

# BAILEE LETTER

**Loan No.:**

**(Insert Name of your Company)**

BAILEE LETTER

Date:

Investor Name: Flanagan State Bank

Investor Address: 333 Chicago Road

Investor City, State, Zip: Paw Paw, IL 61353

**Borrower:** \_\_\_\_\_

**Co-Borrower:** \_\_\_\_\_

(Insert Name of your Company) hereby conditionally tenders to you as bailee and agent for (Insert Name of your Company) the notes and related complete files for mortgage loans on the attached schedule. This letter shall apply to and govern each mortgage originated by (Insert Name of your Company) pursuant to warehousing accommodations delivered to you by (Insert Name of your Company). If you do not, upon receipt of the Mortgage Note, immediately return the Mortgage Note attached to this Bailee Letter you, your successors, assigns or any other party deemed to be acting on your behalf shall be considered to have accepted the terms of this bailment.

Your further agree, except as stated herein, to not take action to sell, transfer, encumber or endorse same without obtaining the prior consent of (Insert Name of your Company). The rights and security interest of Flanagan State Bank in the Mortgage Note shall continue until final payment in good funds to purchase such Mortgage Loan has been made by Flanagan State Bank and accepted by (Insert Name of your Company). Title to the Mortgage Note shall pass to Flanagan State Bank only after (Insert Name of your Company) has received proper remittance for the Mortgage Note as per the following wire transfer instruction. You have the option to purchase the mortgage loans within 10 days from this date on condition that you wire the proceeds of said purchase to:

ABA # (insert your account info here)

Account# (insert your account info here)

Upon receipt of proceeds by (Insert Name of your Company), we agree that the conditions of delivery will have been satisfied and that you will be discharged of further obligation to us as bailee and agent for (Insert Name of your Company) as to said note.

(Insert Name of your Company) has purchased or holds a perfected security interest in the mortgage loan and delivers the mortgage loans to you in bailment but does not assume or agree to perform any obligation to you or does it make any warranty to you, except as expressly state herein.

# BAILEE LETTER

Unless and until you buy and pay for the loan, (Insert Name of your Company) shall retain full ownership thereof or retain its perfect security interest therein and you shall hold possession of each loan and the documentation evidencing the same as agent and bailee for and on behalf of (Insert Name of your Company).

This letter is also to set forth the conditions to the release of our interest in such loan. Upon confirmed transmittal by wire to the account referenced above in the amount of \$ (insert correct loan amount and remove red color and these instructions) any security interest, claim, lien, encumbrance or other related interest, which we have in such note, the note representing such loan, and the mortgage securing such note, will be released, terminated and discharged without further action. We will have no further claim with respect to such loan, note and mortgage from and after such wiring.

If payment by Flanagan State Bank of the Purchase Price for the Mortgage Note, delivered to you and under this Bailee Letter in which (Insert Name of your Company) has a security interest, is not made to (Insert Name of your Company) within ten business days of the delivery of the Mortgage Note and other pertinent loan documentation, the Mortgage Note and other pertinent loan documentation shall be returned to (Insert Name of your Company). In the even this loan is unacceptable to you or if you fail to complete purchase and payment within 90 days, you as bailee and agent must return such mortgage loan and its file to:

(originating banks address)

Sincerely,

(Insert Name of your Company)

By: \_\_\_\_\_

Name: Hans Solo

Title: Owner

## Acknowledgement

Flanagan State Bank hereby acknowledges receipt of the foregoing notice it is bailee for the (Insert Name of your Company) in respect of the promissory note, executed by Flanagan State Bank and payable to the order of our endorsed by its payee to be payable to the order of (Insert Name of your Company), and which has been endorsed by (Insert Name of your Company). We are not accepting the loan for which we were originally agreeing to purchase and are today faxing a copy of the executed and property endorsed note to (Insert Name of your Company) and mailing the original.