

Exhibit “A”

West Orange Housing Rehabilitation Program

Application for WOHRP Mortgage Subordination

Last Name <u>Lauterhahn</u>	First Name <u>Anne</u>	Street Address <u>142 Watson Ave</u>	Phone # <u>973-518-1631</u>
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Current Appraisal of Home

Appraiser & Contact Person <u>Porter Place Appraisals</u> <u>Joshua Spiegel</u>	Phone # <u>973-954-8020</u>	Date <u>12-31-15</u>	Current Appraised Value <u>255,000</u>
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Current Mortgage

Current Mortgage Holder	Contact & Phone #	Date & Initial Amount of Mortgage	Interest Rate	Years at Signing	Current Principal Balance	Current Monthly Interest and Principal Payment
<u>Chase</u>	<u>1-800-848-9136</u>	<u>7/2/2010</u> <u>155,522.00</u>	<u>5%</u>	<u>30</u>	<u>141,604.41</u>	<u>1,551.76</u>

Proposed Mortgage

Proposed Mortgage Holder	Contact & Phone #	Proposed Amount of Mortgage	Proposed Interest Rate	Proposed Years at Signing	Proposed Mortgage Closing Date	Proposed Monthly Interest and Principal Payment
<u>Fortren Funding</u>	<u>Shawn Koren</u> <u>610-751-9040</u>	<u>173,992</u>	<u>4.00%</u>	<u>30</u>	<u>2/24/16</u>	<u>830.66</u>

For Township Use Only

Proposed Mortgage Loan Principal as % of Current Valuation	<u>67.059%</u>	
Taxes paid current ☒	Date <u>2/28/16</u>	Signed <u>[Signature]</u>
Township Inspection - No Code Violations ☒	Date <u>2/24/16</u>	Signed <u>[Signature]</u>
Township Attorney Approval	Date	Signed
Inspection Fee \$50 Paid <u>CC # 1950</u>	Date <u>2/12/16</u>	Signed <u>[Signature]</u>
Processing Fee \$100 Paid <u>CC # 2041</u>	Date <u>2/12/16</u>	Signed <u>[Signature]</u>

Return this application and attachments to:

West Orange Dept of Planning & Devt
66 Main St., 2nd Fl
West Orange, NJ 07052

Documents to be returned with application

1. Current Appraisal ☒
2. Mortgage Commitment ☒
3. Subordination documents ☒
4. Check for Inspection Fee ☒
5. Check for Processing Fee ☒

If proceeds of new mortgage loan are to exceed current principal balance, please attach explanation of proposed use of the proceeds.

For Inquiries: 973-325-4110

Mar-03

All of the information in this application and attachments is true to the best of my knowledge. I recognize that willfull presentation of inaccurate or misleading information may lead to default on my West Orange Housing Rehabilitation Program Loan and possible prosecution by West Orange Township.

Anne Lauterhahn
Signature

2-7-16
Date

RECEIVED
PLANNING AND
DEVELOPMENT
DEPT.
2016 MAR 17 AM 0:46

FORTREN FUNDING LLC.70 S. ORANGE AVE. STE. 106
LIVINGSTON, NEW JERSEY 07039**citibank**CITIBANK, N.A. BR. #819
EZ CHECKING
PARSIPPANY, NJ
55-7265-212EZ Check® Check Fraud
Protection for Business

2/17/2016

PAY TO THE
ORDER OF

West Orange Department of Planning + Development

\$ 100.00

One Hundred

DOLLAR

MEMO

Lauterbach



AUTHORIZED SIGNATURE

⑈00204⑈ ⑆021272655⑆ 759565648⑈

FORTREN FUNDING LLC.70 S. ORANGE AVE. STE. 106
LIVINGSTON, NEW JERSEY 07039**citibank**CITIBANK, N.A. BR. #819
EZ CHECKING
PARSIPPANY, NJ
55-7265-212EZ Check® Check Fraud
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PAY TO THE
ORDER OF

West Orange Department of Planning + Development

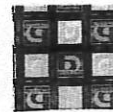
\$ 50.00

Fifty

DOLLARS

MEMO

Lauterbach



AUTHORIZED SIGNATURE

⑈001950⑈ ⑆021272655⑆ 759565648⑈



TOWNSHIP OF WEST ORANGE

66 MAIN STREET, WEST ORANGE, N.J. 07052

Department of Planning and Development

ROBERT D. PARISI
Mayor

JOANNE CARLUCCI
Administrative Clerk

Tel: (973) 325-4110
Fax: (973) 325-6359
Email: planning@westorange.org

MEMORANDUM

TO: Michael Grandusky
Property Maintenance Inspector

FROM: Joanne Carlucci

DATE: February 19, 2016

Subject: Inspection of Property for Subordination of Mortgage
(WOHRP)

Please contact the following homeowner(s) to schedule an inspection of their property:

Anne Lauterhahn
142 Watson Avenue
973-518-1631

This inspection is required as part of the application process to subordinate a mortgage they have with the Township under the WOHRP. Upon completion of the inspection please forward a written report of your findings to the homeowner and a copy to me.

Thank you for your assistance.

JFC
cc: WOHRP File

F:\COAH\HIP\Correspondence\Township Inspection Req 01-16 142 Watson Ave.wpd



AN EQUAL OPPORTUNITY EMPLOYER
www.westorange.org



TOWNSHIP OF WEST ORANGE

66 MAIN STREET, WEST ORANGE, N.J. 07052

Department of Planning and Development

ROBERT D. PARISI

Mayor

Tel: (973) 325-4200

Fax: (973) 325-3959

Email: mgrandusky@westorange.org

MICHAEL GRANDUSKY

Code Enforcement Officer

February 24, 2016

**Anne Lauterhahn
142 Watson Avenue
West Orange NJ 07052
973-518-1631**

Dear Mrs. Lauterhahn,

Re: Inspection of 142 Watson Avenue for Subordination of Mortgage

The Above address has no violation.

Sincerely,

Michael Grandusky
Property maintenance
Inspector

cc: Joanne Carlucci



AN EQUAL OPPORTUNITY EMPLOYER

www.westorange.org

West Orange Twp.Subordination Cover Letter

To Whom It May Concern,

Below is all of the pertinent information you requested.

A) Borrower Information:

Anne Lauterhahn
142 Watson Ave, West Orange NJ
Borrower's SSN: 152-80-3085

B) Loan Amount:\$173,992

C) Mortgage Company Information:

Fortren Funding, LLC
ISAOA
70 S Orange Ave, Suite 106
Livingston, NJ 07039

D) Loans to Payoff/Subordinate

Requesting to subordinate the West Orange Twp. loan mentioned above and pay off their first position mortgage with Chase.

E) Contact information for requestor:

Aneta Gurzynska
Fortren Funding LLC
855-693-3832 ext.1060 – Phone

973-695-1637 Fax
e-mail: agurzynska@fortren.com

F) Mailing Address:

as above

SUBORDINATION OF MORTGAGE

This Subordination is made on _____, 20____,

Between the Mortgage Holder(s), **Township of West Orange**, whose address is:

referred to as "I,"

and the New Lender(s), **FORTREN FUNDING, LLC**, whose address is: 70 South Orange Ave., Suite 106, Livingston, NJ 07039

referred to as "You."

If there is more than one Mortgage Holder, the word "I" shall mean "We."

1. Present Mortgage. I hold a mortgage (referred to as the "present mortgage"). The present mortgage is dated October 21, 2011, and was made by **Patricia Lauterhan and Ann Lauterhan** to **Township of West Orange**

I also hold the note, bond or other agreement for payment that is secured by the present mortgage. The present mortgage covers property located in the Township of West Orange in the County of Essex, State of New Jersey. This present mortgage was recorded on March 9, 2012, in the Clerk's Office of the County of Essex, State of New Jersey, in **Mortgage Book 12356**, at **page 4555**. The original amount of the present mortgage was \$ 40,000.00.

2. New Mortgage. You are about to make a loan in the principal amount not to exceed \$ 173,992.00, which will be secured by a mortgage (referred to as the "new mortgage") covering the same property as the present mortgage.

3. Postponement. The present mortgage will be subject, subordinate and inferior in priority to the new mortgage. This includes all renewals and extensions of the new mortgage. I have been paid \$ _____ for making this Postponement.

4. Continuing Effect. This Postponement changes only the priority of the present mortgage. The present mortgage remains in effect in all other respects.

5. Who is Bound. This Postponement is binding upon me and all who succeed to my rights as holder of the present mortgage.

6. Signatures. I agree to this Postponement. If this Postponement is made by a corporation, its proper corporate officers sign and its corporate seal is affixed.

Attested by:

Township of West Orange

By _____ (Seal)
Its duly authorized officer or agent

STATE OF _____, COUNTY OF _____, ss.:

I CERTIFY that on _____, 20____,

_____,

personally came before me and stated to my satisfaction that this person (or if more than one, each person):

- (a) was the maker of the attached instrument;
- (b) was authorized to and did execute this instrument as _____ (title)
of **Township of West Orange**, the entity named in this instrument; and,
- (c) executed this instrument as the act of the entity named in this instrument.

(Print name and title below signature)

RECORD AND RETURN TO:
I Abstract & Title Agency, LLC
513 White Horse Pike
Haddon Heights, NJ 08035

Welcome, Brett Shapiro

Loan

1st Loan Id 1000033995
Loan Status Conditional Approval

Loan **APPROVE**
Eligibility

Lock Status Float

Lock
Expires

Credit
Expires

Est. Closing 03/07/2016
Date

Underwriter Information

Underwriter Shahima Shaheem

Tel 877-855-7493

Fax

Email shahima.shaheem@resmac.us

Account Manager Information

Account
Manager

Tel

Fax

Email

Originator Information

Channel NDCorrespondent
Type

Company Fortren Funding LLC

Doing
Business As

Mortgage Information

1st Loan Product 200-FHA 30 Year

1st Loan Rate 4.000

1st Loan Amount 173,992

Loan Purpose Refinance

Purpose of Refinance Cash-Out/Debt
Consolidation

Cash Out 1,440.72

Doc Type Full Doc

Total Loan Amount 173,992

Property Value 255,000

LTV 68.23

CLTV 68.23

DTI 57.78%

MI Type

1st Loan Prepayment No
Penalty

1st Loan Interest Only No

1st Loan Waive Escrow No

Credit

Credit Score 662

AUS Underwriting Tool 101

Credit Grade

Most Recent
Foreclosure Filed

Last Chapter 7
Discharged

Last Chapter 11 Filed

TPO/Branch 20587
Number

Originator Shaun Koren
Name

Tel 855-693-3832

Fax

Email shaun@resmac.com

Loan Aneta Gurzynska
Processor

Tel 855-693-3832

Fax

Email agurzynska@fortren.com

Loan Jeri Jeter
Facilitator

Tel 866-322-4123

Fax

Email Investordelivery@loandocsmail.com

Borrower(s)

Borrower Lauterhahn, Anne

SSN 152-80-3085

Property

Address 142 Watson Avenue

City West Orange

State NJ

Zip Code 07052

Occupancy Owner Occupied

Units 2

Property Detached
Type

Expenses

Present

Proposed

Last Chapter 13 Filed

Monthly Income

Base Income 2,803.00

Other Income 0.00

Positive Rental Income 825.00
for Subject Property

Positive Rental Income 0.00
for other Properties

Total Income 3,628.00

Liabilities

Monthly Liabilities 6.00

Negative Rental 0.00
Income for Subject
Property

Negative Rental 0.00
Income for other
Properties

Total Monthly 6.00
Liabilities

Assets

Total Liquid Assets 0.00

Rent	0.00	0.00
First Mortgage (P&I)	834.88	830.67
Other Financing (P&I)	0.00	0.00
Hazard Insurance	84.42	85.00
Real Estate Taxes	518.12	585.00
Mortgage Insurance	114.34	113.09
HOA Dues	0.00	0.00
Other	0.00	0.00
Total	1,551.76	1,613.76

