

REO Vendor Manual

A Guide for Northpro Vendors



V1.0

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Purpose of the Manual:

The purpose of this manual is to educate vendors/contractors on all of Northpro Properties Management LLC’s policies, procedures, and other general information required for vendors to correctly complete contracted work from Northpro. These guidelines apply to each work order and should be followed as a condition of doing business with us. You should refer to this manual if you have a question about any policy and/or procedure. However, please keep in mind that Northpro Properties, LLC reserves the right to add to, change, amend, and/or delete any policy at any time, with or without notice.

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Confidentiality Clause & Security Awareness

Confidentiality Clause for Northpro REO Contractor Procedures Manual

All provisions, information, procedures and processes contained in this REO Contractor Procedures Manual ("Manual") are confidential, proprietary and privileged information of Northpro Properties, LLC ("Northpro"). This information is being shared with you solely as a result of your status as a contractor for Northpro. Northpro considers this Manual, all information of any kind contained herein, and any updates, amendments, additions and/or modifications of this Manual, to be confidential and proprietary information and trade secrets, which are Northpro's intellectual property.

You hereby acknowledge and agree that you shall not copy, use, disclose or publish or otherwise communicate, whether verbal, written or electronically, any of the information, provisions, contractual terms or processes in this Manual, or the Manual itself, to any third parties without the prior written authorization of Northpro's CEO. Northpro considers any unauthorized use of the Manual or the provisions, information or processes contained herein to be unauthorized disclosure of confidential and proprietary information, theft of Northpro's trade secrets, and damaging to our business. Any unauthorized use or communication may subject you to civil and/or criminal penalties under applicable federal, state or local law, injunctive relief and shall result in you and/or your organization being removed from Northpro's contractor list.

Independent Contractor Status

This manual shall not be construed as creating an employee/employer agency, partnership, or joint venture relationship between you or any of your agents and employees, and Northpro Properties Management, its employees, agents, officers and/or affiliates. It is the clear intent of the parties that every contractor performing work for Northpro Properties Management shall be and remain an independent contractor and shall not be deemed employees or agents of Northpro Properties. No contractor has the right to receive work from Northpro Properties. Work is awarded based on performance only and is determined on an individual basis.

An Introduction to Northpro Properties

A Brief Overview

Northpro's clients include mortgage lenders and mortgage servicing companies throughout the United States. Northpro Properties performs a variety of services for its clients. Northpro performs property inspections, property preservation and maintenance on REO's. The following is a short overview of each department's functions.

Property Inspections

- Monthly property inspections
- Pre-foreclosure notification
- Sale date inspections
- 24 hour rush inspections
- Loss mitigation verification inspections
- Commercial property inspections
- Occupancy checks

Property Preservation

- Initial securing
- Winterization
- Monthly grass cuts
- Clear for conveyance/sale
- Eviction/move-out assistance
- Environmental studies
- Lawn care services (Mulching/Leaf Removal/Shrubs)
- Pool maintenance (Drain/Clean/Refill/Biweekly Services)

Real Estate Owned

- Initial services
- Monthly marketability checks
- Pool maintenance
- Lawn maintenance
- Snow removal
- Marketability enhancements

What Every Northpro Vendor Needs to Know

Training

REO Pricing Model

You and your staff (office personnel) must familiarize yourselves with the pricing model.

TO ACCESS THE REO PRICING MODEL, PLEASE CLICK ON THE FOLLOW LINK [REO PRICING MODEL](#)

Cubic Yard Training

- The training will educate you about what a cubic yard consists of.
- Your staff (office personnel and crew members) must review the

PLEASE CLICK [CYD TRAINING](#) TO ACCESS CUBIC YARD TRAINING.

Property Pres Wizard Training

1. The training session is designed to help you become familiar with our Property Pres Wizard.
2. The Property Pres Wizard allows you to view your open orders, as well as submit your updates, statuses, invoices, & photos.
3. You and your office personnel must review the training session prior to your welcome conference call.
4. Your Property Pres Wizard login ID and password will be sent to you in a separate email.
5. Property Pres Wizard User Manual should be reviewed, and referred to in the event you have any questions regarding the Property Pres Wizard.

PLEASE CLICK [PROPERTY PRES WIZARD USER MANUAL](#) TO ACCESS THE MANUAL.

Insurance

Types and Amounts of Insurance Required

Northpro Properties, LLC (“Northpro”) has contracts with a number of its clients that require Northpro and its subcontractors to have Comprehensive General Liability, Errors and Omissions, Non-Owned & Hired Auto Liability coverage as well as Workers Compensation coverage.

In order for vendors to begin and continue business with Northpro, vendors and their subcontractors are required to carry, at all times and at their own expense, the following:

Minimum Insurance Coverage

- 1) Commercial General Liability in the amount of \$1 million per occurrence/\$1 million aggregate including:
 - Personal injury/Advertising injury protection
 - Care/Custody/Control coverage in the amount of \$50,000
 - Products/Completed Operations
- 2) Errors & Omissions’ in the amount of \$1 million per occurrence/\$1 million aggregate covering:
 - Residential property inspections
 - Delinquent borrower interviews
 - Commercial property inspections
 - Insurance loss inspections
 - Eviction services
 - Property preservation inspections
 - Property preservation estimates
 - Property preservation services (including but not limited to REO services)
 - Property repair estimates
 - Property rehabilitation services
 - Merchant site verifications

NOTE: PLEASE MAKE SURE THAT THE ERRORS & OMISSIONS INSURANCE COVERAGE IS NOT FROM A PROFESSIONAL LIABILITY POLICY THAT A REALTOR OR LAWYER WOULD CARRY, AS THERE ARE SIGNIFICANT DIFFERENCES BETWEEN THE TWO POLICIES REGARDING COVERED RISKS AND EXPECTATIONS.

- 3) Automobile Liability, including bodily injury liability, property damage liability, and uninsured motorist coverage, for all owned, non-owned and hired vehicles, in the amount of \$1 million combined single limit.
- 4) Employer's Liability Insurance with limits of \$1 million per occurrence.
- 5) Workers' Compensation as provided by statute.

Additional Insurance Requirements

- 1) Insurance Rating: The insurance must be written with a carrier with an A.M. Best rating of "A-" or better.
- 2) Certificate Holder: The certificate holder is to be "NORTHPRO PROPERTIES, LLC, PO Box 2312, West Monroe, LA 71294".
- 3) Additional Insured; Primary, Non-Contributory: The Certificate of Insurance must name "NORTHPRO PROPERTIES, LLC" as an ADDITIONAL INSURED on all insurance policies. Such insurance shall be primary and non-contributory.
- 4) Waiver of Subrogation: All required coverage referenced above must include a waiver of subrogation for the benefit of Northpro Properties.
- 5) Policy Renewal: Proof of renewal of all insurance coverage is required in order for you to continue to do business with Northpro and must be provided on an ongoing basis.
- 6) Cancellation/Non-Renewal/Material Change: The Certificate of Insurance must provide for a minimum of 30 days prior written Notice of Cancellation/Non-Renewal or Material Change to the subject policy.
- 7) Proof of Insurance: Prior to beginning any work with Northpro, the Contractor must submit a current Certificate of Insurance including the insurance requirements noted above, a copy of the Additional Insured endorsement naming Northpro as an additional insured and, if applicable, a copy of the Worker's Compensation certificate evidencing participation in the state's Worker's Compensation fund. If Contractor's company operates in more than one state, submit a copy of the certificates for each of the states where Contractor does business.
- 8) Subcontractors: Prior to the commencement of any work being performed, Contractor is required to obtain satisfactory evidence from its subcontractors that such subcontractors maintain insurance in conformance with Northpro's insurance requirements.
- 9) Copies of Policies: Northpro has the right, but not the duty, to receive copies of all insurance policies upon request. Policies shall not contain any terms or exclusions that are unacceptable to Northpro. If requested by Northpro, all policies must be certified by an insurance carrier as being true and complete.

Indemnification

Please be advised that the failure to obtain and maintain the required insurance explained above may, at Northpro's sole discretion, jeopardize your receipt of work from Northpro.

In addition, Contractor agrees to indemnify, defend, and hold harmless Northpro against all claims, liabilities, costs and expenses (including, without limitation, court costs and attorney's fees) resulting from:

- 1) Contractor's (and/or its' subcontractor's) failure to obtain, maintain, and timely renew the insurance policies required by Northpro;
- 2) Contractor's failure to name Northpro Properties, LLC as an additional insured under Contractor's insurance policies; or
- 3) Any of Contractor's subcontractors placing a lien on any property for which they performed work on Contractor's behalf for Northpro.

E & O Insurance

All Subcontractors are required to purchase Contractor/Inspector Liability Insurance before starting with Northpro. Northpro Properties Management requires most Inspectors to carry total limits of no less than \$1,000,000 Errors and Omissions coverage. Please contact the Northpro's Vendor Recruiting Department for more information regarding insurers who carry this type of insurance.

