

EXECUTION VERSION

0009[REDACTED]

Forbearance Agreement

FORBEARANCE AGREEMENT (the "Agreement"), dated December 13, 2006 between TIMOTHY [REDACTED] (the "Borrower"), whose mailing address is [REDACTED] GWINN, MI 49841, and SELECT PORTFOLIO SERVICING INC., a Utah corporation, authorized agent of note owner (the "Servicer"), whose notification address is P. O. Box 65250, Salt Lake City, Utah 84165-0250.

Recitals

- A. The Borrower executed the promissory note, dated 04/27/2005, in the original principal amount of \$120,800.00 (the "Note").
- B. The Note is secured by a Deed of Trust/Mortgage (the "Security Instrument") on certain real property, more commonly known as: [REDACTED], GWINN, MI 49841 (the "Real Property"). The Note, Security Instrument and other loan documents are referred to as the "Loan Documents", the obligation under the Loan Documents is referred to as the "Loan".
- C. The Servicer is authorized on behalf of the current holder of the Loan, HSBC Bank USA, National Association, as trustee, on behalf of the holders of the ACE Securities Corp. Home Equity Loan Trust, Series 2006-SD2 Asset Backed Pass-Through Certificates (the "Note Holder"), to service the Loan, oversee the collection of amounts due under the Note and enforce the terms of the Loan Documents.
- D. As a result of the Borrower's failure to make timely payments required under the Note, the Note is now in default and a foreclosure action, which, if pursued will extinguish the Borrower's interest in the Real Property may be commenced (the "Foreclosure Proceedings").
- E. The Borrower has requested that the Servicer forbear from pursuing the Foreclosure Proceedings and the Servicer's other remedies under the Loan Documents in consideration of Borrower's promise to pay the regularly scheduled Monthly Payments due under the Note, plus an amount necessary to cure the amount in arrears as shown in Section 1. Subject to the terms and conditions set forth in this Agreement, the Servicer is willing to agree to these requests and give the Borrower additional time to cure the default under the Note as set forth herein.

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In consideration of the Recitals, which are incorporated by reference, and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Total Amount to Cure Default.** As of the date of this Agreement, the total amount due to cure the Borrower's default under the Loan Documents is the total of the following amounts (the "Total Reinstatement Amount") and may include the additional expense of overnight costs incurred in the processing of this agreement:

Loan Number:	0009337718
Reinstatement Quote	
Reinstatement Good To Date:	12/22/2006
Amount of Past Due Payments:	\$ 7,741.20
Returned Check Fees:	\$ -
Other Fees:	\$ 11.74
Accrued Late Fees:	\$ -
Corp. Advance:	\$ 25.20
DSI Interest Due:	\$ -
Escrow Advance:	\$ 1,290.57
Suspense Balance:	\$ (498.70)
Legal Fees Incurred to Date:	\$ 1,222.80
FC Fees & Costs:	\$ -
BK Fees & Costs:	\$ -
Property Evaluation:	\$ -
Property Inspection:	\$ -
Payment to Accrue:	\$ 967.65
Total Reinstatement Amount	\$ 10,760.46

If Borrower has an existing Escrow Analysis or Advance Repayment Plan, the Past Due Payment for each month includes a portion to be applied to delinquent taxes and insurance under the Escrow Analysis or Advance Repayment Plan.

2. **Forbearance.** Provided that the Borrower makes the payments required in Section 3 by the applicable Due Date, the Servicer agrees that it shall forbear from exercising its rights under the Loan Documents, including, without limitation, the right to collect rents, the appointment of a receiver and the pursuit of the Foreclosure Proceedings, and the Foreclosure Proceedings shall be stayed, during the term of this Agreement. The Borrower acknowledges and agrees that if it shall fail to comply with any of the terms or conditions of this Agreement, the Servicer shall be entitled to proceed immediately with the Foreclosure Proceedings.

3. **Condition to Agreement to Forbear, Repayment Plan Schedule.** The Borrower acknowledges and agrees that the Servicer's agreement to forbear as set forth in Section 2 above, is expressly conditioned on the Borrower's payment of the following:

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- a. The Total Reinstatement Amount set forth in Section 1, together with the regularly scheduled Monthly Payments due under the Note to be paid as follows:

Loan Number	0008
December 22, 2006	\$ 2,000.00
January 22, 2007	\$ 1,428.73
February 22, 2007	\$ 1,428.73
March 22, 2007	\$ 1,428.73
April 22, 2007	\$ 1,428.73
May 22, 2007	\$ 1,428.73
June 22, 2007	\$ 1,428.73
July 22, 2007	\$ 1,428.73
August 22, 2007	\$ 1,428.73
September 22, 2007	\$ 1,428.73
October 22, 2007	\$ 1,428.73
November 22, 2007	\$ 1,428.73
December 22, 2007	\$ 1,428.73
January 22, 2008	\$ 1,428.73
February 22, 2008	\$ 1,428.73
March 22, 2008	\$ 1,428.73
April 22, 2008	\$ 1,428.73
May 22, 2008	\$ 1,428.73
June 22, 2008	\$ 1,428.73
July 22, 2008	\$ 1,428.67

4. **Form of Payment.** The Borrower agrees to make payments due to the Servicer under Section 3, on or before the applicable Due Date, by one of the following methods: (a) Western Union Quick Collect; (b) cashier's check; (c) certified funds; or (d) money order.