Submission Guidelines

Registration Confirmation - Conditions For Submission

Prior to Documents

Credit Conditions

1. Originator to provide a soft-pull credit report dated no more than 15 calendar days prior to the closing date. Any changes must be reviewed by the underwriter and further conditions may apply. Please be sure the borrower provides a Letter of Explanation for any new inquiries appearing on the soft-pull.
2. loan to fund prior to credit report expiration date of 3.1.16
3. Credit supplement rating first mtg through January 1st payment
4. signed LOE for credit inquiries within 120 days
5. loan to fund prior to payoff demand expiration date of 3.1.16

Employment and Income Conditions

1. Loan must fund prior to the expiration of the income documentation. Income documentation expires on (2.13.16).
2. Updated paystub
3. No W-2's provided for Essex county. Underwriter noted W-2 for Immaculate Conception High School for over \$30,000. Per 1003 this is a second job that is earning only \$438 a month. Update names and employment information to match income docs. Information is not clear. If affiliated processor cert to explain

Property Conditions

1. 1004D with repairs confirmed as completed for installation of door and siding as indicated per appraisal.
2. loan to fund prior to appraisal expiration date of 3.31.16
3. loan to fund prior to title report expiration date of 2.18.16
4. updated title policy with mortgage loan amount updated
5. updated closing protection letter

Compliance Conditions

1. Provide Homeowner's Insurance declarations page or satisfactory evidence of insurance indicating sufficient coverage and proper mortgagee clause.

Prior to Funds

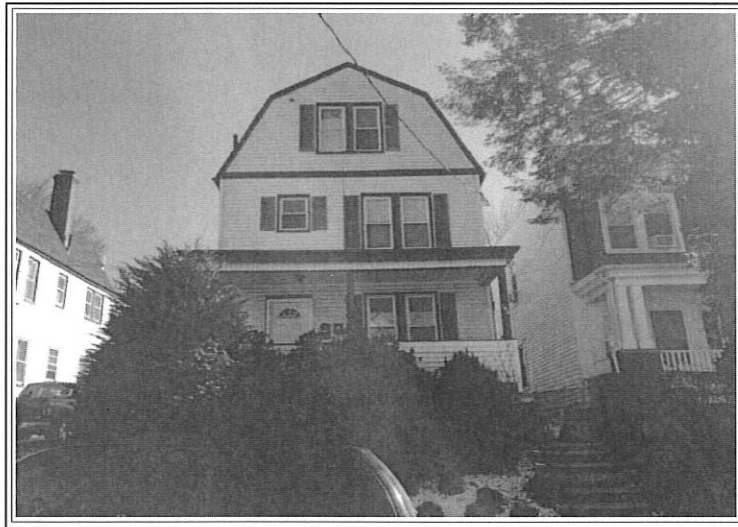
1. Tax Info Sheet (if due within 60 days of closing must be collected or proof paid in full)
2. ResMac to confirm the payoff of the following debts at closing: payoff first mtg with chase and the following debts: lending club act51836133 \$13965, chase card act464018209462 \$4715, TD Bank act438216067 \$1002 and Chase card act426684141176 \$822.
3. ResMac to confirm maximum cash to close does not exceed: -0-
4. Provide Life of Loan Flood Certification. Page 2, must be executed by the borrower(s), at minimum, 1 day prior to closing.
5. Provide Initial package consisting of: Loan Estimate, 1003, Borrowers Intent to Proceed, and Service Providers List.
6. Proper rescission notice was given (cannot include Sundays or holidays)
7. Payment Letter (does not exceed UW approval Payment amount)

8. Originator to complete a verbal verification of employment on each borrower no more than 10 days prior to closing. Self Employed borrowers VVOE requires third party documentation within 30 days of note.
9. Occupancy Affidavit - matches approval occupancy type
10. MISC Executed closing documents
11. Loan is approved with a PITI payment of \$1613.75. Any change must be reviewed and approved by the UW.
12. Loan is approved at a loan amount of \$173,992 with an interest rate of 4.00 percent. Any change to the loan amount or the interest rate must be reviewed by the UW. Loan may not close with any variance to the loan amount or interest rate.
13. Insurance must be paid if due within 60 days of closing
14. HMPL/High Cost/QM/Section 32/Freddie & Fannie test results
15. Final 1003 signed by LO
16. Executed Settlement Statement
17. Executed Same Name Affidavit
18. Executed Notice of Right to Cancel (all parties on Security Instrument)
19. Executed Note and Allonge/endorsement
20. Executed Final Loan Application
21. Executed Deed of Trust/Mortgage with Riders and legal description
22. Correspondent to send final QM findings indicating Safe Harbor.
23. Complete executed closing package (as per stacking order on website)
24. Amortization Schedule
25. Property is located in NJ. If originator is charging a commitment fee, a fully executed Commitment Letter is required from the lender.

Porter Place Appraisals
Appraisal Report

FHA#352-8528143
File No. 11-16

APPRAISAL OF



A Two Family Dwelling - Final Inspection

LOCATED AT:

142 Watson Ave
West Orange, NJ 07052

FOR:

Fortren Funding
70 South Orange Ave-Suite 106
Livingston, NJ 07039

BORROWER:

Anne M Lauterhahn

AS OF:

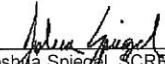
January 19, 2016

BY:

Joshua Spiegel, SCRREA

Appraisal Update and/or Completion Report

File No. 11-16

The purpose of this report form is to provide the lender/client with an accurate update of an appraisal and/or to report a certification of completion. The appraiser must identify the service(s) provided by selecting the appropriate report type.			
Property Address 142 Watson Ave		Unit #	
City West Orange	State NJ	Zip Code 07052	
Legal Description Block 122 / Lot 51		County Essex	
Borrower Anne M Lauterhahn	Contract Price \$	Date of Contract	Effective Date of Original Appraisal 12/31/2015
Property Rights Appraised	☒ Fee Simple ☐ Leasehold ☐ Other (describe)	Original Appraised Value \$ 255,000	
Original Appraiser Joshua Spiegel, SCREA		Company Name Porter Place Appraisals	
Original Lender/Client Fortren Funding		Address 70 South Orange Ave-Suite 106, Livingston, NJ 07039	
SUMMARY APPRAISAL UPDATE REPORT			
INTENDED USE: The intended use of this appraisal update is for the lender/client to evaluate the property that is the subject of this report to determine if the property has declined in value since the date of the original appraisal for a mortgage finance transaction.			
INTENDED USER: The intended user of this appraisal update is the lender/client.			
SCOPE OF WORK: The appraiser must, at a minimum: (1) concur with the original appraisal, (2) perform an exterior inspection of the subject property from at least the street, and (3) research, verify, and analyze current market data in order to determine if the property has declined in value since the effective date of the original appraisal.			
HAS THE MARKET VALUE OF THE SUBJECT PROPERTY DECLINED SINCE THE EFFECTIVE DATE OF THE PRIOR APPRAISAL? ☐ Yes ☐ No			
APPRAISER'S CERTIFICATION: The appraiser certifies and agrees that: - I have, at a minimum, developed and reported this appraisal update in accordance with the scope of work requirements stated in this appraisal update report and concur with the analysis and conclusions in the original appraisal. - I performed this appraisal update in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal update was prepared. - I have updated the appraisal by incorporating the original appraisal report. - I have summarized my analysis and conclusions in this appraisal update and retained all supporting data in my work file.			
SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that: - I directly supervised the appraiser for this appraisal update assignment, have read the appraisal update report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification. - I accept full responsibility for the contents of this appraisal update report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.			
CERTIFICATION OF COMPLETION			
INTENDED USE: The intended use of this certification of completion is for the lender/client to confirm that the requirements or conditions stated in the appraisal report referenced above have been met.			
INTENDED USER: The intended user of this certification of completion is the lender/client.			
HAVE THE IMPROVEMENTS BEEN COMPLETED IN ACCORDANCE WITH THE REQUIREMENTS AND CONDITIONS STATED IN THE ORIGINAL APPRAISAL REPORT? ☒ Yes ☐ No If No, describe any impact on the opinion of market value. All conditions as stated in the original appraisal report have been satisfied, including; the Subject's 2nd floor door has been installed with an adequate security lock and missing areas of siding have been repaired. See attached photographs. No additional conditions or inspections required. See attached addendum.			
APPRAISER'S CERTIFICATION: I certify that I have performed a visual inspection of the subject property to determine if the conditions or requirements stated in the original appraisal have been satisfied.			
SUPERVISORY APPRAISER'S CERTIFICATION: I accept full responsibility for this certification of completion.			
SIGNATURES			
ADDITIONAL CERTIFICATION: I/we certify that if this report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this report containing a copy or representation of my signature, the report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.			
APPRAISER		SUPERVISORY APPRAISER (ONLY IF REQUIRED)	
Signature 		Signature _____	
Name Joshua Spiegel, SCREA		Name _____	
Company Name Porter Place Appraisals		Company Name _____	
Company Address 21 Hawthorne Court		Company Address _____	
Morristown, NJ 07960		_____	
Telephone Number 973-954-8020		Telephone Number _____	
Date of Signature and Report 01/19/2016		Date of Signature _____	
Effective Date of Appraisal Update _____		State Certification # _____	
Date of Inspection 01/19/2016		or State License # _____	
State Certification # 42RC00192200		State _____	
or State License # _____		Expiration Date of Certification or License _____	
or Other (describe) _____ State # _____			
State NJ			
Expiration Date of Certification or License 12/31/2015			
CURRENT LENDER/CLIENT		SUPERVISORY APPRAISER	
Name On Point Appraisers, Inc.		☐ Did not inspect subject property	
Company Name Fortren Funding		☐ Did inspect exterior of subject property from street	
Company Address 70 South Orange Ave-Suite 106		Date of Inspection _____	
Livingston, NJ 07039		☐ Did inspect interior and exterior of subject property	
		Date of Inspection _____	

ADDENDUM

Borrower: Anne M Lauterhahn		File No.: 11-16
Property Address: 142 Watson Ave		Case No.: FHA#352-8528143
City: West Orange	State: NJ	Zip: 07052
Lender: Fortren Funding		

Completion Status of Requirements and Conditions of Original Appraisal

FHA Compliance:

A representative sample of light switches, electrical sockets, plumbing fixtures and HVAC systems were operated satisfactorily during inspection; any items of concern have been addressed in this report.

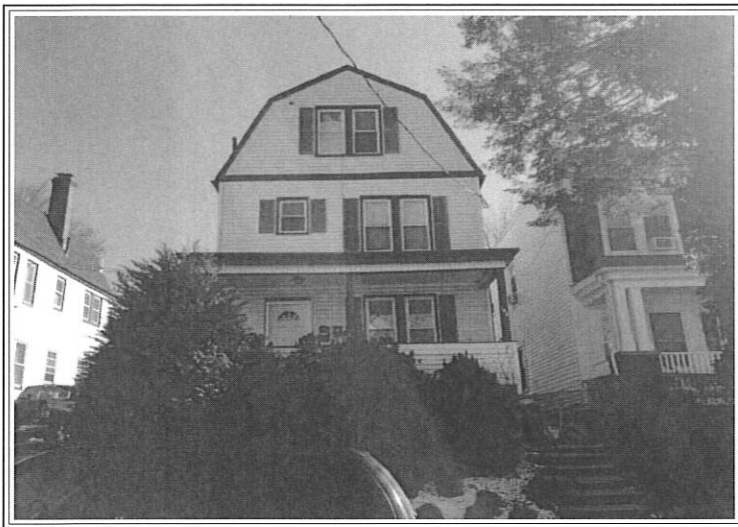
This physical inspection and report have been conducted in compliance with all FHA reporting guidelines, and the subject property currently meets or exceeds HUD minimum property standards as defined by the Federal Housing Authority and the Department of Housing and Urban Development (HUD Handbook references 4000.1).