Reasons Why We Require This Insurance

The examples below illustrate the need for Errors and Omissions Insurance coverage for Subcontractors:

- Someone is injured: You fail to report a hazardous condition (i.e. broken steps) at the property and, as a result, someone hurts themselves.
- Damages occur: You reported a property as occupied when it was actually vacant and damages occur (i.e. tree fell through roof, mold is growing or flooding occurs).
- A violation is posted: You fail to report a violation posted for debris/grass which may cause you to be responsible for the cost to abate the violation.
- Homeowner's Insurance cancellation: You report the property as vacant when it was actually occupied. The Homeowner's Insurance may be cancelled because of this. You may be responsible for the loss not covered due to the mortgagor not having insurance (flooding, fire or theft) or for the cost to reinstate the insurance.
- A subcontractor performs the work: Although you subcontract work it is important to keep in mind that you are still responsible for all guidelines provided in this manual.

Legal Complaints

Occasionally complaints may be received from mortgagors or neighbors of properties. Northpro maintains a neutral position by acting as an intermediary. It makes no judgments, gives opinions, or makes assumptions about any complaints received until a full investigation has been conducted.

It is important that contractors respond to the complaint within 24 hours to allow Northpro to provide updates to clients and complainants in a timely manner. The questions need to be answered as accurately and completely as possible and any additional comments can be added for clarification and explanation. The Legal Department would greatly appreciate contractor's written update to be sent via email and asks that contractors refrain from placing telephone calls or faxing updates to reduce delays and interruptions. If a contractor fails to reply to the request for information within the allotted time, checks for that week may be held until the information is received.

Any information contractors provide will be reviewed as part of Northpro's standard investigation of each and

every claim that is made by a mortgagor, a client, or the local authorities. In the event that Northpro is contacted by a representative of the local authorities, we may provide the contractor's contact information to be contacted directly. Once the write up is received, the order will be placed on hold until the Legal Department determines that an ample amount of time has passed with no activity. The Property Pres Wizard site may show that the order is listed under "invoice requested." Please ignore this, as no additional information is needed unless requested directly by the Legal Department

There may be times when a contractor encounters a mortgagor, family member or visitor of the mortgagor, or a neighbor while at a property. It is imperative that any and all interactions with a mortgagor, neighbor or any other person be relayed immediately via the Property Pres Wizard. Interaction with anyone that is negative, threatening or confrontational should be communicated by phone directly to the Work Coordinator for immediate handling. Contractor shall always notify Northpro of any damages done to the subject property, or to the neighbor's or any other adjacent property, when performing work. Communication of this information should NEVER come first from the client via a complaint. By hearing about it from the contractor first, Northpro is able to proactively address the situation and resolve it to everyone's satisfaction.

Communication with Brokers, Clients, Tenants, Neighbors, Police

We ask our vendors to remain professional in all of their communications while representing Northpro in the field. When necessary, vendors may be asked to contact brokers, neighbors, tenants, or even police, in these cases vendors should never provide information about ownership of the home, status, or any other information about the property (EX. You are doing a siding repair and may be working in close proximity to a neighbor; you should reach out to neighbors to inform them of what you are doing and direct any further information to Northpros customer service department). Please speak with someone in our office before you contact a broker.

Firearms and Illegal Substances

If you encounter weapons/ammunition when performing work on a property, please contact your local law enforcement immediately to inquire how they would like you to handle the removal of these items. The process varies depending on the jurisdiction in which the property is located. Some areas require these items be removed by the authorities, other areas require we report the items to the client before storing them so there is record. Finally, other areas advise us to leave them in the home and we will in turn report the items to the client as personals. In all scenarios, it is required to report the contact name and phone number at the police department and to document their conversation with the authorities under the comments section.

Upon arriving at a property, if you encounter law enforcement officials, reasonably cooperate with their requests and contact your Work Coordinator for further instruction.

Professionalism and Dress Code

As an independent contractor performing property preservation work for Northpro, your actions and conduct reflect on Northpro as well as the mortgage company. It is imperative that each contractor acts in a professional manner. Whenever contact is made with anyone while completing a work order, all behavior should be professional. This includes, but is not limited to, using appropriate language, mannerisms, and being dressed appropriately. Professionalism should also be practiced when contact is made with all Northpro office personnel.

Northpro recommends that each company create company uniforms or tee -shirts that clearly identify their company and what they do. Additionally, Northpro recommends that all vehicles are labeled with the company name and a contact phone number. This will make your crew look professional and less suspicious as you maintain vacant properties. Neighbors will be less likely to confront you if your crews appear professional.

Utilizing Subcontractors

Northpro occasionally receives complaint calls from vendors' subcontractors alleging they have not been paid for work performed. Whenever independent contractors engaged by Northpro Properties Management choose to use subcontractors of their own, it is imperative that they be prepared to resolve any payment disputes that may arise. Remember, the relationship with your subcontractors is your relationship and is independent of your relationship with Northpro. Northpro expects you to resolve any disputes without involving Northpro. In an effort to get paid for their services, your subcontractors may threaten to place liens on properties. Filing a lien on a property not only impacts our clients negatively, but also any potential sale of the property, thereby affecting the potential buyer of the home.

Should a lien threat be received, Northpro vendors will be contacted by a member of the Legal or Vendor Management Department to:

- 1) Confirm the relationship of the complainant to Northpro's vendor
- 2) Obtain any proof of payment to the complainant
- 3) If proof of payment is unavailable, Northpro's vendor will be required to issue payment to the complainant and provide proof to Northpro

Tools Required of Northpro Vendors

In order to complete assignments in a professional manner the following tools will be essential to fulfilling your commitment to Northpro:

- Desktop or laptop computer
- Mobile Phone (Preferably a Smartphone)
- Mobile E-mail access
- Map of your coverage area
- Mapping software for your computer
- GPS unit
- Car or other form of dependable transportation
- Active Voicemail
- Digital Camera with flash
- Device car charger/back up batteries
- Company ID/ Business Cards
- FTV, Winterization Stickers
- Flashlight
- Ruler
- Interior sign-in sheets and any other checklists that pertain to the work you are performing

Northpro uses electronic mail exclusively for all correspondence. It is very important that all incoming e-mails be sent to the appropriate department e-mail address. If you need clarification on any NORTHPRO email addresses, please contact your work coordinator.

It is highly recommended that you and/or your crew always carry a master set of keys with you, when preparing to complete any type of work order. Not all clients require lock boxes, and conditions may change at the property preventing access after a lock change has been completed. Having a full set of master keys handy limits wasted trips to a property, and decreases fuel costs to return to your office for the correct key, then having to return to the property.

Photo Documentation

The photos taken should tell the complete story of the property condition. Photos are presented to our client with our invoice as proof of completion of work. If the photos do not support that the work was completed correctly the client will not pay Northpro and in turn Northpro will not be able to pay the vendor. Please follow the photo documentation guidelines below, and as noted for each work order.

General Guidelines:

- Photos must support all work performed and/or the bid submitted.
- If you are billing a charge and have no photos to support that charge, you may not be paid. If our client cannot pay us, we will not be able to pay the contractor for the work performed if not done correctly.
- Before, during and after photos are required of each item of work performed. They must be taken from the same angle
- Please arrange the photos in a logical work order sequence when placing them on the web. For example: a “before” photo shows window broken and an “after” photo shows window replaced.
- Photos must be submitted in color, not in black and white. If a photo submitted is blurry, too light/dark or is not sufficient, and cannot be resent via the web, another photo must be taken and the contractor will not be paid for the return trip.

Invoice Procedures

It is the contractor’s responsibility to ensure all invoices are received within 24 hours of the completion of the work order via the Property Pres Wizard.

When invoicing SPI, you must bill according to the pricing guide provided by Northpro to you. Any additional information requested after the update is received must be received within 48 hours of the request. Northpro will make every attempt to follow up with Vendors in order to get this information updated, however, Northpro reserves the right to return the invoices unpaid when not received within the allotted time frame. All US Mail correspondence MUST be sent to:

Northpro Properties
PO Box 2312
West Monroe, LA 71294

Ask and Answer Policy

Vendors are responsible for asking questions, and Northpro is responsible for providing an adequate response. If vendors do not ask questions or bring issues to Northpro’s attention, Northpro will not find out about issues until there is a problem.

Quality Control Requirements

Contractors are responsible for maintaining their own QC process. A complete inspection of the property and repairs should be completed with a check list to ensure that all necessary items are included and to document that state of a property when the vendor completed repairs.

The use of QC not only ensures quality work the first time, this saves money for contactors by not having to

return to properties that require follow up work. Northpro has created a QC checklist for your benefit. Northpro cannot encourage strongly enough that a QC check list is completed and stored for every property visited. It is a requirement that Vendors complete QC checklists on 100% of their initial service orders and 10% of their recurring work.

TO ACCESS THE QCC form, PLEASE CLICK ON THE FOLLOW LINK [QCC Form](#)

The Northpro Team

Mary Burks, office manager: 501-259-0540, mary@northproproperties.com

Mike Clark, field manager: 318-208-4335, mike@northproproperties.com

Stephanie Chou, new contractor support: 318-600-5779, stephanie@northproproperties.com

We are here to help you be the most productive and efficient you can be. Please don't hesitate to call, text or email us anytime during normal business. If we are not able to take your call at that instance please leave a detailed message and we will get back to you as soon as possible.

REO

General Overview

What does REO mean?

An REO (Real Estate Owned) property is one that has gone through foreclosure and that the bank has bought at the foreclosure sale. The bank now officially owns the property, and it is being marketed for sale.