5. **Mailing Address for Plan Payment.** The Borrower agrees to make all payments required under this Agreement to the Servicer, ATTN: UNDERWRITING at [REDACTED], Salt Lake City, Utah 84115.

6. **Delinquent Taxes.** In addition to delinquent taxes included in the Total Reinstatement Amount, the Borrower agrees to pay all delinquent property taxes relating to the Real Property and provide proof of such payment to the Servicer prior to the date that the final payment is due under this Agreement.

7. **Insurance Payments.** The Borrower agrees to provide proof of hazard insurance coverage for the Real Property (and, where required, proof of flood insurance coverage) in a form and amount satisfactory to the Servicer and deliver such proof of insurance to the Servicer prior to or contemporaneously with the delivery to the Servicer of the executed original of this Agreement and the initial payment under this Agreement. If Borrower fails to provide proof of insurance, and Servicer after following its procedures and reminding Borrower of the requirement for insurance, states its intent to purchase insurance on the Real Property if Borrower fails to obtain, and advances money to buy insurance on the Real Property (Lender Placed Insurance), Borrower agrees to pay Servicer for such Lender Placed Insurance.

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8. **Application of Payments.** The Borrower understands and acknowledges that the payments set forth in Section 3 shall be applied as follows:

- a. **Down Payment.** First, to as many of the Past Due Payments shown in Section 1 as possible, with any excess applied to Advances,
- b. **Subsequent Payments.** Each payment after the Down Payment, will be applied as follows; first to Monthly Payment due (oldest payment paid first) and if there is any excess, next to Advances owing until satisfied in full and if there is any excess, third to any other delinquent Monthly Payments until they are paid in full and last to fees, until paid. Each subsequent payment during the forbearance plan will be applied in this manner. Borrower understands that funds may be held in suspense until the amount of a full Monthly Payment may be made if the excess funds are not sufficient to make a full Monthly Payment.
- c. If Borrower has established an Escrow Analysis or Advance Repayment Plan, it will be attached to this Agreement. The Escrow Analysis or Advance Repayment Plan is designed to help you pay past due taxes or monthly insurance that Servicer has paid on your behalf. The amount shown as past due payments above in Section 1 and Subsequent Payments in this Section 3, includes these monthly amounts necessary to repay Servicer for these tax advances and insurance premiums.
- d. Borrower further acknowledges that to the extent the term of the Escrow Analysis or Advance Repayment Plan goes beyond the term of the Forbearance Plan, the Escrow Analysis or Advance Repayment Plan shall remain in full force and effect, unless Servicer advises Borrower otherwise.

9. **Payment Changes.** If the regular Monthly Payment changes or increases due to an adjustment in interest rate, or there is an increase in the escrow portion of the Monthly Payment for taxes and insurance, the Borrower agrees to pay the amount of any such increase in addition to the amounts set forth in Section 3.

10. **Obligations under Loan Documents.** The Borrower agrees to abide by and comply with all of its obligations and responsibility under the Loan Documents.

11. **Non-Waiver.** Borrower understands that if Servicer has accelerated the Loan to maturity, Servicer has not waived its acceleration by accepting payments described in Section 3 or by accepting any partial payment amounts. Lender shall be entitled to retain all payments made by the Borrower to be applied as set forth above without affecting Servicer's rights under the Loan Documents or the acceleration of the Loan. Once Borrower has made all of the payments required under Section 3, Servicer will cause the notice of default to be cancelled. If Borrower does not make the payments as agreed in Section 3, Servicer may proceed with its remedies under the Loan Documents, including the Foreclosure Proceedings. Except as specifically provided herein, nothing contained herein shall be deemed (i) to prejudice any of the

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rights or remedies of the Servicer or (ii) a waiver of any remedy which the Servicer may have against the Borrower under the laws of the state in which the Real Property is located or by which the Loan Documents are governed. No delay or failure by the Servicer to exercise any of its rights under this Agreement shall constitute a waiver of any of its rights under this Agreement or the Loan Documents.

12. **Binding Agreement.** This Agreement shall be binding upon the parties hereto, their legal representatives, successors, and permitted assigns.

13. **Notices.** All notices or other correspondence required under this Agreement shall be in writing and, unless otherwise provided for herein, mailed by first class U.S. mail, or telecopied, and shall be deemed to have been given when received, if to Borrower, at [REDACTED] [REDACTED] GWINN, MI 49841, and if to the Servicer, at P.O. Box 65250, Salt Lake City, Utah 84165-0250.

14. **THE BORROWER MUST EXECUTE THIS AGREEMENT AND RETURN IT WITH THE DOWN PAYMENT SHOWN IN SECTION 3 AND PROOF OF INSURANCE PRIOR TO December 22, 2006. FAILURE TO RETURN THE EXECUTED AGREEMENT BY THIS DATE WILL ALLOW SERVICER TO TERMINATE THIS AGREEMENT.**

IN WITNESS THEREOF, the parties hereto have executed this Forbearance Agreement as of the date first written above.

BORROWER

TIMOTHY [REDACTED]

Date

Date

SUBSCRIBED AND SWORN to before me this ____ day of _____, 200__

Notary Public

SERVICER

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Select Portfolio Servicing, Inc.

By _____
its duly authorized officer