The Subject is in compliance with HUD minimum property standards.

All utilities were on and working.

SUBJECT PROPERTY PHOTO ADDENDUM

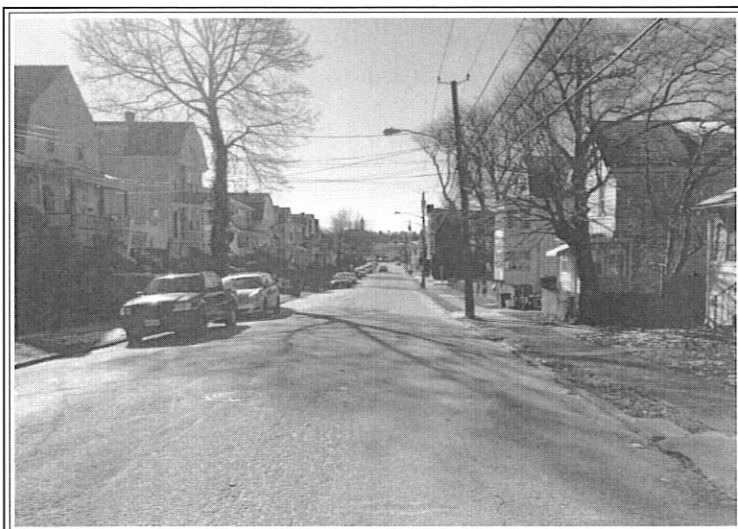
Borrower: Anne M Lauterhahn	File No.: 11-16
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ
Lender: Fortren Funding	Zip: 07052



FRONT VIEW OF
SUBJECT PROPERTY



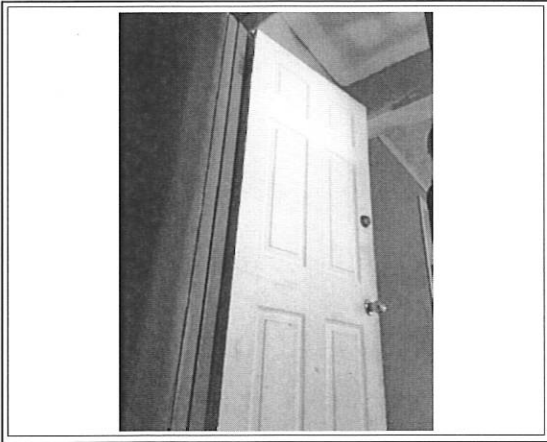
REAR VIEW OF
SUBJECT PROPERTY



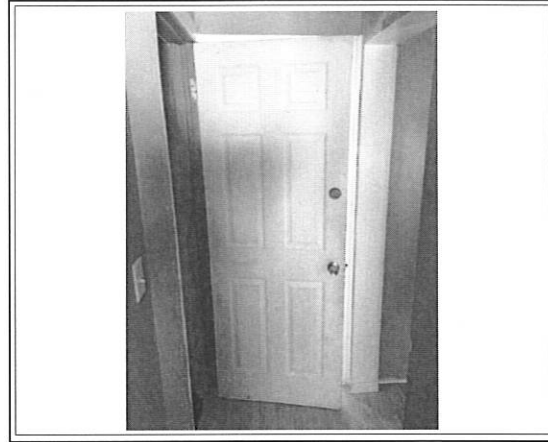
STREET SCENE

Subject Photographs

Borrower: Anne M Lauterhahn	File No.: 11-16
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ
Lender: Fortren Funding	Zip: 07052



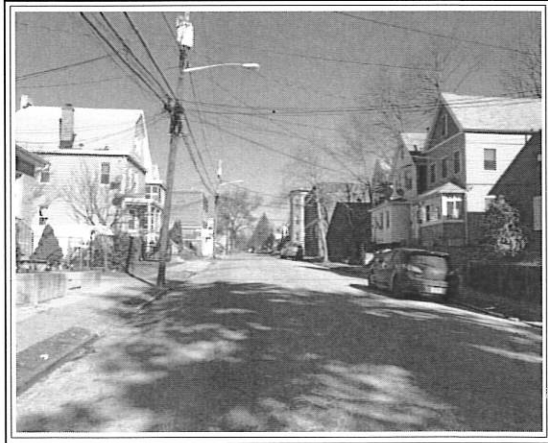
2nd Floor Door with Dead-bolt installed.



2nd Floor Door with Dead-bolt installed.



Rear siding repaired.



Alternate street view.

Appraiser's Certification

Borrower: Anne M. Lauterhahn
Property Address: 142 Watson Ave
City: West Orange
Lender: Fortren Funding

File No.: 11-16
Case No.: FHA#352-8528143
State: NJ
Zip: 07052

BACKGROUND AND MULTIPLE SECURITY FEATURES. PLEASE VERIFY AUTHENTICITY.

**State Of New Jersey
New Jersey Office of the Attorney General
Division of Consumer Affairs**

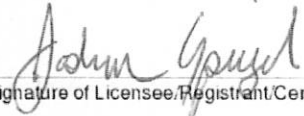
THIS IS TO CERTIFY THAT THE
Real Estate Appraisers Board

HAS CERTIFIED

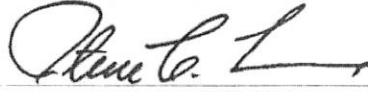
Joshua D. Spiegel
21 Hawthorne Ct
Morristown, NJ 07960

FOR PRACTICE IN NEW JERSEY AS A(N): Cert Residential Appraiser

12/28/2015 TO 12/31/2017
VALID


Signature of Licensee/Registrant/Certificate Holder

42RC00192200
LICENSE/REGISTRATION/CERTIFICATION #


ACTING DIRECTOR

Borrower: Anne M. Lauterhahn
 Property Address: 142 Watson Ave
 City: West Orange
 Lender: Fortren Funding

File No.: 11-16
 Case No.: FHA#352-8528143
 State: NJ
 Zip: 07052



301 E. Fourth Street, Cincinnati, OH 45202

DECLARATIONS
 for
**REAL ESTATE APPRAISERS
 LIABILITY INSURANCE POLICY**

THIS IS BOTH A CLAIMS MADE AND REPORTED INSURANCE POLICY.

**THIS POLICY APPLIES TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED
 AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD.**

Insurance is afforded by the company indicated below: (A capital stock corporation)

☒ Great American Assurance Company

Note: The Insurance Company selected above shall herein be referred to as the Company.

Policy Number: **RAP4115816-15**

Renewal of:

Program Administrator: **Herbert H. Landy Insurance Agency Inc.
 75 Second Ave Suite 410 Needham, MA 02494-2876**

Item 1. Named Insured: **Joshua Spiegel**

Item 2. Mailing Address: **21 Hawthorne Court**
 City, State, Zip Code: **Morristown, NJ 07960**

Item 3. Policy Period: From **02/08/2015** To **02/08/2016**
 (Month, Day, Year) (Month, Day, Year)
 (Both dates at 12:01 a.m. Standard Time at the address of the Named Insured as stated in Item 2.)

Item 4. Limits of Liability:

- A. \$ **500,000** Damages Limit of Liability - Each Claim
 B. \$ **500,000** Claim Expenses Limit of Liability - Each Claim
 C. \$ **1,000,000** Damages Limit of Liability - Policy Aggregate
 D. \$ **1,000,000** Claim Expenses Limit of Liability - Policy Aggregate

Item 5. Deductible (Inclusive of Claim Expenses):

- A. \$ **500** Each Claim
 B. \$ **1,000** Aggregate

Item 6. Premium: \$ **573.00** Additional 0.9% NJ Guaranty Fund Surcharge \$5.16

Item 7. Retroactive Date (if applicable): **09/28/2006**

Item 8. Forms, Notices and Endorsements attached:

**D42100 (05/13) D42300 NJ (05/13)
 D42402 (05/13) D42408 (05/13)**

B. J. A. Ferguson
 Authorized Representative

D42100 (05/13)

Page 1 of 1

Appraiser Independence Certification

File No.: 11-16

Borrower:	Anne M Lauterhahn		
Property Address:	142 Watson Ave		
City:	West Orange	County:	Essex
		State:	NJ
Lender/Client:	Fortren Funding		
		Zip Code:	07052

I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- I am currently licensed and/or certified by the state in which the property to be appraised is located. My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.
- I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.

I assert that no employee, director, officer, or agent of the Lender/Client, or any other third party acting as joint venture partner, independent contractor, appraisal company, appraisal management company, or partner on behalf of the Lender/Client, influenced or attempted to influence the development, reporting, result, or review of the appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that the Lender/Client has never participated in any of the following prohibited behavior in our business relationship:

1. Withholding or threatening to withhold timely payment or partial payment for the appraisal report;
2. Withholding or threatening to withhold future business, or demoting or terminating, or threatening to demote or terminate my services;
3. Expressly or implicitly promising future business, promotions, or increased compensation for my services;
4. Conditioning the ordering of the appraisal report or the payment of the appraisal fee or salary or bonus on my opinion, conclusion or valuation reached, or on a preliminary value estimate requested;
5. Requesting an estimated, predetermined, or desired valuation in the appraisal report, prior to the completion of the appraisal report, or requesting estimated values or comparable sales at any time prior to the completion of the appraisal report;
6. Providing an anticipated, estimated, encouraged or desired value for the subject property, or a proposed or target amount to be loaned to the Borrower, except that a copy of the sales contract may have been provided if the assignment was for a purchase transaction;
7. Providing stock or other financial or non-financial benefits to me or any entity or person related to me, my appraisal or appraisal management company, if applicable;
8. Any other act or practice that impairs or attempts to impair my independence, objectivity or impartiality, or violates law or regulation, including but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the Uniform Standards of Professional Appraisal Practice (USPAP).

Additional Comments: The appraiser performed a full appraisal assignment on the subject property effective 12/31/2015 (\$255,000)..