Clients' Objective:

These properties will have to be marketed and sold by the client for them to recoup their initial investment in the property. Every day that our clients cannot market or sell their properties is costing them money.

Clients' Goals:

Every client's REO Department has set a goal to place a property on the market within days of acquisition.

Where does Northpro fit in?

In order for the client to be able to begin marketing this property within their desired time frames, the following steps will need to be done:

- Secure the property
- Winterize and inspect the property
- Perform trash-out (interior/exterior debris removal)
- Perform initial and subsequent lawn maintenance, including grass cuts, edging walkways and trimming shrubs
- Perform Maid Services & subsequent monthly marketability orders(property must pass a white glove inspection)

What is the Contractor's Role?

As an REO contractor, you are the eyes and ears of Northpro and our client in the field. Contractors are usually the first individuals to see the true condition of a property. Being our clients "eyes and ears" means contractors must photograph and document damages, hazards and dangerous conditions, which you may encounter at the properties. Therefore, if the property has fire damages and the floors are not safe to walk on, we need to know about it prior to the Sales Agent showing the property to a potential buyer.

Our contractors play an important part in delivering this promise to our clients. The goal of our clients is to put each property into marketable condition as quickly as possible. This means it our job to resolve any and all issues that affect the marketability of the property. The best way we can provide resolution to our clients is partnering with contractors who believe in offering superior, timely, and consistent services that will result in putting our clients' properties in marketable condition.

What is marketable condition?

Placing a property into marketable condition requires the following:

- Timely securing (if applicable)
- Complete exterior and interior debris removal (referred to as the trashout)
- Winterization (when/where applicable)
- Monthly Maid Services (often referred to as a marketability order)
- Lawn Maintenance

Securing a property within 48 hours of the order date is required so the broker can gain access to the house as soon as possible to conduct their Broker Price Opinion (BPO) and prepare the property for listing. Once secured, the contractor must notify the broker assigned to the property as well as submit a status report in Property Pres Wizard.

After the property is secured, complete interior and exterior debris removal is needed. This is referred to as the trashout. It is the contractor's responsibility to ensure that all cabinets, closets, rooms, attic are clear of all debris. After completing the trashout, the contractor will then perform maid services. Vendors should then submit an additional status report the same day the trashout is completed.

The maid service or full sales cleaning of the interior of the property is required on all REO properties. Some of the services involved are: walls and floors must be washed, windows cleaned and streak free, carpets vacuumed, and appliances thoroughly cleaned inside and out. Completing this part of the initial service is crucial as potential buyers will notice the cleanliness of the home. Ensuring that the property is spotless will enhance the marketability.

Finally, giving the home curb appeal is a necessity as this is the first thing a potential homebuyer will see. Grass clippings and leaves must be cleared from the lawn, driveways and all walkways. Shrubs must be trimmed if necessary. Flowerbeds must be weeded and edged and sidewalks must be edged as well.

As you can see without the contractor we would not be able to offer our clients this white glove service.

Contractors who can meet the above criteria will see increases in work volume with Northpro. Although completing the physical work is a critical piece to the REO puzzle, ensuring timely updates of the completed work is just as important. REO contractors are to submit a status update when the property is secured/winterized and then again when it is trashed out.

Receiving Work Orders

You will obtain orders by email on a daily basis. Work must be completed by the due date on the work order. If it is not possible to complete the work order within the allotted time frame, you must advise Northpro immediately. Almost all REO orders are rush orders, and turnaround time is critical. If you experience any type of problem with any new order (unable to read address, wrong territory, unable to locate address, order unclear, etc.) please advise Northpro immediately.

Initial Services

All Initial Services include:

- Winterization (when in season)
- Trash out
- Maid service
- Initial Secure
- Grass Cut (when in season)

Some Initial Services also include other items that must be done while on site. You must read the work order carefully to determine what needs to be done and what items need to be bid.

Timeframes

We have been authorized to perform this work; however, we must comply with our clients' time frames.

Please note and review all REO Work Orders received to make sure you are aware of the date they are due to our clients. Vendors are allowed a total of **3 days** to complete initial service orders. Initial Services includes:

- Initial Secure orders
- Secondary orders
- Winterizations
- Trash out
- Maid service
- Work must be updated on the Property Pres Wizard within 24 hours of completion
- Status updates should be submitted daily if work is, or is not completed

Open Order / Incomplete Order Reports

Open order and incomplete order reports will be emailed to each contractor every week.

If an inquiry is emailed to you, it means that Northpro does not have all the information needed to close out an order. Please check to ensure your updates are complete and accurate the first time to avoid unnecessary delays. You will receive reports from Northpro to assist you.

- Responses to inquiries are needed in a timely manner. A work order will not be closed until Northpro has all the required information to forward to our clients.
- You will receive an Open Order Report once a week. The Open Order report contains a list of work orders for which Northpro has not yet received an update. This report needs to be reviewed carefully. It is important that work is completed on time. After reviewing your open order report, forward completions to Northpro immediately. If there is any incorrect data, contact your Work Coordinator so that it can be corrected.

Most common reasons that an order will remain open:

- Bid for roof work but no "eyeball estimate" received for water damages
- Bid for mold damage, but no "eyeball estimate" received for water damages
- Photos supporting bid or second bid not received
- Convey condition status not reported on convey orders.
- Insufficient detail on update (i.e. Debris bid description, but no qty. or not noted as interior or exterior)
- Property reported unsecure but no reason given or bid to secure received
- No mention of utilities on when sump pump is operational
- No mention of water off at the curb for winterization orders
- Lot size and grass height not mentioned on grass cut.
- You will receive an Incomplete Order Report once a week. The Incomplete Report is a listing of all completed work orders for which Northpro has not received an invoice or photos. We cannot bill our client without your invoice or photos. Should our review of your invoice/photos reveal any deficiency that will affect the billing, we will notify you of the missing items. Once we have notified you of the deficiency, it is your responsibility to remedy the problem the same day.
- Each contractor is allowed a maximum number of open orders, therefore it is important to complete work as quickly as possible.
- Open and incomplete orders are viewable on the Web at any time.

Photo Documentation

Photo documentation is critical to our clients. We cannot pay you for the work you performed without the photos to support. Invoices will be cut if supporting photo documentation is not provided. There are no exceptions to this. It is your responsibility to submit before and after photos of all work done, and photos to justify all bids you are submitting, as well as photos to document the property condition. All photos must be submitted via the Property Pres Wizard site. All photos must be right side up. Any photos that are distorted, fuzzy, or unclear in any way will be deleted from our system and we will request better photos. We cannot expect the clients to pay for work based on substandard photo documentation. Also, please avoid sending duplicates of your photos. Specific photos that are required for specific orders are included on the individual work orders. Please read carefully.

Property condition photos of each room of the house are required to accurately document property conditions.

It is the contractor's job to ensure that all invoices are posted to the web within 24 hours of completion of the work. Northpro reserves the right to return all invoices unpaid when not received within the time frame. Please do not hesitate to contact someone in the office if you have any questions with regard to work order procedures.

Photo Examples

Please click this [Photo Manual](#) link to review the NORTHPRO Photo manual for acceptable photo examples of work performed. This is a reference and may not pertain to all work performed on REO properties.

Exterior and Interior property condition photos are required on all work performed.

Verification of Vacancy

A property has to be vacant before any work can be completed. We are to use every means available to verify the vacancy status of each property. These include, but are not limited to:

- Checking the utilities (are they on or off?) How was this verified?
 - Are personals visible? Where are they located- interior, exterior?
 - What is the quantity (cubic yards) of the personals visible?
 - What is the estimated value of any personals visible?
 - Verify with a neighbor, postal carrier, etc. Try to obtain the name/address of the neighbor that information is verified with.
 - Direct contact with occupant. Please try to obtain the name of the occupant.
 - Is the property being maintained? - i.e., grass 4" tall, debris in yard, etc.
 - Is the property unsecured and wide open?
 - Is the property being renovated?
 - If the property is for sale, please obtain the name/number of the realtor listing the property.
- Please note: a photo of the "for sale" sign is required on all REO initial service orders.
- If you have a question on whether a property is occupied or vacant, contact your work coordinator before entering the property.

Securing Requirements

All REO properties must be secured and winterized (where/when applicable) within 48 hours. All door locks are to be changed, including deadbolts (cover plates should not be used) - unless the work order advises otherwise. If the securing will take you over the allowable, you must call your work coordinator from site. Lockboxes are to be installed unless it is not stated on the work order to install. Lockbox combination is to be set at to the code stated on the work order unless otherwise instructed.

When entering a property where your work order requires securing:

- Always enter through a secondary door
- Perform a valuation of the items that remain
- If the items exceed the client specific, personal property threshold:
- Document the items, both written and with photo documentation ○ Document the general condition of the entire property
- Winterize the property (if applicable)
- Supply appropriate bids for removal and storage of personal property as well as any other work to be performed that will fall outside the work order parameters (i.e. excessive debris, vehicle removal, outbuilding demolition, etc.)
- Secure the door you entered through but do not leave any lockboxes or securing notifications. The exterior should have no postings made by a Northpro contractor.
- The items are less than the client-specific, personal property threshold, proceed with the securing instructions on your work order.

