

# HELPING YOU STAY IN YOUR HOME.



***You may be able to make your payments more affordable.  
Act now to get the help you need!***

[Servicer Logo]

[Date]

[Name]

[Address 1]

[Address 2]

Loan #:

Property Address:

Dear \_\_\_\_\_

As your mortgage servicer, we want to help you stay in your home. We want you to know there is a program available that may help you. If you qualify under the federal government's Home Affordable Modification Program and comply with the terms of the Home Affordable Modification Program Trial Period Plan, we will modify your mortgage loan and you can avoid foreclosure.

How can you find out if you qualify? Just follow the steps below and let us know that you need help, TODAY!

## **STEP 1 GATHER THE INFO WE NEED TO HELP YOU**

Detailed instructions on what you need to do to take advantage of this program are set forth on the enclosed document entitled "Complete Your Checklist." Generally, you will need to:

- *Explain the financial hardship that makes it difficult for you to pay your mortgage loan using the Hardship Affidavit (enclosed).*
- *Submit the required documentation of your income.*
- *Make timely monthly trial-period payments.*

If you meet the eligibility criteria, you will be offered a Trial Period Plan. The monthly trial period payments will be based on the income documentation that you provide. They will be an estimate of what your payment will be if we are able to modify your loan under the terms of the program.

If you do not qualify for a loan modification, we will work with you to explore other options available to help you keep your home or ease your transition to a new home.

## **STEP 2 COMPLETE AND SUBMIT**

Please complete the enclosed forms and submit all the required income documentation by no later than 00/00/0000. Now is the time to act. We are ready to help you. Please take the steps outlined on the enclosed document "Complete Your Checklist." If you have any questions, please contact us at [1.000.000.0000].

Sincerely,

The *Making Home Affordable* program was created to help millions of homeowners refinance or modify their mortgages. As part of this program, we – your mortgage servicer – and the Federal Government are working to offer you options to help you stay in your home.

Attachments: *Complete Your Checklist, Next Steps, Important Program Info, Frequently Asked Questions, Hardship Affidavit, and IRS Form 4506-T*

**Beware of Foreclosure Rescue Scams. Help is free!**

- There is never a fee to get assistance or information about the Making Home Affordable Program from your lender or a HUD-approved housing counselor.
  - For a HUD-approved counselor, visit: <http://www.hud.gov/offices/hsg/sfh/hcc/fc/>
- Beware of any person or organization that asks you to pay a fee in exchange for housing counseling services or modification of a delinquent loan.
- Beware of anyone who says they can “save” your home if you sign or transfer over the deed to your house. Do not sign over the deed to your property to any organization or individual unless you are working directly with your mortgage company to forgive your debt.
- Never make your mortgage payments to anyone other than your mortgage company without their approval.

## Act Now!

To see if you qualify for this program, send the items listed below to \_\_\_\_\_, no later than \_\_\_\_\_. Use the return envelope provided for your convenience.

1. The enclosed Hardship Affidavit completed and signed by all borrowers (no notary required),
2. A signed and dated copy of the IRS Form 4506-T (Request for Transcript of Tax Return) for each borrower (borrowers who filed their tax returns jointly may send in one IRS Form 4506-T signed and dated by both of the joint filers), and
3. Documentation to verify all of the income of each borrower (including any alimony or child support that you choose to rely upon to qualify). This documentation should include:

**For each borrower who is a salaried employee:**

Copy of the most recent filed federal tax return with all schedules; and  
Copy of the two most recent pay stubs.

**For each borrower who is self-employed:**

Copy of the most recent filed federal tax return with all schedules, and  
Copy of the most recent quarterly or year-to-date profit/loss statement.

**For each borrower who has income such as social security, disability or death benefits, pension, public assistance, or unemployment:**

Copy of most recent federal tax return with all schedules and W-2 or copies of two most recent bank statements.  
Copy of benefits statement or letter from the provider that states the amount, frequency and duration of the benefit. Social security, disability, death or pension benefits must continue for at least 3 years to be considered qualifying income under this program. Public assistance or unemployment benefits must continue for at least 9 months to be considered qualifying income under this program.

**For each borrower who is relying on alimony or child support as qualifying income:**

Copy of divorce decree, separation agreement or other written agreement or decree that states the amount of the alimony or child support and period of time over which it will be received. Payments must continue for at least 3 years to be considered qualifying income under this program.

Proof of full, regular and timely payments; for example deposit slips, bank statements, court verification or filed federal tax return with all schedules.

**For each borrower who has rental income:**

Copies of most recent two years filed federal tax returns with all schedules, including Schedule E—Supplement Income and Loss. Rental income for qualifying purposes will be 75% of the gross rent.