APPRAISER:

SUPERVISORY APPRAISER (only if required):

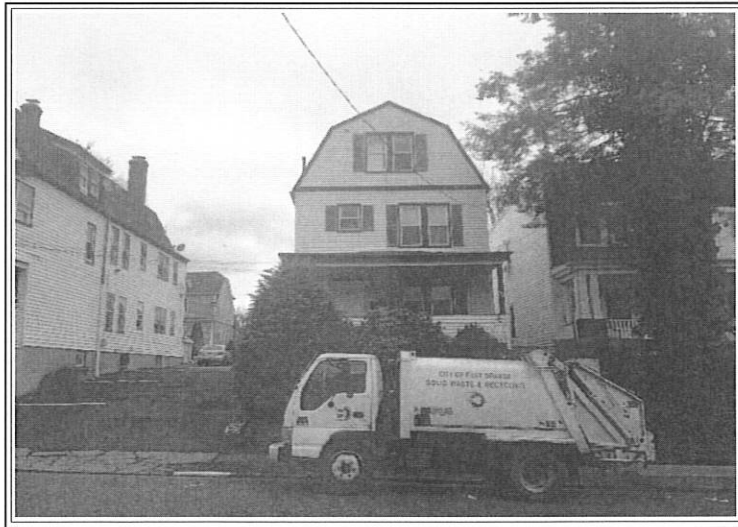
Signature: 
 Name: Joshua Spiegel, SCRREA
 Date Signed: 01/19/2016
 State Certification #: 42RC00192200
 or State License #: _____
 or Other (describe): _____ State #: _____
 State: NJ
 Expiration Date of Certification or License: 12/31/2015

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

Porter Place Appraisals
Appraisal Report

FHA#352-8528143
File No. 323-15

APPRAISAL OF



A Two - Family Dwelling

LOCATED AT:

142 Watson Ave
West Orange, NJ 07052

FOR:

Fortren Funding
70 South Orange Ave-Suite 106
Livingston, NJ 07039

BORROWER:

Anne M Lauterhahn

AS OF:

December 31, 2015

BY:

Joshua Spiegel, SCRREA

Porter Place Appraisals
Appraisal Report

FHA#352-8528143
File No. 323-15

On Point Appraisers, Inc.
Fortren Funding
70 South Orange Ave-Suite 106
Livingston, NJ 07039

File Number: 323-15

In accordance with your request, I have appraised the real property at:

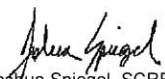
142 Watson Ave
West Orange, NJ 07052

The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of December 31, 2015 is:

\$255,000
Two Hundred Fifty-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.


Joshua Spiegel, SCRREA

Appraisal Report

FHA#352-8528143

Small Residential Income Property Appraisal Report

File No. 323-15

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.																																																																																																																																																																																																																																																																																																																																																																																																																													
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☐ Finished ☐ Heated	Individual	☒ Other None			☐ Other		Alt.	☐ Det. ☐ Built-in																																																																																																																																																																																																																																																																																																																																																																																																																					
# of Appliances	Refrigerator 2	Range/Oven 2	Dishwasher	Disposal	Microwave	Washer/Dryer 1	Other (describe)	Fan / Hood																																																																																																																																																																																																																																																																																																																																																																																																																					
Unit # 1 contains:	4 Rooms	1 Bedroom(s)	1 Bath(s)	760	Square feet of Gross Living Area																																																																																																																																																																																																																																																																																																																																																																																																																								
Unit # 2 contains:	6 Rooms	3 Bedroom(s)	1.1 Bath(s)	1,124	Square feet of Gross Living Area																																																																																																																																																																																																																																																																																																																																																																																																																								
Unit # 3 contains:	Rooms	Bedroom(s)	Bath(s)		Square feet of Gross Living Area																																																																																																																																																																																																																																																																																																																																																																																																																								
Unit # 4 contains:	Rooms	Bedroom(s)	Bath(s)		Square feet of Gross Living Area																																																																																																																																																																																																																																																																																																																																																																																																																								
Additional features (special energy efficient items, etc.). The subject property has typical energy efficient items for dwelling of the subject's age including storm windows.																																																																																																																																																																																																																																																																																																																																																																																																																													
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). **See Attached Addendum**																																																																																																																																																																																																																																																																																																																																																																																																																													

Small Residential Income Property Appraisal Report

FHA#352-8528143

File No. 323-15

IMPROVEMENTS	Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe <u>No adverse conditions noted at the time of inspection; however, the appraiser is not a licensed contractor or home inspector and cannot attest to the overall soundness or structural integrity of the subject other than what is visible to the naked eye during the course of a routine inspection.</u>														
	Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe <u>The subject property conforms to the neighborhood in terms of style, condition and overall market appeal.</u>														
	Is the property subject to rent control? ☐ Yes ☒ No If Yes, describe _____														
	The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.														
COMPARABLE RENTAL DATA	FEATURE		SUBJECT		COMPARABLE RENTAL NO. 1			COMPARABLE RENTAL NO. 2			COMPARABLE RENTAL NO. 3				
	142 Watson Ave				75 Watson Ave			55 Liberty St			14 Glennon Pl				
	Address West Orange, NJ 07052				West Orange, NJ 07052			West Orange, NJ 07052			West Orange, NJ 07052				
	Proximity to Subject				0.17 miles NE			0.28 miles SW			0.35 miles SW				
	Current Monthly Rent		\$ 2,700		\$ 2,900			\$ 2,900			\$ 2,400				
	Rent/Gross Bldg. Area		\$ 1.43 sq. ft.		\$ 1.48 sq. ft.			\$ 1.47 sq. ft.			\$ 1.53 sq. ft.				
	Rent Control		☐ Yes ☒ No		☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☒ No				
	Data Source(s)		Interior		Ext. Insp. / MLS#3202645			Ext. Insp. / MLS#3151439			Ext. Insp. / MLS#3202645				
	Date of Lease(s)		Mon.to Mon.		Mon.to Mon.			Mon.to Mon.			Mon.to Mon.				
	Location		Res. / Avg.		Res. / Avg.			Res. / Avg.			Res. / Avg.				
	Actual Age		90		60			105			85				
	Condition		Average		Updated			Average			Average				
	Gross Building Area		1,884		1,964			1,974			1,564				
	SUBJECT RENT SCHEDULE	Unit Breakdown		Rm Count		Size		Monthly Rent		Rm Count		Size		Monthly Rent	
				Tot Br Ba		Sq. Ft.				Tot Br Ba		Sq. Ft.			
Unit # 1		4 1 1		760		\$ 1,600		5 2 1.0		974		\$ 1,300			
Unit # 2		6 3 1.1		1124		\$ 1,300		6 3 1.0		1000		\$ 1,600			
Unit # 3						\$						\$			
Unit # 4						\$						\$			
Utilities Included		All utilities are separate		All utilities are separate				All utilities are separate				All utilities are separate			
Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.)															
All three rental comparables are similarly styled 2 family dwellings in average condition. Rental averages will be considered in establishing the subject's estimated rents with the market recognizing a rental income of like style units at \$2,700 per month.															
Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.															
PRIOR SALE HISTORY	Leases		Actual Rents		Opinion Of Market Rent		Total Rents		Per Unit		Total Rents				
	Unit #		Begin Date		End Date		Unfurnished		Furnished		Unfurnished				
	1		Owner		Occupied		\$ 0.00		\$ 0.00		\$ 1,100.00				
	2		Owner		Occupied		0.00		0.00		1,600.00				
	3														
	4														
	Comment on lease data		Copies of lease agreements were not made available to the appraiser.		Total Actual Monthly Rent		\$ 0.00		Total Gross Monthly Rent		\$ 2,700.00				
					Other Monthly Income (itemize)		\$ 0.00		Other Monthly Income (itemize)		\$ 0.00				
					Total Actual Monthly Income		\$ 0.00		Total Estimated Monthly Income		\$ 2,700.00				
Utilities included in estimated rents ☐ Electric ☒ Water ☒ Sewer ☐ Gas ☐ Oil ☐ Cable ☒ Trash collection ☐ Other (describe)															
Comments on actual or estimated rents and other monthly income (including personal property) <u>Demands for rentals in the area are strong and are expected to continue. Consideration has been given to both the cost per room and the cost per square foot indicators. Above information is market extracted and exhibits the actual and potential rental income for the subject. Current monthly rent estimated for the subject in the comparable rental data section above based on both units tenant occupied.</u>															
I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain <u>The appraiser researched and noted the sales / transfer history of the subject property and the comparable sales.</u>															
My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.															
Data source(s) <u>New Jersey Tax Records / Garden State MLS (5 Year History Noted)</u>															
My research ☒ did ☐ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.															
Data source(s) <u>New Jersey Tax Records / Garden State MLS (3 Year History Noted)</u>															
Report the results of the research and analysis of the prior sale history of the subject property and comparable sales (report additional prior sales on page 4).															
ITEM		SUBJECT		COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3							
Date of Prior Sale/Transfer										06/09/2014					
Price of Prior Sale/Transfer										10					
Data Source(s)		NJ Tax Records		NJ Tax Records		NJ Tax Records		NJ Tax Records		NJ Tax Records					
Effective Date of Data Source(s)		12/31/2015		12/31/2015		12/31/2015		12/31/2015		12/31/2015					
Analysis of prior sale history for the subject property and comparable sales <u>Subject not sold in the last 36 months. No additional listings of subject in the last 12 months. No additional sales / listings of comparables other than as stated above in the 12 months prior to their most recent sale per MLS / NJ Tax Records.</u>															
The most recent transfer of the subject property occurred on 07/02/2010 for \$169,000 (non-arms length).															

Small Residential Income Property Appraisal Report

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There are 5 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 250,000 to \$ 325,000	
There are 10 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 240,000 to \$ 310,000	
FEATURE	SUBJECT
142 Watson Ave	75 Watson Ave
Address: West Orange, NJ 07052	West Orange, NJ 07052
Proximity to Subject	0.17 miles NE
Sale Price	\$ 295,000
Sale Price/Gross Bldg. Area	\$ 135.35 sq. ft.
Gross Monthly Rent	\$ 2,700
Gross Rent Multiplier	94.44
Price Per Unit	\$ 127,500
Price Per Room	\$ 25,500
Price Per Bedroom	\$ 63,750
Rent Control	☐ Yes ☒ No
Data Source(s)	Ext. Insp. / MLS#3202645
Verification Source(s)	NJ Tax Records
VALUE ADJUSTMENTS	DESCRIPTION
Sale or Financing	Conv/DOM-64
Concessions	None Known
Date of Sale/Time	s07/15c05/15
Location	Res. / Avg.
Leasehold/Fee Simple	Fee Simple
Site	2500 sf
View	Res. / Avg.
Design (Style)	2 Family
Quality of Construction	Average
Actual Age	89
Condition	Average
Gross Building Area	1,884
Unit Breakdown	Total Bdrms. Baths
Unit # 1	4 1 1.0
Unit # 2	6 3 1.1
Unit # 3	
Unit # 4	
Basement Description	Yes / Full
Basement Finished Rooms	Unfinished
Functional Utility	Average
Heating/Cooling	HW Rad No AC
Energy Efficient Items	Modern
Parking On/Off Site	None
Porch/Patio/Deck	Deck-Porch
Additional Amenity	Standard
Additional Amenity	Standard
Upgrades	Standard
Net Adjustment (Total)	☐ + ☒ - \$ 27,500
Adjusted Sale Price of Comparables	Net Adj. -9.3 % Gross Adj. 16.1 % \$ 267,500
Adj. Price Per Unit (Adj. SP Comp / # of Comp Units)	\$ 133,750
Adj. Price Per Room (Adj. SP Comp / # of Comp Rooms)	\$ 26,750
Adj. Price Per Bdrm. (Adj. SP Comp / # of Comp Bedrooms)	\$ 53,500
Value Per Unit	\$ 127,500 X 2 Units = \$ 255,000
Value Per Rm.	\$ 25,500 X 10 Rooms = \$ 255,000
Summary of Sales Comparison Approach including reconciliation of the above indicators of value.	
Indicated Value by Sales Comparison Approach \$ 255,000	
Total gross monthly rent \$ 2,700 X gross rent multiplier (GRM) 94.45 = \$255,015 Indicated value by the Income Approach	
Comments on income approach including reconciliation of the GRM Income Approach given least weight due to owner occupied units.	
Indicated Value by: Sales Comparison Analysis \$ 255,000 Income Approach \$255,015 Cost Approach (if developed) \$ 256,581	
Greatest weight given to the Sales Comparison Approach as it best reflects market reaction for this type of dwelling; Cost Approach supportive of indicated market value; Income Approach given least weight due to owner occupied units.	
This appraisal is made ☐ as is, ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☒ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: This appraisal is made "subject to" completion of items stated within this report; a Final Inspection is required.	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 255,000 as of 12/31/2015, which is the date of inspection and the effective date of this appraisal.	