Securing Photos

- BEFORE photo showing old mechanism in place.
- DURING photo showing old mechanism removed
- AFTER photo showing new mechanism installed
- Lockbox showing keys placed inside
- Photo showing the for sale sign is present on the property Refer to

the work order for a detailed list of required securing photos.

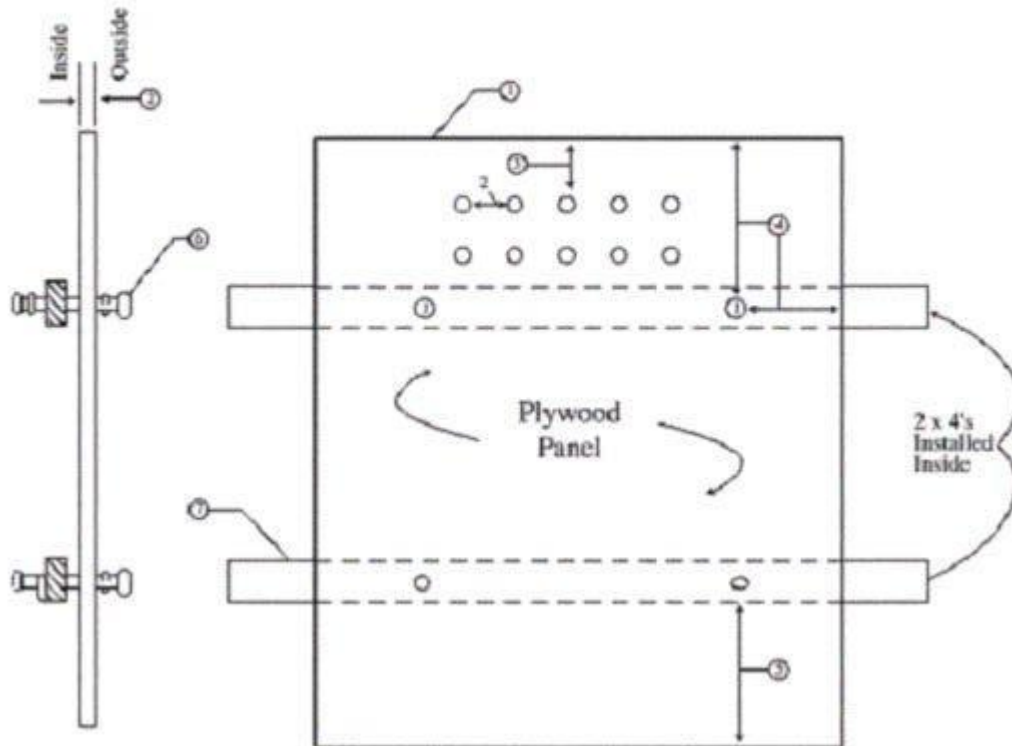
Boarding Requirements

When determining whether or not to board a property, the contractor must follow the client specific guidelines on each order. Most initial services orders give pre approval to board if needed. There are emergency allowables for some clients if boarding costs will be high. The important thing is to never leave a property unsecure. If unsure on how to proceed with regard to boarding, always call your work coordinator from site.

All boarding must be completed to the required standard (pricing and completion requirements) – nail and screw boarding is not permitted. Dimensions must always be reported and all broken glass must be removed as part of the boarding fee.

PLYWOOD BOARDING PANEL DETAIL

NO SCALE



BEFORE and AFTER photos of each window or door are required unless you are boarding the entire property. In that case, step back and take a BEFORE photo of the whole front of the house, and then an AFTER photo showing the front of the house boarded. Then do that same on the back and sides of the house. We do not need a close up before and after photos of every window on complete board ups from the exterior. It is required to show before and after photos of every window from the interior.

Winterization Requirements

Winterizations are to be completed in compliance with Northpro guidelines. Step-by-step winterization training materials can be found on Property Pres Wizard under the "online training material" section. Remember that all water must be completely drained, including the water in toilet bowls and water softeners. If the property is found to be frozen upon arrival, you must follow the instructions on your work order. Some clients permit the use of the emergency allowable to thaw the property, others require a bid to be submitted. When providing a bid to thaw, be sure to include the number of portable heaters required, number of man hours required, and a bid to pressure test the system for leaks once thawed. Also include the cost to winterize the property once

thawed. It is important when completing a winterization that contractors contact the agent to notify them.

*As a reminder, winterizations must be completed within 48 hours of the work order date. Below you will find links to the basics for performing a dry heat winterization:

Winterizing a Dry Heat System: [Winterization Steps](#)

Winterization Photos

Below is a list of required photos that must be provided on a winterization order, but please refer to your work order for a complete list of required documentation.

- Hot water tank draining - with sticker in place
- Water meter disconnected
- Antifreeze in sinks, toilets & traps
- Any visible freeze damage (if applicable)
- Sump pump if applicable
- Photo of blowing the lines which must include air compressor & valve/lines hooked up & being blown.
- If an additional unit or extra zones are winterized, additional photos are needed to support these charges.

Additional Photos Required: Radiant winterization requires photo of boiler, RPZ valve and expansion tank if accessible. Steam winterizations require photos of the boiler. All photos of items winterized must show NORTHPRO winterization tags in place and completely filled out on all fixtures.

Required Winterization Photos: [Winterization Photo Requirements](#)

To heighten awareness of the winterization process, Northpro requires all contractors to post a utility notice and sticker at every property that is winterized. The notice and sticker state the property has been winterized and utilities should not be turned on without a walk-through inspection. The postings also contain a checklist of items that must be reviewed prior to turning on the electricity. This checklist must be submitted on Property Pres Wizard in your update.

The notice and sticker were created after several properties were damaged when parties turned on the electricity without first correctly inspecting the property. It is imperative that the notice and sticker are posted and photos taken each time a winterization is completed. The photos will be required before the order is closed and paid.

The winterization utility information must be posted in two places. The poster form can be found on the Contractor Web (at the link below) and should be posted where it is highly visible, such as inside the main door or on the door leading to the basement. The sticker is available by calling the office and must be placed on the breaker box. This requirement applies to all loan types.

Winterization Utility Notice

Please note that this is a requirement for FHA, VA, CV and REO properties. If you have any questions, please contact your regional coordinator.

De-winterization Requirements

De-winterizations, when requested are to be completed using the steps outlined below within 24 hours of receiving the order. They are necessary for Buyer's Inspections to be thoroughly completed. Contractors must call the broker and request to have the utilities turned on. If the utility company will not turn on utilities for any reason, please call your Vendor Performance Analyst or re-winterize if authorization cannot be obtained.

You will be provided with billing information for utilities. If utilities are on, check with the broker to see if they had the utilities turned on. Make an appointment with the broker to meet at property when requested per the order.

De-winterize as follows:

- Close all water line valves
- Reconnect meters, turn water on
- Visually check for leaks on all floors/zones
- Fill hot water tank
- Turn heating system on
- Ignite hot water tank
- Check to make certain heating system is functioning and will remain on unattended, set thermostat at 55 degrees
- Run water in faucets to flush all antifreeze, bleed air from system
- Check that all is sound and there are no leaks..

If any part of the system is inoperable or will not remain on if unattended, call the Northpro office, for authorization to repair. If authorization cannot be obtained, re-winterize property. Make a note on your update stating why property cannot be de-winterized. **Never leave a property without heat or with leaking pipes.** Take full photos of all damages and remove winterization tags unless you have re-winterized.

The following photos are required for de-winterization orders:

- Photo of water running from sink
- Photo showing the toilet flushing
- Photo showing meter reconnected if previously removed

Trashout

Waste material, debris, and rubbish must be removed from the premises and properly disposed of. **Do not use city trash pickup services for debris removal. Debris must not be left at the curb.** As it relates to the disposition of debris, it is never acceptable to keep or sell any of the items removed from the property. Use only environmentally safe cleaners. Use deodorizers and air fresheners that contain lemon, floral, or pine scent. In addition, all hooks, nails and drapery/blind hardware must be removed from walls on REO properties. If the drapes/ blinds are in good condition and add value to the property, vendors should contact the broker to see if they should remain at the property.

Note that personal property must not be disposed of. Personal property value is generally defined as items that

have a garage sale value of at least \$300. Note: clients may have their own personal property value amounts. Client value thresholds will be published on the work order.

This is a combined value, not an individual value, when there are multiple items present. If personals are present, you must bid to remove and store them for 30 days.

Certain clients permit us to move all personals to one room and proceed with the trashout, while others request that we do not remove anything until they have reviewed the photos of the personals so read your work orders carefully.

Automobiles are considered personal property, and therefore you must bid to remove and store them for 30 days. If a trashout will take you over the allowable, please call your work coordinator from site.

Personal Property Guidelines

Northpro has recently experienced an increase in claims from Mortgagors alleging missing personal property. Northpro has previously released memos regarding distinguishing between debris and personal property, appliance removal and complaints regarding securing occupied properties. It is imperative that contractors follow the guidelines set forth on how to proceed when determining if an item is debris or personal property.

Most orders provide the instruction that any personal property in the total amount of \$300 or more must be photographed, reported and left at the property. In addition, it is equally important that items on the exterior also be considered personals if they are in good condition. Items affixed to the property that add value must also remain at the property. When personal property is removed, replacement value for those items must be obtained and included in a settlement to the mortgagor. This must be kept in mind when determining if items are personal property or debris.