If you have other types of income, cannot locate required documents, or have questions about the documentation required, please contact us at [1.000.000.0000].

**You must send in all required income documentation, tax returns, completed Form 4506-T, and a signed hardship affidavit by no later than \_\_\_\_\_. If you cannot provide the documentation within the time frame provided, please contact us to request an extension of time to gather your documents.**

Keep a copy of all documents for your records. Don't send original income documentation as copies are acceptable.

## NEXT STEPS

Here is what will happen now.

**Please read this section carefully to understand what you can expect from this process.**

- A. Once we receive all of your documentation and verify your information, we will determine whether you qualify for a Home Affordable Modification of your loan. If you do, we will send you two copies of a Trial Period Plan to sign with a cover letter explaining the Trial Period Plan.
- B. Under the Trial Period Plan, you will be required to make trial period payments, instead of your regular mortgage loan payments. The trial period payments should be close to the amount you would pay under a modification. Near the end of the trial period, we will be able to calculate the final amount and the final terms of your modified loan. Then we will send you two copies of the Home Affordable Modification Agreement for your signature.
- C. In addition, to successfully completing the Trial Period Plan, you will need to sign and return both copies of the Modification Agreement to us promptly. The Modification Agreement will only become effective after we sign it and return it to you with all signatures. Once the Modification Agreement becomes effective, we will modify your loan.
- D. Please note that it may take up to [\_\_\_] days for us to review your documents, after we receive all required documentation. We will process your request as quickly as possible. While we consider your request, any scheduled foreclosure sale will not occur pending our determination. If you qualify, any foreclosure sale will not occur pending your timely return of the Trial Period Plan and first payment. However, if you fail to comply with the terms of the Trial Period Plan and do not make other arrangements with us, your loan will be enforced according to its original terms. This could include foreclosure.
- E. Please contact us at ###-###-#### if you have any questions about the process.

## OTHER OPTIONS

Even if this program doesn't work for you, we still may be able to help.

We will contact you if you do not qualify for this program. If you do not qualify, we will want to discuss other alternatives with you that may help you keep your home or ease your transition to another home.

**NO FEES.** There are no fees under the Home Affordable Modification Program.

**TRIAL PERIOD PLAN/MODIFICATION PROCESS.** Submitting all required documentation to be considered for the program is the first step. If you are eligible for the program, you will need to sign a Trial Period Plan and successfully complete a "trial period" by making trial period payments. Once we are able to finalize your modified loan terms near the end of this trial period, we will send you a loan modification agreement ("Modification Agreement"), which will reflect the terms of your modified loan. In addition to successfully completing the trial period, you will need to sign and promptly return to us both copies of the Modification Agreement or your loan can not be modified.

**NEW PRINCIPAL BALANCE.** Any past due amounts as of the end of the trial period, including unpaid interest, real estate taxes, insurance premiums, and certain assessments paid on your behalf to a third party will be added to your mortgage loan balance (the "Past Due Arrearage Amount"). **If you fulfill the terms of the trial period including, but not limited to, making the trial period payments, we will waive ALL unpaid late charges at the end of the trial period.**

**ESTIMATED MONTHLY PAYMENT.** At this time, we are not able to calculate precisely the Past Due Arrearage Amount or the amount of the modified loan payment that will be due after successful completion of the trial period. However, based on information we currently have, your trial period payment should be close to your modified loan payment. As we near the end of the trial period, we will calculate any past due amount to determine your new permanent monthly payment and other modified loan terms.

**[BORROWER INCENTIVE.** If your monthly mortgage payment (principal, interest, property taxes, hazard insurance, flood insurance, condominium association fees and homeowner's association fees, as applicable, but excluding mortgage insurance) is reduced through the Home Affordable Modification Program by six percent or more and if you make your modified monthly mortgage payments on time, you will accrue a monthly benefit equal to the lesser of: (i) \$83.33 or (ii) one-half of the reduction in your monthly mortgage payment. As long as your mortgage loan does not become 90 days delinquent, we will apply your accrued monthly benefit to your mortgage loan and reduce your principal balance after each of the first through fifth anniversaries of the month in which the Trial Period Plan is executed. If your modified mortgage loan ever becomes 90 days delinquent, you will lose all accrued but unapplied principal reduction benefits and you will no longer be eligible to accrue additional principal reduction benefits even if the mortgage loan is later brought current.]

**CREDIT COUNSELING.** If you have very high levels of debt, you will be required to obtain credit counseling under the Home Affordable Modification Program.

**CREDIT REPORTING.** During the trial period, we will report your loan as delinquent to the credit reporting agencies even if you make your trial period payments on time. However, after your loan is modified, we will only report the loan as delinquent if the modified payment is not received in a timely manner.