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Clarification of Intended Use and Intended User:

The Intended User of this appraisal report is the Lender/Client & FHA/HUD. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

Notice to reviewer:

The appraiser notes that the multiple listing service utilized and resulting comparable sales information has revealed that much of the data indicated for room counts and usage is consistently being reported inaccurately. The appraiser has relied on a combination of MLS reporting data, tax data, appraiser's files, broker inquiries and external inspections to most accurately describe the comparables utilized in this report. The reviewer should not solely rely on MLS data which is known to be inaccurate in many cases.

Those items not visible to the appraiser are estimated to be in average condition. The appraiser reserves the right to amend this report should any adverse conditions be made known which would adversely affect the value conclusion and statements contained in this report. A home inspection is highly recommended.

Furthermore the appraiser reserves the right at any time to amend this report and the subsequently reported value if new and pertinent information is discovered or if the sales information provided can not be proven, that could change or compromise the integrity of this report. The appraiser reserves the ultimate right to rescind the established value or increase same if it is prudent to do so.

Appraiser's Signature:

The appraiser/s (this includes all appraisers with signatures vested within this report) have signed this report using digital technology, which has been appropriately password protected. The appraiser/s mentioned within this report do certify that the signature/s marked on this report is / are original signature/s which has been reproduced electronically.

Cost Approach has only been developed by the appraiser as an analysis to support their opinion of the property's market value. Use of this data, in whole or part, for other purposes is not intended by the appraiser. Nothing set forth in the appraisal should be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the subject property. The appraiser assumes no liability for and does not guarantee that any insurable value estimate inferred from this report will result in the subject property being fully insured for any loss that may be sustained. Further, the cost approach may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Land sales are limited; greatest weight placed on the abstraction method. Land to Value Ratio typically exceeds 30%; said condition is typical of the area and has no adverse affect on the future marketability of same.

ESTIMATED	☐ REPRODUCTION OR	☒ REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	75,000					
Source of cost data	Marshall & Swift		Dwelling	1,884 Sq. Ft. @ \$	100.00	= \$	188,400			
Quality rating from cost service	Average		Effective date of cost data	2015		Bsmt: 760 Sq. Ft. @ \$	40.00	= \$	30,400	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			Improvements			5,000				
(See Attached Sketch Addendum)			Garage/Carport			Sq. Ft. @ \$	0			
G.L.A. 1,884 Sq. Ft.			Total Estimate of Cost-New			223,800				
Cost Approach is derived from and supported by			Less	75 Physical	Functional	External				
			Depreciation	52,219			= \$ (	52,219)		
Marshall & Swift Residential Cost Estimator. Land to Value Ratio			Depreciated Cost of Improvements			= \$	171,581			
is typical within this market place.			"As-is" Value of Site Improvements			= \$	10,000			
Estimated Remaining Economic Life (HUD and VA only)			60 Years			INDICATED VALUE BY COST APPROACH			= \$	256,581

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of an existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s)

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

Small Residential Income Property Appraisal Report

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

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22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature 
 Name Joshua Spiegel / SCRREA
 Company Name Porter Place Appraisals
 Company Address 21 Hawthorne Court
Morristown, NJ 07960
 Telephone Number 973-954-8020
 Email Address jspiegel99@gmail.com
 Date of Signature and Report 12/31/2015
 Effective Date of Appraisal 12/31/2015
 State Certification # 42RC00192200
 or State License # _____
 or Other (describe) _____ State # _____
 State NJ
 Expiration Date of Certification or License 12/31/2015

ADDRESS OF PROPERTY APPRAISED

142 Watson Ave
West Orange, NJ 07052

APPRAISED VALUE OF SUBJECT PROPERTY \$ 255,000

LENDER/CLIENT

Name On Point Appraisers, Inc.
 Company Name Forten Funding
 Company Address 70 South Orange Ave-Suite 106
Livingston, NJ 07039
 Email Address orders@onpointappraisers.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
 Date of Inspection _____
☐ Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
 Date of Inspection _____

FHA#352-8528143

File No. 323-15

Fannie Mae Form 1025 March 2003
1025_05 000900

ADDENDUM

Borrower: Anne M. Lauterhahn	File No.: 323-15
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ Zip: 07052
Lender: Fortren Funding	

Exposure Time is defined as:

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.
Definition Source: USPAP 2012 Statement 6.

Exposure time is always presumed to precede the effective date of the appraisal. It is the estimated length of time the property would have been offered on the market, prior to the hypothetical sale, at the appraised value, on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market. This includes not only adequate, sufficient and reasonable time, but adequate, sufficient and reasonable effort. It is often expressed as a range and is based on the following:

1. Statistical information about DOM (most commonly obtained from the local MLS).
2. Information gathered through sales verification.
3. Interviews with market participants.

Based upon historical market conditions, reasonable exposure time for the subject property would have been approximately 60 to 120 days. This is based on the analysis of current market trends within the subject's sub-market, seasonal considerations and takes into account the size, condition and price range of the subject property and surrounding area.

Predominant Value Comments:

The 2-4-Unit housing price description in the "Neighborhood" section of this report states the low to high range of values found within the subject's established neighborhood boundaries; this price range reflects all closed 2-4 family sales within 12 months of the effective date of this appraisal with no consideration given to age, condition, size, layout, amenity or market appeal. Predominant Value simply estimates the most frequently occurring sold price.

The subject's estimated market value is based solely on the specific improvements attributable to the dwelling itself; any relationship to the predominant value has no bearing on this appraisal report.

The subject property is not an under / over improvement for the neighborhood.

Zoning Compliance

Legal non-conforming lot size is typical for the area, and is considered common within this market; no adverse affect on value or future marketability for the subject.

The subject dwelling may be rebuilt in it's current form if destroyed in excess of 50%, however, a variance may be required.

Variances are typically granted in such cases, and are done so at the sole discretion of the municipality.

This information has been provided by the municipal zoning officer; please note that the township will not definitively grant permission, hypothetically, either verbally or in writing, and each property is individually evaluated on a case by case basis at the time of application.

If additional information is needed, it is recommended that a request be made to the municipality in writing.

Condition of the Property

The Subject is a legal 2 Family Dwelling; the current owner (borrower) is using it as a Single Family Dwelling (owner occupied on all levels). This has no impact on the Subject's permitted legal use, as both units satisfy minimum requirements for legal dwelling units.

The subject shows signs of wear & tear typically associated with dwellings of the subject's age that have been moderately maintained; mostly cosmetic in nature. Areas of concern include worn surfaces; overall cosmetics and the following physical-curable deferred maintenance:

- 1) Self Contained Units- the Subject's 2nd floor is missing a door, which does not provide adequate security between units.

Installation of a door with adequate security (locks) is required.

- 2) Siding- vinyl siding (or similar) is missing from portions around the rear door of the dwelling; plywood & framing are visible and appear to be exposed to the elements (wind, rain, snow, vermin, etc...). This may lead to accelerated physical depreciation and develop into a more systemic issue.

Repair / replacement of missing areas of siding is required.

This Appraisal is made Subject-to repair / replacement of the items noted above.

A Final Inspection is required.

Physical condition is consistent with overall effective age.

Those areas not visible to the appraiser during the course of a routine inspection are deemed to be in average condition.

Amenities include a covered porch, rear deck and unfinished basement. The Subject's basement includes a full bathroom which is in a state of total disrepair and unsuitable for its intended use; no contributory value given.

Note: Public Records state the Subject's GLA at 1,472sf, however, personal measurements result in GLA of 1,704 sf. This discrepancy can be accounted for in the Subject's 3rd floor living area; as per old MLS listings of the Subject (1997) this area appears to have been unfinished (attic) and, therefore, not included in GLA. In its current setup, the Appraiser deems this area to be living area as part of Unit 2 and contains 2 bedrooms and a full bathroom. See sketch and photographs for details.

ADDENDUM

Borrower: Anne M Lauterhahn		File No.: 323-15
Property Address: 142 Watson Ave		Case No.: FHA#352-8528143
City: West Orange	State: NJ	Zip: 07052
Lender: Fortren Funding		

FHA Compliance:

A representative sample of light switches, electrical sockets, plumbing fixtures and HVAC systems were operated satisfactorily during inspection; any items of concern have been addressed in this report.

This physical inspection and report have been conducted in compliance with all FHA reporting guidelines, and the subject property does not currently meet or exceed HUD minimum property standards as defined by the Federal Housing Authority and the Department of Housing and Urban Development (HUD Handbook references 4000.1).

Upon satisfactory completion of the conditions stated in this report, the Subject will be in compliance with HUD minimum property standards (subject to a final inspection).

All utilities were on and working.

Comments on Sales Comparison

All sales are located within the subject's established neighborhood boundaries.

Comparable 2 adjusted to reflect Flood Zone location at 5% of sales price (rounded).

Site adjusted at approximately \$1 per surplus sq.ft. (rounded); 2,500 sq.ft. minimum difference.

Actual age adjustments have not been made to the comparable sales, as overall effective age / condition is the main influence in determining comparability to the subject and estimating market value.

Sales adjusted accordingly to reflect overall condition as described in their MLS listing sheets (including interior photographs) at approximately 5% of sales price per C rating difference (rounded).

An "Upgrades" adjustment has been made to reflect inferior cosmetics, fixtures, appliances, materials and finish at 2.5% of sales price (rounded). No adjustments warranted for sales with differing C ratings, as this amount has already been accounted for.

Room count adjusted at \$5,000 per bedroom difference.

Bath utility is adjusted at \$5,000 per full bath and \$2,500 per half bath.

G.L.A. adjusted at \$40.00 per square foot. G.L.A. figures are estimated and deemed accurate from sources utilized.

All adjustments are considered typical and reflect market reaction for this type of dwelling.

All sales were weighted in determining estimated market value for the subject.

Market Conditions Addendum to the Appraisal Report

File No. 323-15

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address 142 Watson Ave

City West Orange

State NJ

Zip Code 07052

Borrower Anne M Lauterhahn

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	3	4	3	☐ Increasing	☒ Stable	☐ Declining
Absorption Rate (Total Sales/Months)	0.50	1.33	1.00	☐ Increasing	☒ Stable	☐ Declining
Total # of Comparable Active Listings	6	7	5	☐ Declining	☒ Stable	☐ Increasing
Months of Housing Supply (Total Listings/Ab. Rate)	12.00	5.26	5.00	☐ Declining	☒ Stable	☐ Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	295,000	275,000	255,000	☐ Increasing	☒ Stable	☐ Declining
Median Comparable Sales Days on Market	34	91	45	☐ Declining	☒ Stable	☐ Increasing
Median Comparable List Price	289,000	287,450	267,900	☐ Increasing	☒ Stable	☐ Declining
Median Comparable Listings Days on Market	111	119	102	☐ Declining	☒ Stable	☐ Increasing
Median Sale Price as % of List Price	100.00%	98.26%	95.41%	☐ Increasing	☒ Stable	☐ Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	☐ Yes ☒ No			☐ Declining	☒ Stable	☐ Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). Conventional financing is prevalent in the subject's neighborhood, with few seller concessions noted. Minor incentives are present, however, have only a negligible effect in the subject's market.

Are foreclosure sales (REO sales) a factor in the market? ☐ Yes ☒ No If yes, explain (including the trends in listings and sales of foreclosed properties).