Please be careful to distinguish between property (interior or exterior) that is merely dirty, dust-covered, or has an odor, and property that is actually in such poor condition that it can reasonably be considered debris. In addition, when you encounter personal property that appears to be clutter or just thrown about, look closely at these items to determine their true nature. Just because personal property is in piles or looks like it is ready to haul away, does not by itself classify it as debris, nor necessarily reduce its value if it were organized neatly, or separate from other items. Be especially careful of the volume - the \$300 aggregate value can be reached easily if a large volume of cubic yards exists, regardless of the condition.

REO properties, although bank owned, are also susceptible to claims made by former mortgagors for missing personal property. The \$300 guideline should be followed regardless of loan type. It is important that trash outs do not include personal property. If Brokers require the removal of personal property, this should be reviewed with your Regional Coordinator prior to proceeding with work.

Properly photo documenting items to validate their condition is of the utmost importance. For example, when reporting lawn furniture as debris to be removed, it is crucial to show the condition of the items. This includes photo documenting that they are broken or rusted if deeming them debris. Likewise, it is equally important to document the presence of lawn furniture in good condition to prove that it remained with the property on the last visit.

Many mortgagor claims received are for items removed that were used as part of a home business. For instance, we recently, received demands for items used in a dog breeding business and home tailoring business. Also, business records and paperwork may be stored in cardboard boxes, or plastic containers. These items can have a substantial cost when a settlement is discussed with the mortgagor.

Finally, think twice and think carefully before determining whether a property is vacant or occupied. Although state laws vary widely, a large number permit redemption, and most require foreclosure sale ratification.

Redemption means that even though a property has been sold at foreclosure, there is a period of time either before or after the sale that permits the mortgagor to buy back, or redeem, the property. During that period of time, the mortgagor has full rights to remain at the property and their possessions must not be removed.

Ratification is a formal confirmation of the foreclosure sale. Once the sale occurs, the sale must be announced publicly by notice. This is usually done in the local newspapers, and for at least the minimum number of times required by law. Usually, notice is required once a week or three or four consecutive weeks. After the notice has been published, a motion is prepared with the notices attached and submitted to the court for ratification. Upon the granting of the motion, the sale is ratified. But it does not end there. In most areas, an eviction is required if the mortgagor refuses to leave the property. The eviction must include persons and personals, and the process varies widely. Finally, in some localities, the eviction process may run simultaneously with the ratification process; in others, it must follow. This means mortgagors and their personals may remain legally at the property anywhere from 10 days to one year. When in doubt, bid to store.

If contractors have questions on how to properly identify personal property, they should call their Regional Coordinator from site for guidance and be prepared to make the appropriate decision while providing adequate photo documentation to support their decision.

Personal/Financial Papers:

IMPORTANT: These types of papers and documents must be treated as personal property, regardless of quantity or condition. They include, but are not limited to:

Records, and certificates of any kind, including but not limited to:

- Birth
- Death
- Tax
- Military
- School including report cards, diplomas, school books, software, disks (hard or floppy)
- Health and insurance paperwork
- Business records
- Deeds, Liens, other legal papers
- Files and file folders
- Lockboxes and safes
- Mail of any kind

When in doubt, treat the item as a personal.

Where are these personals found?

File cabinets: In some instances, personal papers are housed in file cabinets. In that case, open all drawers and photograph the contents of each drawer. No matter what is in the cabinets, do not touch or remove the items at this time. Report the cabinet and the contents as personals.

Boxes: Sometimes personal papers are housed in boxes, with or without lids. Follow the above instructions for file cabinets.

Bags or other containers: Sometimes personal papers of the kinds described above may be found in vinyl bags, paper bags or other similar containers. Follow the above instructions for file cabinets

Loose/No container of any type: Personal papers may be loose and/or strewn about. Photograph them as found, do not touch or disturb the papers, and report as personals.

Storage requirements

These items require storage pursuant to state and local laws where the property is located. As outlined in your Vendor Manual, vendors are required to be familiar with state laws and local ordinances and requirements in the areas where you complete work. As an entrepreneur, it is wise to have an attorney with whom you can consult and from whom you can obtain guidelines. Remember that laws change and it is important that you have a resource of current information so that you are in compliance.

Please indicate "Personal/Financial Papers Present" on the update so that Northpro can properly update the Client, who will then need to notify mortgagor that these items are being held until a certain date.

Loose papers should be put in a manila envelope and placed in a kitchen drawer. The broker should be made aware and a note on the update to the client should be given. If there are no personals, then anything that we are describing on the attachment should be left neatly at the property. The broker should be made aware and a note on the update to the client should be given. If there are other personals at the property that needs to be bid/stored - then these items should be grouped into those personals.

After the storage time has expired, you must dispose of the property in accordance with local laws and regulations, or as otherwise instructed by Northpro.

Attention to this process is very important. With the ever-increasing cases of identity theft, it is in the best interest of the vendors to treat these documents with great sensitivity and proper handling in order to avoid litigation.

CYD Photo Documentation & Placards

Northpro has implemented a cubic yard (CYD) documentation process to bridge the gap between vendors estimates and Northpros internal review findings. Northpro also believes implementing this process will lead to more accurate invoicing and result in fewer adjusted invoices. Vendors are **required** to use placards to document the cubic yardage of debris in a particular location of a property. Vendors should write the name of the room and the number of cubic yards on a placard with a dry erase marker. In each photo that shows debris present in a room or location, a placard must be used to show how many cubic yards are present.

Vendors find the additional photo documentation has resulted in fewer adjustments and more internal control over their crews.

It is essential that Northpro receives photo documentation of your truck, trailer or container with the dimensions displayed, and photos of the placards in each room with debris.

Northpro will be implementing a \$50 billing penalty if the required photo documentation is not provided. The office will be monitoring compliance. Failure to provide the required information will result in reduced volume of work.

We have created a training session to ensure all vendors fully understand the requirements. Please review this training information and share it with your field and office staff.

Please click the following link to access the training session:

[CYD photo documentation and Placards](#)

Trashout Photos

- Take BEFORE photos of debris at the property. Show entire room with debris, not just small areas of the room.
- Take photos of debris AFTER removal to show debris has been cleared. Photos should be of same area and angle as BEFORE photos.
- Final photo should be of contractor's full truckload or full dumpster load.
- For personal property: must also include approximate value and bid to remove, store and dispose.
- If you are only removing health hazards, if possible, show the health hazards in a pile, and then removed.
- If the debris can cause a citation or you are trying to show personal property, (to support your recommending an eviction of personals) take photos to support.

Photos of trashouts must include before photos of debris at the property, and after photos of the same locations once the debris has been removed. Photos of debris loaded into the trailer are not acceptable as the only after photos.

Maid Services

Ensuring that a property is in marketable condition and appealing to buyers is of the utmost importance. Maid service must be done in a very thorough manner and inspected by the contractor upon completion. Below is a listing of the tasks involved in a thorough maid service cleaning.

- Clean all baseboards, doors, light-switch and outlet covers, light fixtures (including ceiling fans/blades), and heat and air vents/ducts. Remove any dirty non-washable window covers.
- Clear cobwebs from ceilings, walls, light fixtures, fans, windows, doors, entryways, porches, and walkways.
- Clean all kitchen and bathroom counter tops, cabinets, and drawers to remove dirt, smudges, grime,

and debris. Leave drawers and cabinets open until final inspection.

- Clean sinks and appliances (inside and out) throughout premises.
- Clean kitchens and bathrooms thoroughly, including all fixtures and surfaces (toilets, tubs, showers, mirrors, etc.), using a disinfectant cleaner (one that does NOT leave a residue) to remove dirt, grime, mildew, and odor.
- Clean toilets, toilet bowls, and surrounding areas thoroughly.
- Clean full-view glass doors at front and rear entries. Clean interior side of glass in windows to remove dirt, grime, fingerprints, tape, stickers, etc. Clean window ledges to remove dirt, smudges, cobwebs, dead insects, and grime.
- Broom sweep interior floors, wet mop vinyl floors, and vacuum carpeted floors and rugs to present neat appearance. Be sure to include stairs, closets, baseboards, and other similar areas.
- Place one (1) air freshener in every kitchen and one (1) in each bathroom; pine, lemon, or floral scents are acceptable.
- Broom sweep porches, garages or carports, and entries leading into property to present a neat appearance.
- Sweep out fireplaces and/or fireboxes to remove ashes or residue. Close damper.
- Pick up and properly dispose of ALL debris from interior, including miscellaneous trash on porches and in closets and cabinets.
- Remove all broken glass from any broken windows and board those windows.

Maid Service Contractor Checklist

The checklist link located below must be filled out by each crew performing initial services on REO properties and sent to Northpro.

All items must be initialed (or write N/A if a particular item is not applicable) and the form must be signed at the bottom. This is a required part of your work order, and it must be submitted via the Property Pres Wizard before we can close the order. Please also see the list of required maid service photos (separate text), which must be submitted before we can close the work order. All properties must pass the “white glove test.”

Maid Service Photos

We will keep the work order open if we do not receive all required photos. If you indicated on the maid services checklist that a particular item is not applicable, we will not require a photo of it. For example, if you note that there is no stove, we will not ask for a photo.

