq. harke@harkeclasby.com Sarah Engel, Esq. sengel@harkeclasby.com Howard M. Bushman, Esq. hbushman@harkeclasby.com HARKE CLASBY & BUSHMAN LLP 9699 NE Second Avenue Miami Shores, FL 33138 Telephone: (305) 536-8220 Facsimile: (305) 536-8229 <i>Counsel for Plaintiff</i></p>
<p>Aaron S. Podhurst, Esq. apodhurst@podhurst.com PODHURST ORSECK, P.A. City National Bank Building 25 West Flagler Street, Suite 800 Miami, FL 33130 Telephone: 305-358-2800 Facsimile: 305-358-2382 <i>Counsel for Plaintiff</i></p>	

Odom & Barlow, P.A.
1800 North "E" Street
Pensacola, FL 32501

After Recording Return To:
PRIMELENDING, A PLAINSCAPITAL
COMPANY
17330 PRESTON ROAD, SUITE 160B
DALLAS, TX 75252
(888) 812-2711
ATTN: FINAL DOCUMENTS

This Document Prepared By:
TERESA HOLLINGSWORTH
POLUNSKY BEITEL GREEN, LLP
18111 PRESTON ROAD, SUITE 900
DALLAS, TX 75252
(888) 812-2711

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MORTGAGE

BELANGER
Loan #: 2235000422
MIN: 100053601314570077
MERS Phone: 1-888-679-6377
PIN: 162S26165300F000020
Case #: 17-17-6-1688514

**NOTICE: THIS LOAN IS NOT ASSUMABLE
WITHOUT THE APPROVAL OF THE
DEPARTMENT OF VETERANS AFFAIRS OR ITS
AUTHORIZED AGENT.**

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 **APRIL 20, 2015**, together with all Riders to this document.

(B) "**Borrower**" is **AUSTIN BELANGER AND JAZMIN FARRIS HUSBAND AND WIFE**. Borrower is the mortgagor under this Security Instrument.

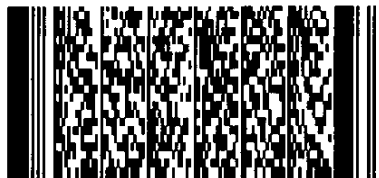
(C) "**MERS**" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. **MERS is the mortgagee under this Security**

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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.

(D) "Lender" is **PRIMELENDING, A PLAINSCAPITAL COMPANY**. Lender is a **CORPORATION** organized and existing under the laws of **TEXAS**. Lender's address is **18111 PRESTON ROAD, SUITE 900, DALLAS, TX 75252**.

(E) "Note" means the promissory note signed by Borrower and dated **APRIL 20, 2015**. The Note states that Borrower owes Lender **ONE HUNDRED EIGHTY-NINE THOUSAND NINE HUNDRED NINETY-NINE AND 00/100 Dollars (U.S. \$189,999.00)** plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than **MAY 1, 2045**.

(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]:

- | | | |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> 1-4 Family Rider | <input type="checkbox"/> Other(s) [specify] | |
| <input checked="" type="checkbox"/> VA Rider | | |

(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. §2601 et seq.) and its implementing regulation, Regulation X (12 C.F.R. Part 1024), 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 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.

FLORIDA -Single Family- Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

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Modified for VA

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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 **SANTA ROSA**:

LOT 2 BLOCK F HAMPTON RIDGE ESTATES BEING A PORTION OF SECTION 16 TOWNSHIP 2 SOUTH RANGE 26 WEST SANTA ROSA COUNTY FLORIDA ACCORDING TO THE PLAT RECORDED IN PLAT BOOK H PAGES 4 (1 AND 2) OF THE PUBIC RECORDS OF SAID COUNTY which currently has the address of **2107 ORTEGA ST, NAVARRE, Florida 32566-4117** ("Property Address"):

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 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 any encumbrances of record.

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

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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 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

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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 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

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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 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

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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 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. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground 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.

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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.

(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

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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.

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

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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.

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 any power of sale contained in 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

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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 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

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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.

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.

23. Release. Upon payment of all sums secured by this Security Instrument, 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. Attorneys' Fees. As used in this Security Instrument and the Note, attorneys' fees shall include those awarded by an appellate court and any attorneys' fees incurred in a bankruptcy proceeding.

25. Jury Trial Waiver. The Borrower hereby waives any right to a trial by jury in any action, proceeding, claim, or counterclaim, whether in contract or tort, at law or in equity, arising out of or in any way related to this Security Instrument or the Note.

