



August 15, 2008

Dear Customer,

By now you have heard that California Governor Arnold Schwarzenegger signed **Senate Bill 1137 (SB1137)** effective 7/8/08. (We have attached a copy of the Chaptered Bill as approved by the Governor for your reference). **This Bill has resulted in changes to servicing and foreclosing on delinquent loans made between 1/1/03 and 12/31/07 that were secured by residential real property and are owner-occupied.**

SB1137 added Sections 2923.5, 2923.6, 2924.8 and 2929.3 to the Civil Code and 1161b to the Code of Civil Procedure. **Section 2923.5 requires the mortgagee, trustee, beneficiary or authorized agent to include, in any notice of default recorded after 9/6/08, a declaration that they have contacted the borrower, tried with due diligence to contact the borrower or are exempt from the contact provisions (§2923.5(h)).**

On notices of default recorded prior to 9/6/08, that subsequently did not result in a notice of rescission being recorded; the mortgagee, trustee, beneficiary or authorized agent shall, as part of the notice of sale, include a declaration that either (1) states that the borrower was contacted or (2) list the efforts made to contact the borrower.

Attached are sample Declarations for your reference:

- **“Notice of Default Declaration”** – to be used when referring new foreclosures
- **“Notice of Trustee’s Sale Declaration”** – to be used when authorizing publication of the Notice of Sale on existing foreclosures

If you, or your legal counsel, have already prepared declarations for this purpose, please feel free to use those in place of our samples, providing they contain the necessary information.

To avoid delays in starting a foreclosure, we suggest, you provide TD with a “Notice of Default Declaration” on all new referrals starting on 9/1/08. On existing foreclosures, we suggest you complete a “Notice of Trustee’s Sale Declaration” and return it immediately or at the time you authorize publication.

If you have any questions concerning these declarations or SB1137, please don’t hesitate to contact me or the Operations Supervisor assigned to your account as listed below:

Linda Kidder	Units C, F & S	714-480-5640	lkidder@tdsf.com
Patricia Randall	Units A, L & G	714-480-5630	prandall@tdsf.com
Michelle Pino	Units B, D, H & K	714-480-5413	mpino@tdsf.com

We appreciate your continued support of T.D. Service Company.

Patrick J. Dobiesz
President