Marketability Order

In order to ensure the comprehensiveness of our service delivery to our REO clients, Northpro requires monthly marketability orders on all Cradle to Grave properties. New marketability orders are opened every 30 days after the completion of initial services or as directed by the client.

Work order instructions include but are not limited the following:

- Wipe down counters and cupboards
- Clean windows and window sills
- Clean all sinks, tubs and toilets
- Vacuum carpets
- Mop floors
- Address safety hazard issues

Vendors are also required to correct any of the following that may be needed and be prepared to do the work:

- Securing
- Debris Removal
- Shrubs
- Grass
- Emergency repairs

Marketability Order Photo Requirements

The following marketability photos are required:

All photos must have date stamps from the date of service

- * A minimum of 35 photos
- * Photo from the street facing the home/building
- * All interior and exterior spaces must be documented and compliant upon departure
- * Sweeping: before, during and after (show debris in dustpan)
- * Vacuuming of carpeted surfaces: before, during (someone using the vacuum) and after
- * Mopping: before (clean, soapy water), during (wet mop on floor) and after (wet floor)
- * Wiping of horizontal surfaces, including fan blades, baseboards a window sills, door frames and wall registers: before, during (wet rag on surfaces) and after
- * Before and after any other work completed
- * If no work was completed in a particular room, photos from opposite angles should be provided to show each area is in compliance

* Entire exterior of property: Front, rear and side photos should be from the property lines, facing the house and from the house facing the property lines

* If property is winterized:

- All toilets with evidence of anti-freeze
- Zip tie in tact

Light Bulb Replacement

In order to ensure that properties show well, it is imperative that all missing light bulbs are replaced.

Note: Vendors must replace any missing light bulb in fixtures if electricity is off. If electricity is on, ensure each socket has a working light bulb.

Please follow the instructions below when addressing light bulbs in REO properties:

If electricity is **off**:

- Replace any **missing** light bulbs

If electricity is **on**:

- Replace any **burnt out** light bulbs

***This policy applies only to fixtures that use standard, medium based light bulbs**

Lawn Maintenance

- Cut lawn to property edge up to a maximum of 1 acre and to a maximum height of 3 inches, or to requirements of local code, or consistent with adjacent/surrounding properties, unless otherwise instructed by Northpro Properties. All grass clippings must be removed from the lawn, sidewalks, steps, etc.
- Removal of leaves from the entire property
- Trim shrubs away from house, walkways, and entrances. Sweep or otherwise clear all paved surfaces. Edge all paved surfaces and trim around all trees, bushes, fences, foundations, and planting beds.

Lawn Maintenance Photos

- Photo from the street facing the home/building
- Provide exterior condition photos of all sides of the house. Include a photo with the address.
- Provide before, during and after photos of the front, rear, and side yards on every order. Front, rear and side photos should be from the front property line, facing the house. Rear photos are from the back property line facing the house

- During photos must contain edging activity, weed whacking, and a mower in the yard (front and back)
- After photos must contain a photo on all 4 sides of the house showing a ruler with the grass blade height no higher than 3" and photos of the wheel tracks on all 4 sides of the house.
- Before and after photos of weed removal from paved or landscaped areas.
- During photos of weed application to paved or landscaped areas where weeds were removed
- After photos showing that all paved areas are edged
- Provide photos of the fence lines, and foundations are free of tall grass and weeds
- Provide before, during, and after photos of any shrub trimming that is completed. If shrub trimming is not necessary, photos of shrubs must still be supplied
- Provide before, during and after photos to support leaf removal, including total bags removed. A final photo showing all bags removed is required.
- A minimum of 24 photos per property are required.

If you are bidding the grass cut, your photos must support the bid.

If a "for sale" sign needs to be moved to cut the grass, it must be replaced after the cut is completed.

Providing Bids

- All bids must be justified with photo documentation and complete descriptions of the work that must be performed.
- New photos must always be provided on work per bid completions

Quality Control Requirements

Taking time to ensure that we are fully addressing the needs of a property as they relate to the initial services is imperative. The result of spending an additional 15 - 30 minutes at each property to ensure all fixtures and rooms are cleaned properly as well as making sure we perform yard maintenance properly will result in increased client satisfaction. Cleaning a property without attention to details throughout does not achieve our client's objective to maintain a property's marketable condition, causing the value of the property to drop and extending the time it takes for the property to be sold. Ensuring that a detailed cleaning is completed on every property will ensure that the property is appealing to buyers bringing in the highest value and shortening the time it takes to sell the property. Field quality control must be implemented by ALL vendors to ensure 100% compliance on all REO properties

Northpro requires that the quality control forms provided below must be utilized. We recommend at a minimum all REO Contractors perform Quality Control on all crews performing REO services, all work order types (Initial Services - incl. winterizations, Work Per Bids, Marketability Orders, Grass Cuts) and ensure that 100% of REO properties have been reviewed every 30 days. 100% of initial service orders must be QC'd, while

10% of secondary/refresh orders must be QC'd. As Contractors find deficiencies, they must take the appropriate action to ensure deficiencies are corrected and do not reoccur. This process is to be documented as Field QC Representatives will be auditing these forms when they conduct their field visits with Vendors.

REO Quality Control Checklist

- This checklist **must** be used on each property on which REO initial services are completed by REO contractors.

[HTTP://WWW2.NORTHPROPERTIES.COM/PUB/QUALITYCONTROLCHECKLIST.PDF](http://www2.northproproperties.com/pub/qualitycontrolchecklist.pdf)

This document must be shared with your staff and crews to ensure 100% compliance with our requirements.

Service Quality Assurance (SQA) Department

Northpro's SQA group continues to focus its efforts on reviewing the inspection results of the QC Checklist. This team goes through every picture on deficient properties and opens up detailed follow-up work orders. Initially, those work codes will be SQAFU (1-3). The 1 through 3 scale indicates the level of severity; the quantity of these orders will be part of a vendor's reviews. We will also issue SQA follow up orders on recurrent services: snow, grass, and refresh orders. Please note, after a 30-day grace period, contractors will be charged back the cost of the inspection if there are deficiencies found on any of the above inspections.

REO vendors must comply with the above requirements and take these inspections (both after the initial services and every 30 days) very seriously. Make sure you have the right people and right mentality in place so you can distinguish your organization in this objective quality environment that we are creating. As this program evolves, and the database is built, those contractors that run consistent, high quality operations will separate themselves. Northpro will build its network around, and will allocate work to, contractors who perform quality work.

Corrective measures:

1. Time Frames:

- a. Probation program: Vendor will be placed on program when performance is less than 85% completed on time. Vendor will submit open order reports with estimated completion dates to their vendor performance analyst every Monday and Wednesday.

2. Quality

- a. Payment Penalty for deficiencies.
 - i. SQAFU1 - \$15
 - ii. SQAFU2 - \$30
 - iii. SQAFU3 - \$45

Updating Procedures

Updating our client as to when work is completed is one of Northpro's most important functions. It is extremely important that every completed work order is updated on a **DAILY** basis. Contractors are required to update each completed job daily. Updates can be provided on our Property Pres Wizard 24 hours a day, 7 days a week.

It is also required that all REO vendors use the status update feature on Property Pres Wizard to advise when properties are secured, winterized, trashed out, and when the grass is cut before providing the complete update with photos to Northpro.

- Updates must include the date the work was completed ("done" is not acceptable). The completion date is important. Our clients need the actual date work was completed in order to record deeds and quote figures for assumptions and reinstatements.
- Property condition reports must be filled out on the Property Pres Wizard for all work orders within 24 hours of completion.
- It is imperative that all updates contain complete information regarding all completed work
- Northpro requires 2 completed dates on REO Initial Service orders, the date the property was secured and the date the trashout was completed.
- Photo requirements for an Initial Service status report: A minimum of two photos per task completed
- Updates must always address damages. If there is no reference to damages on the update, the work order will remain open until that information is obtained. If damages are found, include a description and cause of damages as well as an eyeball estimate to repair.
- Advise of the completion of grass cuts using status updates
- Eyeball estimates are not bids to repair

Updating Work Orders - Property Pres Wizard

All contractors must update, invoice and send photos to Northpro via the Property Pres Wizard. To get started using this, please follow the steps below:

- Contact your recruiter to obtain a password.
- The office will create a password for you and this will be emailed to you along with the instructions on how to get started.
- If you have any questions regarding the Property Pres Wizard, please contact someone in the office.

It is the contractor's job to ensure all invoices are received within 24 hours of completion of the work order. Northpro Properties reserves the right to return invoices when not received within the proper timeframe. Due to the urgent nature of these orders, orders that are not completed and updated in full are subject to a tiered billing penalty charge.

Northpro reserves the right to return invoices unpaid when not received within the time frame.

Charge-Back Policy

When errors are made on the contractor's part or the contractor fails to follow applicable guidelines, it may be necessary to charge the work back to the contractor. Contractors are to work diligently so that charge backs are kept to a minimum. Notification of each charge back will be made to the contractor along with an explanation as to the reason for the charge back. If you have any questions regarding a charge back, please contact the office.

If a contractor performs/fails to perform in any way which causes Northpro additional charges or the inability to invoice the client, you agree that Northpro may issue a charge back to your account. The amount charged back will be:

- The amount that would have been invoiced to the client.
- Any additional cost which Northpro incurs to remedy the problem.