The subject's neighborhood is well established and is comprised of well maintained single family dwellings. Foreclosures, REO / Short Sales are uncommon, and have no adverse effect on the subject's market.

Cite data sources for above information. GSMLS / NJ Tax Records / Public Records

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

Research into the local MLS database revealed that the subject's neighborhood does not appear to have been significantly affected by overall market decline. List price, purchase price and sales / list price ratio appear stable, and there is no indication of a substantial change in the short term.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

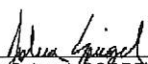
Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				☐ Increasing	☐ Stable	☐ Declining
Absorption Rate (Total Sales/Months)				☐ Increasing	☐ Stable	☐ Declining
Total # of Active Comparable Listings				☐ Declining	☐ Stable	☐ Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				☐ Declining	☐ Stable	☐ Increasing

Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☐ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

APPRAISER

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature 
Name Joshua Spiegel/SCRREA
Company Name Porter Place Appraisals
Company Address 21 Hawthorne Court
Morristown, NJ 07960
State License/Certification # 42RC00192200 State NJ
Email Address jsiegel99@gmail.com

Signature _____
Name _____
Company Name _____
Company Address _____
State License/Certification # _____ State _____
Email Address _____

Operating Income Statement

Appraisal Report

FHA#352-8528143

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property

323-15

Property Address

142 Watson Ave

West Orange

NJ

07052

Street

City

State

Zip Code

General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.

	Currently Rented	Expiration Date	Current Rent Per Month	Market Rent Per Month	Utility Expense	Paid By Owner	Paid By Tenant
Unit No. 1 Yes	No ☒ X	Owner Occ.	\$ 0.00	\$ 1,100.00	Electricity	☒ X	☒ X
Unit No. 2 Yes	No ☒ X	Owner Occ.	\$ 0.00	\$ 1,600.00	Gas	☐	☒ X
Unit No. 3 Yes	No ☐		\$	\$	Fuel Oil	☐	☐
Unit No. 4 Yes	No ☐		\$	\$	Fuel (Other)	☒ X	☐
Total			\$ 0.00	\$ 2,700.00	Water/Sewer	☒ X	☐
					Trash Removal	☒ X	☐

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (for new properties the applicant's projected income and expenses must be provided). This Operating Income Statement and previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (e.g., Applicant/Appraiser 288/300). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item.) Income should be based on current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

Income (Do not include income for owner-occupied units)

	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Gross Annual Rental (from unit(s) to be rented)	\$ 13,200	\$
Other Income (include sources)	+ 0	+
Total	\$ 13,200	\$
Less Vacancy/Rent Loss 1 Month Vacancy Estimated	- 1095.60 (8.3%)	- (%)
Effective Gross Income	\$ 12,104	\$

Expenses (Do not include expenses for owner-occupied units)

Electricity	350	
Gas		
Fuel Oil		
Fuel (Type:)		
Water/Sewer	Included in taxes	
Trash Removal	Included in taxes	
Pest Control		
Other Taxes or Licenses		
Casual Labor	350	
This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.		
Interior Paint/Decorating	200	
This includes the costs of contract labor and materials that are required to maintain the interiors of the living units.		
General Repairs/Maintenance	250	
This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.		
Management Expenses	Owner Occupied	
These are the customary expenses that a professional management company would charge to manage the property.		
Supplies	300	
This includes the costs of items like light bulbs, janitorial supplies, etc.		
Total Replacement Reserves - See Schedule on Pg. 2	710	
Miscellaneous		
Total Operating Expenses	\$ 2,160	\$

Replacement Reserve Schedule

Adequate replacement reserves must be calculated regardless of whether actual reserves are provided for on the owner's operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc., should be expensed on a replacement cost basis.

Equipment	Replacement Cost	Remaining Life	By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@ \$ 550.00 ea. ÷	10 Yrs. x	1 Units = \$ 55.00	\$
Refrigerators	@ \$ 500.00 ea. ÷	10 Yrs. x	1 Units = \$ 50.00	\$
Dishwashers	@ \$ ea. ÷	Yrs. x	Units = \$	\$
A/C Units	@ \$ ea. ÷	Yrs. x	Units = \$	\$
C. Washer/Dryers	@ \$ ea. ÷	Yrs. x	Units = \$	\$
HW Heaters	@ \$ 550.00 ea. ÷	10 Yrs. x	1 Units = \$ 55.00	\$
Furnace(s)	@ \$ 3,500.00 ea. ÷	10 Yrs. x	1 Units = \$ 350.00	\$
(Other)	@ \$ ea. ÷	Yrs. x	Units = \$	\$
Roof	@ \$ 5,000.00 ÷	25 Yrs. x One Bldg. =	\$ 200.00	\$

Carpeting (Wall to Wall)

Remaining
Life

(Units) Total Sq. Yds. @ \$ Per Sq. Yd. ÷ Yrs. = \$ \$
 (Public Areas) Total Sq. Yds. @ \$ Per Sq. Yd. ÷ Yrs. = \$ \$

Total Replacement Reserves. (Enter on Pg. 1)

\$ 710.00 \$

Operating Income Reconciliation

\$ 12,104.00	- \$ 2,160.00	= \$ 9,944.00	÷ 12 = \$ 828.67
Effective gross Income	Total Operating Expenses	Operating Income	Monthly Operating Income
\$ 828.67	- \$	= \$ 828.67	
Monthly Operating Income	Monthly Housing Expenses	Net Cash Flow	

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

Underwriter's instructions for 2-4 Family Owner-Occupied Properties

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the **subject property** to the borrower's stable monthly income.

Underwriter's instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower's **primary residence** to the borrower's stable monthly income.

Appraiser's Comments (including sources for data and rationale for the projections)

Expenses appear to be in line, reasonable and accepted in this market area. Operating income statement reflects a projected annual income for a 2 family dwelling with a single unit owner occupied (unit 2).

Joshua Spiegel, SCRREA
Appraiser Name


Appraiser Signature

12/31/2015
Date

Underwriter's Comments and Rationale for Adjustments

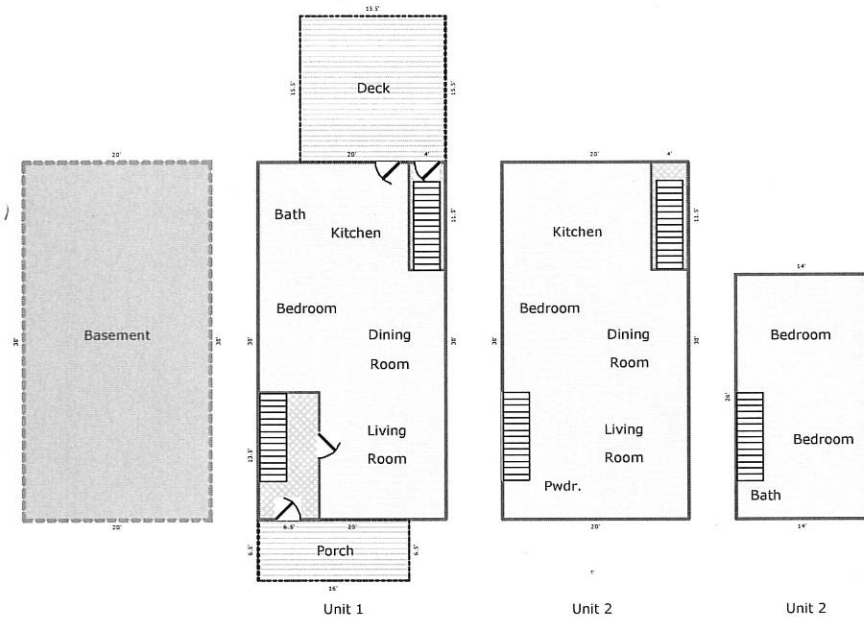
Underwriter Name

Underwriter Signature

Date

FLOORPLAN SKETCH

Borrower: Anne M Lauterhahn	File No.: 323-15
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ
Lender: Fortren Funding	Zip: 07052



Sketch by Apex Medina™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	Unit 1 Floor 1	760.00	760.00
GLA2	Unit 2 Floor 2	760.00	760.00
GLA3	Unit 2 Floor 3	364.00	364.00
BSMT	Basement	760.00	760.00
P/P	Porch	104.00	
	Deck	240.25	344.25
OTH	Entry	87.75	
	Stairwell	46.00	
	Stairwell	46.00	179.75

LIVING AREA BREAKDOWN		
	Breakdown	Subtotals
Unit 1 Floor 1		
20.00 x	38.00	760.00
Unit 2 Floor 2		
20.00 x	38.00	760.00
Unit 2 Floor 3		
14.00 x	26.00	364.00

Net LIVABLE Area (rounded) 1884 3 Items (rounded) 1884

FLOOD MAP

Borrower: Anne M Lauterhahn
 Property Address: 142 Watson Ave
 City: West Orange
 Lender: Fortren Funding

File No.: 323-15
 Case No.: FHA#352-8528143
 State: NJ
 Zip: 07052



FLOOD INFORMATION

Community: TOWNSHIP OF WEST ORANGE
 Property is NOT in a FEMA Special Flood Hazard Area
 Map Number: 34013C0111F
 Panel: 0111F
 Zone: X
 Map Date: 06-04-2007
 FIPS: 34013
 Source: FEMA DFIRM

LEGEND

- = FEMA Special Flood Hazard Area - High Risk
- = Moderate and Minimal Risk Areas
- Road View:
 - = Forest
 - = Water

Sky Flood™

No representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.

AERIAL MAP

Borrower: Anne M Lauterhahn
Property Address: 142 Watson Ave
City: West Orange
Lender: Fortren Funding

File No.: 323-15
Case No.: FHA#352-8528143
State: NJ
Zip: 07052



Lot Dimensions

Borrower: Anne M Lauterhahn
Property Address: 142 Watson Ave
City: West Orange
Lender: Fortren Funding