AB by H as A, J spg

2235000422

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.

Austin Belanger, by Jazmin Farris
as attorney in fact

- BORROWER - AUSTIN BELANGER, BY JAZMIN FARRIS AS ATTORNEY IN FACT

Jazmin Farris
 JAZMIN FARRIS

Borrower's Mailing Address: 2107 ORTEGA ST, NAVARRE, FL 32566-4117

Signed, sealed and delivered in the presence of:

Becky L Howell
 Witness *Becky L Howell*

Dan Barlow
 Witness

[Space Below This Line For Acknowledgment]

STATE OF FLORIDA

REH
Santa Rosa
 COUNTY OF ~~DECEMBER~~

The foregoing instrument was acknowledged before me this April 20, 2015, by AUSTIN BELANGER AND JAZMIN FARRIS HUSBAND AND WIFE, who is personally known to me or who has produced D.L. as identification.

Rebecca L. Howell
 Notary Public
 My Commission Expires: 08/22/2016
 State of Florida
 Commission # EE829087

Rebecca L Howell
 Notary Public

My Commission Expires: 8/22/2016

MORTGAGE LOAN ORIGINATOR VICTORIA LOMBARD
 NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY IDENTIFICATION NUMBER 793374
 MORTGAGE LOAN ORIGINATION COMPANY PRIMELENDING, A PLAINSCAPITAL COMPANY
 NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY IDENTIFICATION NUMBER 13649

V.A. GUARANTEED LOAN AND ASSUMPTION POLICY RIDER**NOTICE: THIS LOAN IS NOT ASSUMABLE
WITHOUT THE APPROVAL OF THE
DEPARTMENT OF VETERANS AFFAIRS OR
ITS AUTHORIZED AGENT.****BELANGER**

Loan #: 2235000422

MIN: 100053601314570077

Case #: 17-17-6-1688514

THIS V.A. GUARANTEED LOAN AND ASSUMPTION POLICY RIDER is made this **20TH** day of **APRIL**, **2015**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (herein "Security Instrument") dated of even date herewith, given by the undersigned (herein "Borrower") to secure Borrower's Note to **PRIMELENDING, A PLAINSCAPITAL COMPANY** (herein "Lender") and covering the property described in the Security Instrument and located at **2107 ORTEGA ST, NAVARRE, FL 32566-4117** (Property Address).

VA GUARANTEED LOAN AND ASSUMPTION POLICY RIDER

53.18

Page 1 of 3

*AB by JF as Atty in*

2235000422

V.A. GUARANTEED LOAN COVENANT: In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

If the indebtedness secured hereby be guaranteed or insured under Title 38, United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of Borrower and Lender. Any provisions of the Security Instrument or other instruments executed in connection with said indebtedness which are inconsistent with said Title or Regulations, including, but not limited to, the provision for payment of any sum in connection with prepayment of the secured indebtedness and the provision that the Lender may accelerate payment of the secured indebtedness pursuant to Covenant 18 of the Security Instrument, are hereby amended or negated to the extent necessary to conform such instruments to said Title or Regulations.

LATE CHARGE: At Lender's option, Borrower will pay a "late charge" not exceeding **FOUR** percent (**4.000%**) of the overdue payment when paid more than **FIFTEEN (15)** days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured hereby.

GUARANTY: Should the Department of Veterans Affairs fail or refuse to issue its guaranty in full amount within 60 days from the date that this loan would normally become eligible for such guaranty committed upon by the Department of Veterans Affairs under the provisions of Title 38 of the U.S. Code "Veterans Benefits," the Mortgagee may declare the indebtedness hereby secured at once due and payable and may foreclose immediately or may exercise any other rights hereunder or take any other proper action as by law provided.

TRANSFER OF THE PROPERTY: This loan may be declared immediately due and payable upon transfer of the property securing such loan to any transferee, unless the acceptability of the assumption of the loan is established pursuant to Section 3714 of Chapter 37, Title 38, United States Code.

An authorized transfer ("assumption") of the property shall also be subject to additional covenants and agreements as set forth below:

(a) **ASSUMPTION FUNDING FEE:** A fee equal to one half of one percent (0.50%) of the balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the loan holder or its authorized agent, as trustee for the Department of Veterans Affairs. If the assumer fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to that already secured by this instrument, shall bear interest at the rate herein provided, and at the option of the payee of the indebtedness hereby secured or any transferee thereof, shall be immediately due and payable. This fee is automatically waived if the assumer is exempt under the provisions of 38 U.S.C. 3729 (c).