The following scenario is only an example of how Northpro's charge-back policy is used:

- Client "A" authorizes a grass cut for contract amount of \$50.00.
- Contractor "ABC" fails to perform the grass cut in a timely manner, causing the city to cite a violation on the property for \$200.00.
- Contractor "DEF" performs (overgrown) grass cut to remove the violation at a cost of \$100.00.

Click [here](#) for an example of the message a contractor should receive if a charge-back is to be applied:

Vendor Disputes

In the event you need to dispute an invoice adjustment or chargeback, please submit your dispute via email to disputes@northproproperties.com. A response will be provided within 2 to 3 weeks. Vendors have up to 90 days from the payment date to submit an invoice dispute. Requests will not be reviewed if past this timeframe. Invoice Disputes are used for disputing chargebacks, reduced payments, or denied payments.

For our new Vendors still in the credentialing stage:

If at any point you receive an invoice adjustment or a check and the amount does not match up you need to address this with your New Contractor Coordinator first. Do not email or call the person who sent you the message.

- Inquiries regarding payment discrepancies or inquiries regarding non-payment should be made after the 30 day payment policy has lapsed BUT no later than 60 days after you have invoiced Northpro.
- Payment inquiries made after 90 days will not be researched.
- Payment for billed work orders may take up to 45 days for payment to be processed

To avoid any adjustments make sure you are submitting the below when updating an order:

- Your photos are clear (not dark or blurry)
- You have submitted all photos to justify the work you have completed and are billing for

- Have all of your placard photos organized appropriately
- All checklists are in (Winterization, Maid Service, Occupancy Checklist, Bid repair Form, Safety Hazard Checklist, etc.)
- All information is detailed – if you need to report additional information it should be in the comments section.
- Your invoice is accurate (if it shows up as \$0.00 on the invoice – it is up to you to change the pricing per the REO pricing Model before you submit)

Firearms and Illegal Substances

If you encounter weapons/ammunition when performing work on a property, please contact your local law enforcement immediately to inquire how they would like you to handle the removal of these items. The process varies depending on the jurisdiction in which the property is located. Some areas require these items be removed by the authorities, other areas require we report the items to the client before storing them so there is record. Finally, other areas advise us to leave them in the home and we will in turn report the items to the client as personals. In all scenarios, it is required to report the contact name and phone number at the police department and to document the conversation with the authorities under the comments section.

Upon arriving at a property should you encounter law enforcement officials, reasonably cooperate with their requests and contact your Work Coordinator for further instruction.

Legal Complaints

Occasionally complaints may be received from mortgagors or neighbors of properties. Northpro maintains a neutral position by acting as an intermediary.

Northpro makes no judgments, gives no opinions, and makes no assumptions about any complaints received until a full investigation has been conducted.

It is important that contractors respond to the complaint within 24 hours to allow Northpro to provide updates to clients and complainants in a timely manner. The questions need to be answered as accurately and completely as possible and any additional comments can be added for clarification and explanation. The Legal Department would greatly appreciate contractors' written update to be sent via email and asks that contractors refrain from placing telephone calls or faxing updates to reduce delays and interruptions. If a contractor fails to reply to the request for information within the allotted time, checks for that week may be held until the information is received.

Any information contractors provide will be reviewed as part of Northpro's standard investigation of each and every claim that is made by a mortgagor, a client, or the local authorities. In the event that Northpro is contacted by a representative of the local authorities, we may provide the contractor's contact information to be contacted directly.

Once the write up is received, the order will be placed on hold until the Legal Department determines that an ample amount of time has passed with no activity. The Property Pres Wizard site may show that the order is listed under "invoice requested." Please ignore this, as no additional information is needed unless requested directly by the Legal Department.

There may be times when a contractor encounters a mortgagor, family member or visitor of the mortgagor, or a

neighbor while at a property. It is imperative that any and all interactions with a mortgagor, neighbor or any other person be relayed immediately via the contactor web. Interaction with anyone that is negative, threatening or confrontational should be communicated by phone directly to the Work Coordinator for immediate handling.

Contractor shall always notify Northpro of any damages done to the subject property, to the neighbor's property, or any other adjacent property, when performing work. Communication of this information should NEVER come first from the client via a complaint. By hearing about it from the contractor first, Northpro is able to proactively address the situation and resolve it to everyone's satisfaction.

Using Subcontractors

Northpro occasionally receives complaint calls from our vendors' subcontractors alleging they have not been paid for work performed. Whenever independent vendors engaged by Northpro Properties to perform work orders choose to utilize subcontractors to complete that work, it is imperative that they be prepared to resolve any payment disputes that may arise. Remember, the relationship with your subcontractors is your relationship and is independent of your relationship with Northpro. Northpro expects you to resolve any such disputes with subcontractors involving Northpro

In an effort to get paid for their services, these vendors may threaten to place liens on properties. Liening a property not only impacts our clients negatively but also any potential sale of the property thereby affecting the potential buyer of the home.

Should a lien threat be received, Northpro vendors will be contacted by a member of the Legal or Vendor Management Department to:

1. Confirm the relationship of the complainant to Northpro's vendor
2. Obtain any proof of payment to the complainant
3. If proof of payment is unavailable, Northpro's vendor will be required to issue payment to the complainant and provide proof to Northpro. Should Northpro's vendor refuse, funds could be held to pay the complainant directly.

Vacant Mobile / Manufactured Homes

When performing any maintenance work order on a mobile or a manufactured home and you are reporting it vacant, the VIN # must be obtained and provided on the update via the Property Pres Wizard. This information is critically important for our clients and we have committed to them that it will be provided on all vacant properties. Please review Mobile Home VINs and Condition Reports in the Appendix for further clarification on this issue:

Emergency Repairs

Report any hazardous, unsafe, or unsecure conditions at the property to Northpro by calling your work coordinator from site. If there is an emergency repair such as standing water in a basement or an active roof leak, call from site. Always advise on the specifics of the damages, such as location, dimensions of affected areas, bids to tarp and to repair/replace (roof damage) etc. If standing water is present, always advise if a sump pump is present. If mold damage exists, remember to report on dimensions of affected areas, provide a bid to

treat/clean, or a bid for a mold remediation specialist if necessary. We always need to know location, cause and size of all damages. Note that when updating, provide “eyeball estimates” only under the damages section. The only exception to this is with regard to roof bids. All other actual bids for damages, such as a bid to treat and clean mold, must be submitted under the “other bids” category. You have the option of providing just the eyeball estimates if you feel the scope of work required is beyond your capabilities.

Prior to leaving property, ensure that all windows and entry doors, including garage doors, are locked. Your compliance with these requirements is crucial to the success of Northpro and its clients in marketing REO properties quickly and efficiently. Should you have any questions regarding these requirements, please contact your REO work coordinator.

Property Stickers

Photos are required of all posted stickers. Stickers are to be placed on glass surfaces. Care should be taken as to not cover any vacancy stickers.

A photo MUST be taken of the posted Northpro sticker.

Do not place stickers on any wooden surface. They must be placed on glass only.

Do not cover the vacancy sticker that has been left by Northpro field inspectors. These stickers are dated and the date needs to remain visible.

Appendix

Quality of Interior Cleaning

Maid service and the interior condition of the home directly relates to the highest return and value of the property. The age and condition of the home should have no bearing on the level of effort put into cleaning it. Even properties that have been left in good condition should receive high quality maid service in order to make the property exceptional. Likewise, the effort put forth on properties in need of extensive maid services should also be exceptional. Kitchens and bathrooms need serious attention to detail and will either attract or deter a potential buyer.

Photo documentation of the completion of maid services should always provide an accurate representation of the condition of the property.

Photos showing cleaning products on site as well as mops with clean and then used water are required in addition the before/during and after photos currently required for this service. It is not acceptable to provide during photos only showing a cloth on the fixture being addressed. Instead, photos should justify that cleaning

solution is on the fixture either by an action shot or the appearance of a wet surface.

Examples of both acceptable and unacceptable photos are below:



This photo only shows a paper towel and is not acceptable.



Instead, showing areas being cleaned so the solution used is visible on the surface and the bottle can be seen in the picture.



Photos showing a mop bucket with dirty water as part of a “during” photo documentation should be included as well as “during” photos showing the floors being cleaned.

If the initial services are done properly, including a thorough maid service, the property will remain in marketable condition with only the monthly maid refreshes having to be ordered.

Quality of Exterior Services

The key concern regarding exterior services is level of detail on lawn maintenance services. Issues such as missed edging, weed removal and shrub trimming are areas in which vendors need to focus additional detail. Avoiding the "mow and go" completion of landscape services needs to be the number one priority as the condition of the exterior relates to the curb appeal and the interest in the home. DO NOT forget to address rear yards, and vendors should never remove portions of a fence to create access for a riding mower without replacing the fence

If a Home Owners Association (HOA) is not keeping up with the maintenance of a property, vendors need to advise Northpro accordingly. Shrub trimming and removal of vines from properties is the vendor’s responsibility. Northpro’s Field QC team will continue to review the work by Landscape only companies to ensure it is in line with the quality required.

Photo examples illustrating yard maintenance concerns are below.