File No.: 323-15
Case No.: FHA#352-8528143
State: NJ
Zip: 07052



LOCATION MAP

Borrower: Anne M Lauterhahn

File No.: 323-15

Property Address: 142 Watson Ave

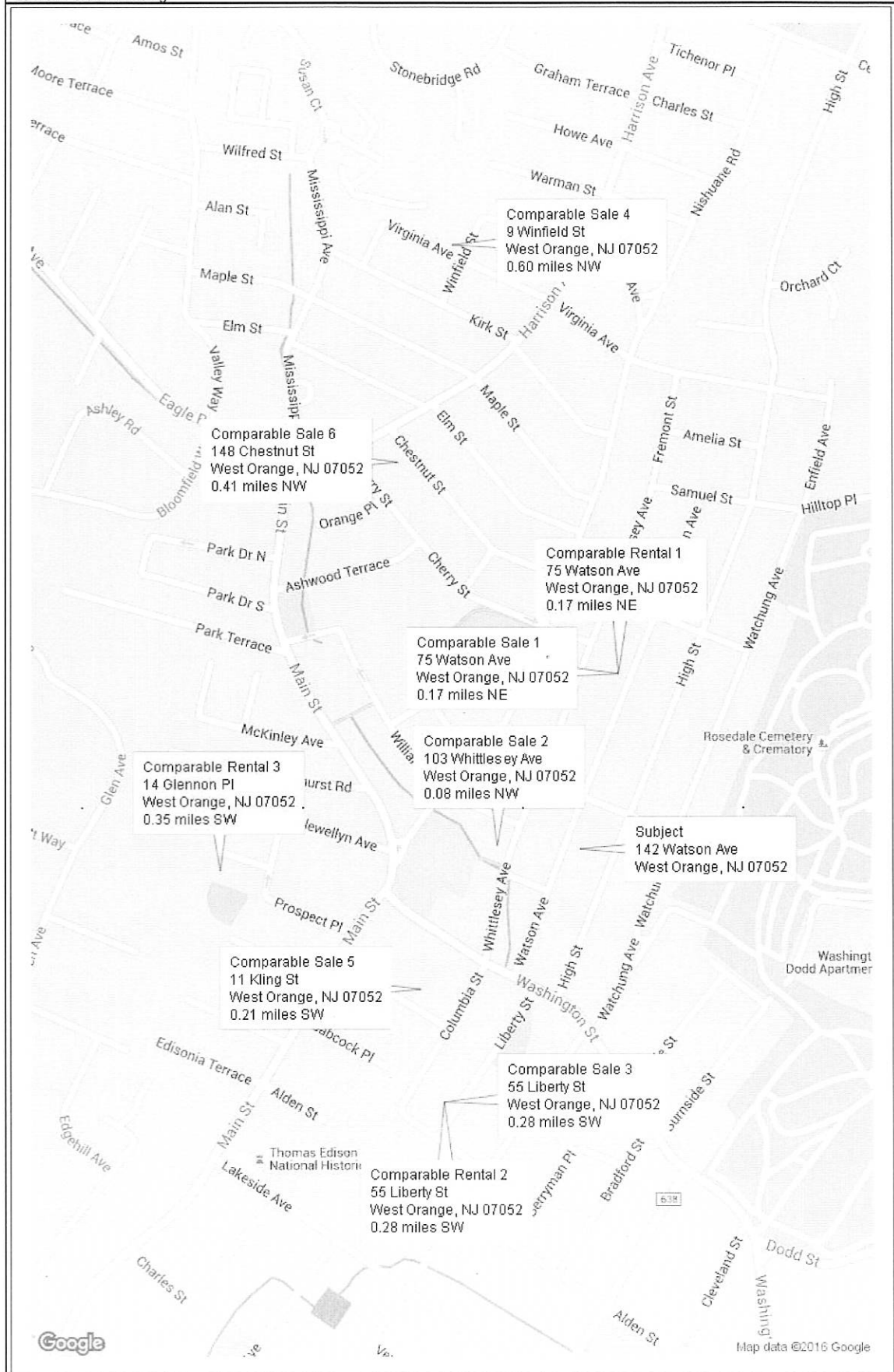
Case No.: FHA#352-8528143

City: West Orange

State: NJ

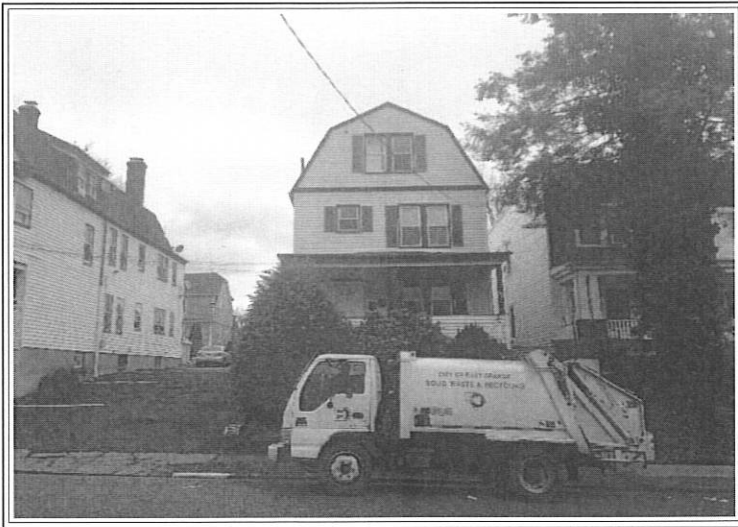
Zip: 07052

Lender: Fortren Funding

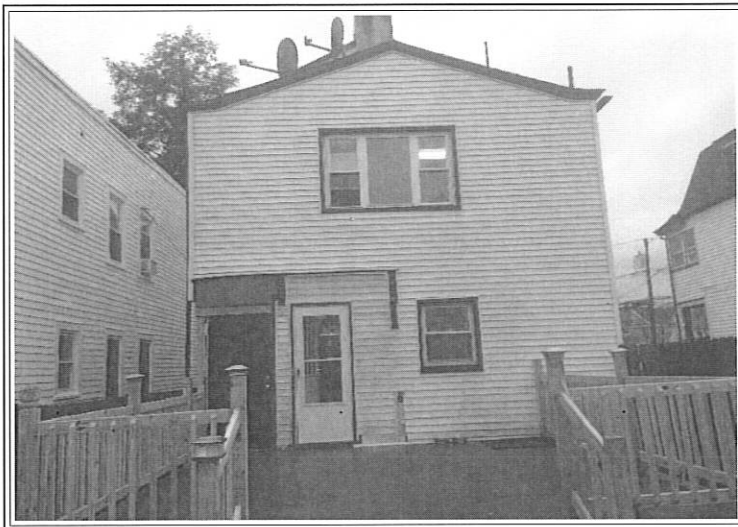


SUBJECT PROPERTY PHOTO ADDENDUM

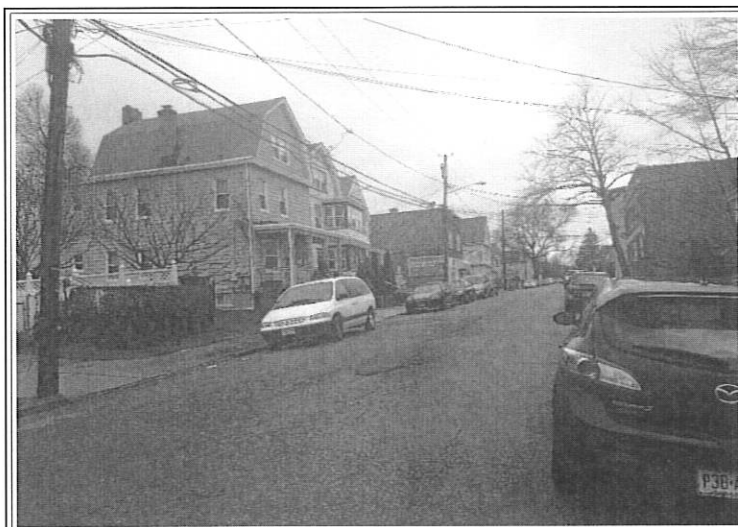
Borrower: Anne M Lauterhahn	File No.: 323-15
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ
Lender: Fortren Funding	Zip: 07052



FRONT VIEW OF
SUBJECT PROPERTY



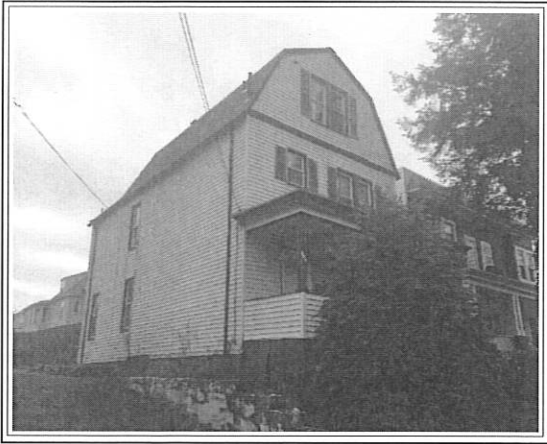
REAR VIEW OF
SUBJECT PROPERTY



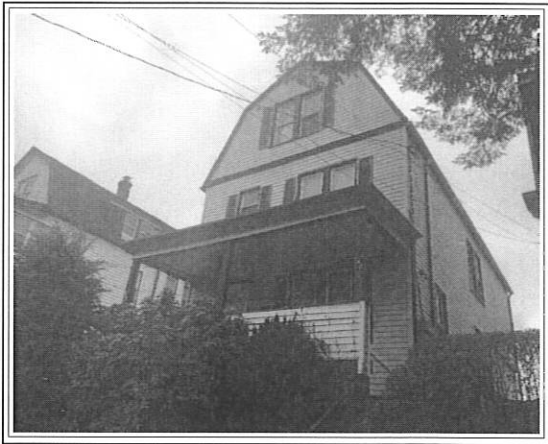
STREET SCENE

Subject Photographs

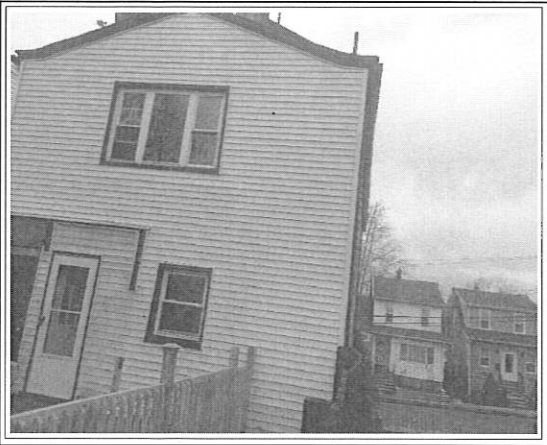
Borrower: Anne M Lauterhahn	File No.: 323-15
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ
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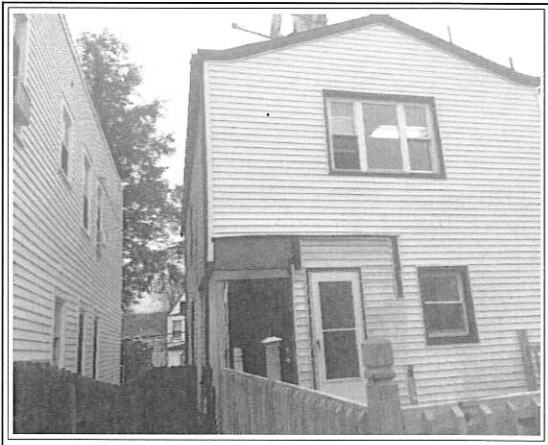
Front Left View



Front Right View



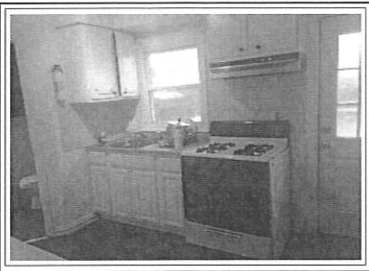
Rear Left View



Rear Right View

Subject Photographs

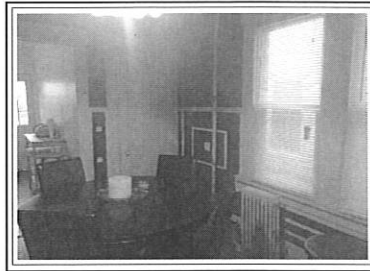
Borrower: Anne M Lauterhahn	File No.: 323-15
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ
Lender: Fortren Funding	Zip: 07052