(b) **ASSUMPTION PROCESSING CHARGE:** Upon application for approval to allow assumption and transfer of this loan, a processing fee may be charged by the loan holder or its authorized agent for determining the creditworthiness of the assumer and subsequently revising the holder's ownership records when an approved transfer is completed. The amount of this charge

VA GUARANTEED LOAN AND ASSUMPTION POLICY RIDER

53.18

Page 2 of 3

OK by JF as A.J. mg

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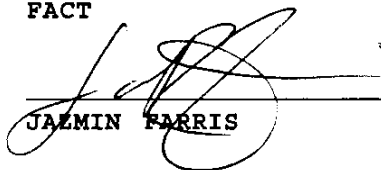
shall not exceed the maximum established by the Department of Veterans Affairs for a loan to which Section 3714 of Chapter 37, Title 38, United States Code applies.

(c) ASSUMPTION INDEMNITY LIABILITY: If this obligation is assumed, then the assumer hereby agrees to assume all of the obligations of the veteran under the terms of the instruments creating and securing the loan. The assumer further agrees to indemnify the Department of Veterans Affairs to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this instrument.

IN WITNESS WHEREOF, Borrower(s) has executed this V.A. Guaranteed Loan and Assumption Policy Rider.

*Austin Belanger by Jazmin Farris
as attorney in fact*

- BORROWER - AUSTIN BELANGER, BY JAZMIN FARRIS AS ATTORNEY IN FACT


JAZMIN FARRIS

JS 44 (Rev. 06/17) FLSD Revised 06/01/2017

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.) **NOTICE: Attorneys MUST Indicate All Re-filed Cases Below.**

I. (a) PLAINTIFFS AUSTIN BELANGER, on behalf of himself and all others similarly situated, **DEFENDANTS** ROUNDPOINT MORTGAGE SERVICING CORPORATION, etc., et al.,

(b) County of Residence of First Listed Plaintiff Santa Rosa County (EXCEPT IN U.S. PLAINTIFF CASES) County of Residence of First Listed Defendant Mecklenburg County (IN U.S. PLAINTIFF CASES ONLY)

(c) Attorneys (Firm Name, Address, and Telephone Number) Adam M. Moskowitz, Esq., Kozyak Tropin & Throckmorton, LLP, 2525 Ponce De Leon Blvd, 9 Floor, Miami, FL 33134 - 305-372-1800

(d) Check County Where Action Arose: ☒ MIAMI-DADE ☐ MONROE ☐ BROWARD ☐ PALM BEACH ☐ MARTIN ☐ ST. LUCIE ☐ INDIAN RIVER ☐ OKEECHOBEE ☐ HIGHLANDS

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- PTF DEF**
- Citizen of This State ☐ 1 ☐ 1 Incorporated or Principal Place of Business In This State ☐ 4 ☐ 4
- Citizen of Another State ☐ 2 ☐ 2 Incorporated and Principal Place of Business In Another State ☐ 5 ☐ 5
- Citizen or Subject of a Foreign Country ☐ 3 ☐ 3 Foreign Nation ☐ 6 ☐ 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