The quality of the grass cut is poor and no edging was completed on this property as required.



Clippings from both the shrub trimming and the grass cut were left at this property.

Mobile Home VINs and Condition Reports

When a property has been identified as a mobile home and vacant, the initial secure update must provide the following information:

- Year, make, model number, serial number/vehicle identification number (VIN), and HUD registration tags
- Is the property permanently affixed to the foundation?
- Have the tongue, wheels, and axles been removed?

We are required to provide our clients with the serial or VIN number. This number is critical information for our clients to have, as this will allow our clients to review if the land and unit are titled correctly before conveying it to HUD/FNMA/FHLMC.

Mobile homes will have the serial number or VIN placed at more than one location. The serial number or VIN could be inside the mobile home in a kitchen or utility cabinet, by the electrical circuit breaker box, under the tongue, on the tongue, underneath the mobile home, or on a plate near the front or back door. If the data plates that are supposed to be inside the unit have been removed, the serial number or VIN can be located on the tow bar/hitch or frame front cross member of each transportable section. Usually it is cold stamped directly onto the outside of a steel crossbeam that is part of the main undercarriage frame.

If you are unable to locate a VIN for any reason, call SPI from site. Otherwise, orders that are updated without identification numbers and the attached report will remain open and incomplete. We understand that this is additional work that you must perform and appreciate your continued cooperation.

Status Report Instructions

How to Create Status Reports

From your Property Pres Wizard – In the Job notes section of PPW, enter the estimated date of start and completion as soon as you are assigned the work order. The same day you arrive at the property put an updated completion date if your initial completion date has changed. Update the completion date as soon as you have any delays. You must upload at least 2 photos showing that the property is secured, grass cut complete, winterization complete, and trashout/ maid service is complete. Failure to status properly will result in reassignment of order and chargeback/ rush fees.

Example of a chargeback message a contractor should receive if a chargeback is to be applied:

This letter is to inform you that a chargeback has been issued on this file.

You were previously advised that a chargeback may become necessary and additional information was requested of you but you did not provide the necessary information.

Northpro does not want to chargeback any work to its contractors. However, as you are aware, all work must be performed in accordance Investor/Insurer guidelines, the instructions stated on the work order, and MUST include the before and after photos of work performed.

Northpro cannot get paid by its clients if the work is not performed according to guidelines or the photos are not provided.

Northpro strongly encourages you to contact your work coordinator to review how work must be completed and the photo documentation that must be provided. Northpro offers this service to its contractors in an effort to help them avoid having chargebacks issued. You can contact your work coordinator at (800) 852-8306.

The charge-back on this file was issued because:

CHARGEBACK REASONS ARE LISTED HERE:

The contractor will be charged-back in the following manner: \$

50= The amount that Northpro could not invoice the client.

\$200= The amount Northpro incurred due to the city violation.

\$ 50= The cost Northpro incurred to have "DEF" perform the grass cut.

\$300= Total amount charged-back to contractor.

Thank you for your attention to this matter.

Stickers

ATTENTION AGENTS, CONTRACTORS, INSPECTORS

Please note that this property has been winterized. No utilities should be turned on without a walk-through inspection of the property to ensure that all faucets and valves are in the off position. Prior to turning on the electricity, you need to ensure the breaker for the hot water tank is in the "off" position. Failure to complete a thorough walk-through of the home may result in damage to the property.

BE SURE TO CHECK ON THE FOLLOWING:

- ✓ Utilities on and functioning properly?
- ✓ Sump pump plugged in and operable?
- ✓ Breakers off (except breaker for sump pump, if applicable)?
- ✓ Faucets/spigots off, including exterior spigots?
- ✓ Stove and oven turned off?
- ✓ Lights turned off?
- ✓ Any other issues that require attention, including damages?

If you have any questions, please call Safeguard Properties, Inc. at 800-852-8306. Thank you

Atencion, los Agentes, los Contratistas, los Inspectores

Por favor nota que esta propiedad ha sido acondicionada para el invierno. Ningunas utilidades deben ser prendidas sin una inspección de camino a través de la propiedad para asegurar que todas las llaves y las válvulas están en el posición "pagado". Antes de prender la electricidad, debe asegurar que el cachón para la sistema caliente esté en el posición "pagado". El fracaso para completar un camino a completo del hogar puede tener como resultado daño a la propiedad.

ESTÉ SEGURO VERIFICAR EN LO SIGUIENTE:

- ✓ Las Utilidades puesto y funcionando apropiadamente?
- ✓ La bomba del sumidero conectó y funcionando apropiadamente?
- ✓ Los Cachones P lejos (menos cachón para la bomba de sumidero, si aplicable)?
- ✓ Las Llaves lejos, inclusive llaves exteriores?
- ✓ La Cocina y el horno apegaron?
- ✓ Enciende apagó?
- ✓ Cualquier otros asuntos que requieren atención, inclusive daños?

Si tiene cualquier pregunta, por favor llama Safeguard Properties, Inc. en 800-852-8306. Gracias

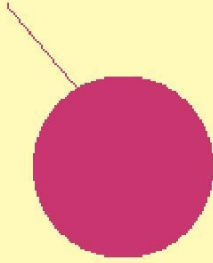


- Please leave breakers in their current position except for items winterized. Make sure those breakers are in the "OFF" position.
- Do not turn on water without completing a walk-through inspection
- Do not connect electricity or gas to the hot water tank
- Do not use the sinks or toilets
- On ___/___/___ this property was noted to have a citation/violation posted.

If the property is no longer secure or to report a problem, contact:
Safeguard Properties toll-free at **855-563-9154**. **SP-818/01-13**
Please have the property address, city/state, and zip code information ready

- Deja por favor cachones en su posición actual menos artículos acondicionados para el invierno. Asegúrese de que esos cachones están en el posición "Pagado"
- No prenda la agua sin completar una inspección de camino a través
- No conecta la electricidad ni la gas a la sistema caliente
- No utilice los fregaderos ni los baños
- En ___/___/___ que esta propiedad fue notada para tener una citación/infracción anunciada.

Si la propiedad ya no esta segura o relatar un problema, poner en contacto:
Safeguard Properties sin costo alguno **855-563-9154**.
Por favor tengas la dirección de propiedad, el ciudad/estado, o información de código postal lista.



The property located at (La propiedad ubicada en)

has been found to be vacant. Safeguard Properties, on behalf of the mortgage company, will be maintaining the property to ensure it does not sustain any additional damages. The property has been secured and placed on a monthly maintenance schedule.

We understand vacant properties may become unsecure or emergency situations may occur. We are providing you with the number below as a point of contact for issues that need to be immediately addressed.

Please contact us if this property becomes unsecure or in the case of an emergency.

When calling, please have the full address and zip code of the property so that we can efficiently assist you.

Thank you for helping us "Safeguard" our client's interests.

REO Customer Service **877-340-5510**

ha sido encontrada ser vacío. Safeguard Properties, a favor de la Sociedad Hipotecaria, mantendrán que la propiedad para asegurar que no sostenga ningún daño adicional. La propiedad ha sido asegurada y ha sido colocada en un horario mensual de mantenimiento.

Comprendemos propiedades que vacías pueden llegar a ser situaciones de estar sin seguridad o emergencia puede ocurrir. Le proporcionamos con el número abajo como un neo de unión para asuntos que necesitan para ser dirigidos inmediatamente.

Contáctenos por favor si esta propiedad llega a ser sin seguridad o en el caso de una emergencia.

Al llamar, tiene por favor la dirección y el código postal llenos de la propiedad para que nosotros eficientemente le podamos ayudar.

Gracias por ayudarnos "Safeguardamos" los intereses de nuestro cliente.

877-340-5510 De Servicio de Atención al Cliente de REO

WINTERIZED

WARNING: A winterization was performed at this property pursuant to a work order issued by your mortgage company. The sole purpose of a winterization is to prevent damage from freezing pipes. The winterization completed at this property was a system shut-down only; the plumbing system was not tested for damage or leaks. This procedure is not a warranty or security of any kind with respect to the HVAC, plumbing, or any other mechanical systems at this property. The plumbing system should be winterized by a licensed contractor or plumber before the water is turned back on, to assure that the system is operational.

ACONDICIONADO PARA EL INVIERNO

LA ADVERTENCIA: Un acondicionado para el invierno fue realizado en esta propiedad según una orden de trabajo publicada por la sociedad hipotecaria. El único propósito de un Acondicionado para el invierno es de prevenir daño de tuberías heladas. El Acondicionado para el invierno completado en esta propiedad fue un cierre de sistema sólo. El sistema de plomería no fue probado para el daño de filtraciones. Esta procedimiento no es una garantía ni la garantía de cualquier tipo con respecto al HVAC, sistema de plomería, el cualquier otro sistemas mecánicos en esta propiedad. El acondicionado para el invierno de la sistema que se hizo a la plomería debe ser inventado por un contratista o el plomero licenciados antes que el agua sea devuelto en, para asegurarse de que el sistema es operacional.

Winterized by (Acondicionado para el invierno por)

NAME (NOMBRE)

DATE (FECHA)

SAFEGUARD PROPERTIES WINTERIZATION TAG 877-340-5510
(SAFEGUARD PROPERTIES ACORDONADA PARA EL INVIERNO ETIQUETA)