Unit 1 Kitchen



Unit 1 Living Room



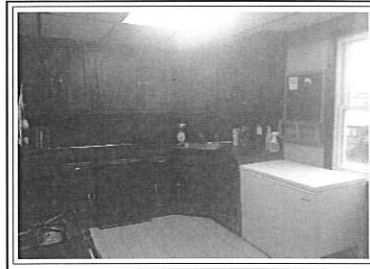
Unit 1 Dining Room



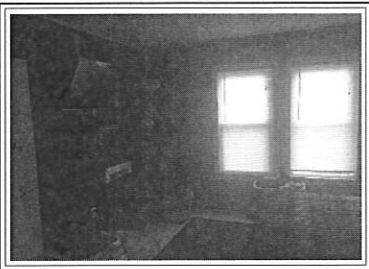
Unit 1 Bedroom



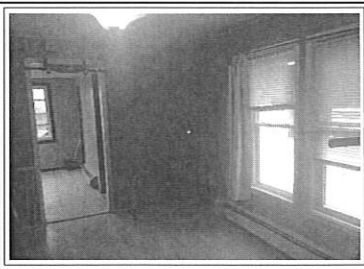
Unit 1 Bath



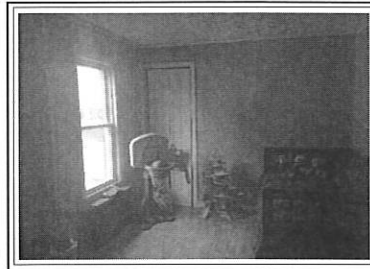
Unit 2 Kitchen



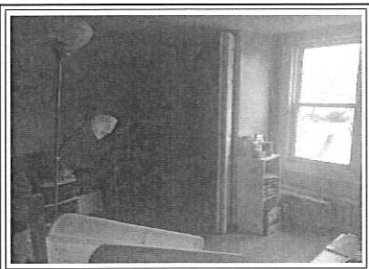
Unit 2 Living Room



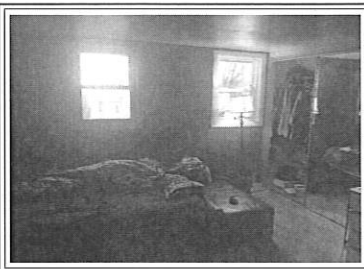
Unit 2 Dining Room



Unit 2 Bedroom



Unit 2 Bedroom



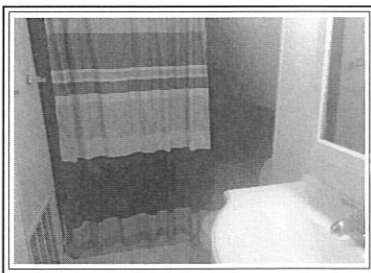
Unit 2 Bedroom



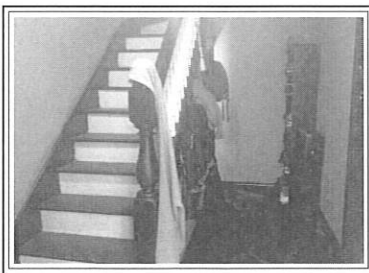
Unit 2 Half Bath

Subject Photographs

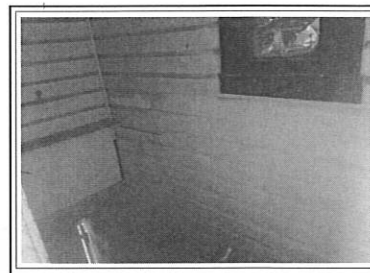
Borrower: Anne M Lauterhahn	File No.: 323-15
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ
Lender: Fortren Funding	Zip: 07052



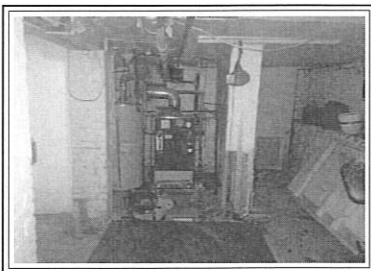
Unit 2 Bath



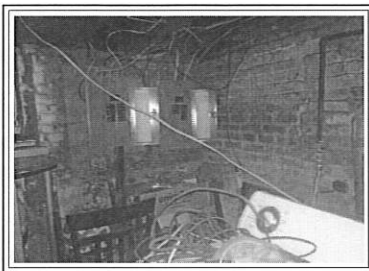
Main Entrance



Rear Stairwell



Basement / Utilities



Basement / Utilities



Front Porch



Basement Bath (non functional)



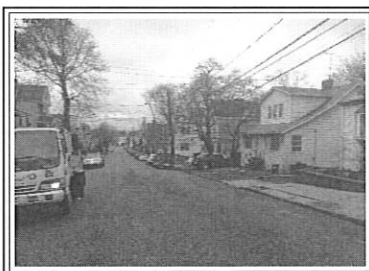
Missing Siding / Deferred Maintenance



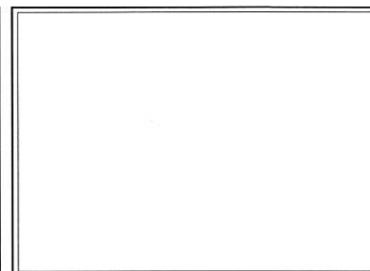
Missing 2nd Floor Door



Rear Yard



Alternate Street View



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Anne M Lauterhahn	File No.: 323-15
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ
Lender: Fortren Funding	Zip: 07052



COMPARABLE SALE #1

75 Watson Ave
West Orange, NJ 07052
Sale Date: s07/15c05/15
Sale Price: \$ 295,000



COMPARABLE SALE #2

103 Whittlesey Ave
West Orange, NJ 07052
Sale Date: s12/15c10/15
Sale Price: \$ 255,000



COMPARABLE SALE #3

55 Liberty St
West Orange, NJ 07052
Sale Date: s07/15c11/14
Sale Price: \$ 310,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Anne M Lauterhahn	File No.: 323-15
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ
Lender: Fortren Funding	Zip: 07052



COMPARABLE SALE #4

9 Winfield St (MLS Photo)
West Orange, NJ 07052
Sale Date: s09/15c07/15
Sale Price: \$ 255,000



COMPARABLE SALE #5

11 Kling St
West Orange, NJ 07052
Sale Date: Id09/15
Sale Price: \$ 255,000



COMPARABLE SALE #6

148 Chestnut St (MLS Photo)
West Orange, NJ 07052
Sale Date: Id09/15
Sale Price: \$ 250,000

COMPARABLE RENTALS PHOTO ADDENDUM

Borrower: Anne M Lauterhahn	File No.: 323-15
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ
Lender: Fortren Funding	Zip: 07052



COMPARABLE RENTAL #1

75 Watson Ave
West Orange, NJ 07052



COMPARABLE RENTAL #2

55 Liberty St
West Orange, NJ 07052



COMPARABLE RENTAL #3

14 Glennon Pl
West Orange, NJ 07052

Appraiser's Certification

Borrower: Anne M Lauterhahn	File No.: 323-15
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ
Lender: Fortren Funding	Zip: 07052

BACKGROUND AND MULTIPLE SECURITY FEATURES. PLEASE VERIFY AUTHENTICITY.

State Of New Jersey
New Jersey Office of the Attorney General
Division of Consumer Affairs

THIS IS TO CERTIFY THAT THE
Real Estate Appraisers Board

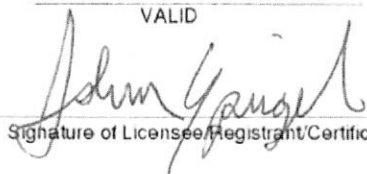
HAS CERTIFIED

Joshua D. Spiegel
21 Hawthorne Ct
Morristown, NJ 07960

FOR PRACTICE IN NEW JERSEY AS A(N): Cert Residential Appraiser

12/26/2013 TO 12/31/2015

VALID


Signature of Licensee/Registrant/Certificate Holder

42RC00192200

LICENSE/REGISTRATION/CERTIFICATION #


DIRECTOR

Borrower: Anne M. Lauterhahn	File No.: 323-15
Property Address: 142 Watson Ave	Case No.: FHA#352-8528143
City: West Orange	State: NJ Zip: 07052
Lender: Fortren Funding	



301 E. Fourth Street, Cincinnati, OH 45202

DECLARATIONS
for
**REAL ESTATE APPRAISERS
LIABILITY INSURANCE POLICY**

THIS IS BOTH A CLAIMS MADE AND REPORTED INSURANCE POLICY.

**THIS POLICY APPLIES TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED
AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD.**

Insurance is afforded by the company indicated below: (A capital stock corporation)

☒ Great American Assurance Company

Note: The Insurance Company selected above shall herein be referred to as the Company.

Policy Number: **RAP4115816-15**

Renewal of:

Program Administrator: **Herbert H. Landy Insurance Agency Inc.**
75 Second Ave Suite 410 Needham, MA 02494-2876

Item 1. Named Insured: **Joshua Spiegel**Item 2. Mailing Address: **21 Hawthorne Court**City, State, Zip Code: **Morristown, NJ 07960**

Item 3. Policy Period: From **02/08/2015** To **02/08/2016**
(Month, Day, Year) (Month, Day, Year)

(Both dates at 12:01 a.m. Standard Time at the address of the Named Insured as stated in Item 2.)

Item 4. Limits of Liability:

A. \$ **500,000** Damages Limit of Liability - Each ClaimB. \$ **500,000** Claim Expenses Limit of Liability - Each ClaimC. \$ **1,000,000** Damages Limit of Liability - Policy AggregateD. \$ **1,000,000** Claim Expenses Limit of Liability - Policy Aggregate

Item 5. Deductible (Inclusive of Claim Expenses):

A. \$ **500** Each ClaimB. \$ **1,000** AggregateItem 6. Premium: \$ **573.00**

Additional 0.9% NJ Guaranty Fund Surcharge \$5.16

Item 7. Retroactive Date (if applicable): **09/28/2006**

Item 8. Forms, Notices and Endorsements attached:

D42100 (05/13) D42300 NJ (05/13)**D42402 (05/13) D42408 (05/13)**

Barbara Thompson
Authorized Representative

D42101 (05/13)

Page 1 of 1

Appraiser Independence Certification

File No.: 323-15

Borrower:	Anne M Lauterhahn		
Property Address:	142 Watson Ave		
City:	West Orange	County:	Essex
		State:	NJ
Lender/Client:	Fortren Funding		
		Zip Code:	07052

I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- I am currently licensed and/or certified by the state in which the property to be appraised is located. My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.
- I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.

I assert that no employee, director, officer, or agent of the Lender/Client, or any other third party acting as joint venture partner, independent contractor, appraisal company, appraisal management company, or partner on behalf of the Lender/Client, influenced or attempted to influence the development, reporting, result, or review of the appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that the Lender/Client has never participated in any of the following prohibited behavior in our business relationship:

1. Withholding or threatening to withhold timely payment or partial payment for the appraisal report;
2. Withholding or threatening to withhold future business, or demoting or terminating, or threatening to demote or terminate my services;
3. Expressly or implicitly promising future business, promotions, or increased compensation for my services;
4. Conditioning the ordering of the appraisal report or the payment of the appraisal fee or salary or bonus on my opinion, conclusion or valuation reached, or on a preliminary value estimate requested;
5. Requesting an estimated, predetermined, or desired valuation in the appraisal report, prior to the completion of the appraisal report, or requesting estimated values or comparable sales at any time prior to the completion of the appraisal report;
6. Providing an anticipated, estimated, encouraged or desired value for the subject property, or a proposed or target amount to be loaned to the Borrower, except that a copy of the sales contract may have been provided if the assignment was for a purchase transaction;
7. Providing stock or other financial or non-financial benefits to me or any entity or person related to me, my appraisal or appraisal management company, if applicable;
8. Any other act or practice that impairs or attempts to impair my independence, objectivity or impartiality, or violates law or regulation, including but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the Uniform Standards of Professional Appraisal Practice (USPAP).

Additional Comments: I have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment.

APPRAISER:

SUPERVISORY APPRAISER (only if required):

Signature: 
 Name: Joshua Spiegel, SCREA
 Date Signed: 12/31/2015
 State Certification #: 42RC00192200
 or State License #: _____
 or Other (describe): _____ State #: _____
 State: NJ
 Expiration Date of Certification or License: 12/31/2015

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____