- CONTRACT** ☐ 110 Insurance ☐ 120 Marine ☐ 130 Miller Act ☐ 140 Negotiable Instrument ☐ 150 Recovery of Overpayment & Enforcement of Judgment ☐ 151 Medicare Act ☐ 152 Recovery of Defaulted Student Loans (Excl. Veterans) ☐ 153 Recovery of Overpayment of Veteran's Benefits ☐ 160 Stockholders' Suits ☒ 190 Other Contract ☐ 195 Contract Product Liability ☐ 196 Franchise
- PERSONAL INJURY** ☐ 310 Airplane ☐ 315 Airplane Product Liability ☐ 320 Assault, Libel & Slander ☐ 330 Federal Employers' Liability ☐ 340 Marine ☐ 345 Marine Product Liability ☐ 350 Motor Vehicle ☐ 355 Motor Vehicle Product Liability ☐ 360 Other Personal Injury ☐ 362 Personal Injury - Med. Malpractice
- TORTS** ☐ 365 Personal Injury - Product Liability ☐ 367 Health Care/Pharmaceutical Personal Injury Product Liability ☐ 368 Asbestos Personal Injury Product Liability
- PERSONAL PROPERTY** ☐ 370 Other Fraud ☐ 371 Truth in Lending ☐ 380 Other Personal ☐ 385 Property Damage Product Liability
- PRISONER PETITIONS** **Habeas Corpus:** ☐ 463 Alien Detainee ☐ 510 Motions to Vacate Sentence **Other:** ☐ 530 General ☐ 535 Death Penalty ☐ 540 Mandamus & Other ☐ 550 Civil Rights ☐ 555 Prison Condition ☐ 560 Civil Detainee - Conditions of Confinement
- REAL PROPERTY** ☐ 210 Land Condemnation ☐ 220 Foreclosure ☐ 230 Rent Lease & Ejectment ☐ 240 Torts to Land ☐ 245 Tort Product Liability ☐ 290 All Other Real Property
- CIVIL RIGHTS** ☐ 440 Other Civil Rights ☐ 441 Voting ☐ 442 Employment ☐ 443 Housing/Accommodations ☐ 445 Amer. w/Disabilities - Employment ☐ 446 Amer. w/Disabilities - Other ☐ 448 Education
- FORFEITURE/PENALTY** ☐ 625 Drug Related Seizure of Property 21 USC 881 ☐ 690 Other
- LABOR** ☐ 710 Fair Labor Standards Act ☐ 720 Labor/Mgmt. Relations ☐ 740 Railway Labor Act ☐ 751 Family and Medical Leave Act ☐ 790 Other Labor Litigation ☐ 791 Empl. Ret. Inc. Security Act
- IMMIGRATION** ☐ 462 Naturalization Application ☐ 465 Other Immigration Actions
- BANKRUPTCY** ☐ 422 Appeal 28 USC 158 ☐ 423 Withdrawal 28 USC 157
- PROPERTY RIGHTS** ☐ 820 Copyrights ☐ 830 Patent ☐ 835 Patent - Abbreviated New Drug Application ☐ 840 Trademark
- SOCIAL SECURITY** ☐ 861 HIA (1395ff) ☐ 862 Black Lung (923) ☐ 863 DIWC/DIWW (405(g)) ☐ 864 SSID Title XVI ☐ 865 RSI (405(g))
- FEDERAL TAX SUITS** ☐ 870 Taxes (U.S. Plaintiff or Defendant) ☐ 871 IRS—Third Party 26 USC 7609
- OTHER STATUTES** ☐ 375 False Claims Act ☐ 376 Qui Tam (31 USC 3729 (a)) ☐ 400 State Reapportionment ☐ 410 Antitrust ☐ 430 Banks and Banking ☐ 450 Commerce ☐ 460 Deportation ☐ 470 Racketeer Influenced and Corrupt Organizations ☐ 480 Consumer Credit ☐ 490 Cable/Sat TV ☐ 850 Securities/Commodities/Exchange ☐ 890 Other Statutory Actions ☐ 891 Agricultural Acts ☐ 893 Environmental Matters ☐ 895 Freedom of Information Act ☐ 896 Arbitration ☐ 899 Administrative Procedure Act/Review or Appeal of Agency Decision ☐ 950 Constitutionality of State Statutes

V. ORIGIN

- (Place an "X" in One Box Only)
- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Re-filed (See VI below) ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation Transfer ☐ 7 Appeal to District Judge from Magistrate Judgment ☐ 8 Multidistrict Litigation - Direct File ☐ 9 Remanded from Appellate Court

VI. RELATED/RE-FILED CASE(S)

(See instructions): a) Re-filed Case ☐ YES ☒ NO b) Related Cases ☐ YES ☒ NO

JUDGE: **DOCKET NUMBER:**

VII. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing and Write a Brief Statement of Cause (Do not cite jurisdictional statutes unless diversity): Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. §§ 1962(d)

LENGTH OF TRIAL via days estimated (for both sides to try entire case)

VIII. REQUESTED IN COMPLAINT:

☒ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 **DEMAND \$** **CHECK YES only if demanded in complaint:**

JURY DEMAND: ☒ Yes ☐ No

ABOVE INFORMATION IS TRUE & CORRECT TO THE BEST OF MY KNOWLEDGE

DATE August 31, 2017 SIGNATURE OF ATTORNEY OF RECORD

/s/ Adam M. Moskowitz

FOR OFFICE USE ONLY

RECEIPT # AMOUNT IFP JUDGE MAG JUDGE