



Home Affordable Modification Program

Policies and Procedures Manual

Policies and procedures herein apply generally to loans subserviced by Franklin Credit Management Corporation, and are integrated with client-specific guidelines where applicable.

Table of Contents

1.0	MISSION.....	4
2.0	OVERVIEW.....	5
	An Incentive-driven Program	5
	Borrower Incentives	5
	Client Incentives.....	6
	Mortgage Servicer Incentives.....	6
3.0	DETERMINING ELIGIBILITY	7
4.0	SOLICITATION OF BORROWERS.....	9
	Accounts Pre-qualified by an Agent.....	9
	Accounts Pre-qualified by ILS.....	9
	Obtaining Borrower Documents (Financials and Executions)	10
5.0	UNDERWRITER'S REVIEW OF APPLICATION.....	11
	The Waterfall Analysis	11
	The NPV Model.....	12
	The Trial Period Modification Plan	12
	The Official Modification Plan.....	13
	Retention.....	13
	Recording.....	14
6.0	HAMP REPORTING	15
7.0	EXHIBITS.....	16
	Exhibit A: HAMP Compensation Matrix	16
	Exhibit B: Solicitation Package	17
	Exhibit C: Processor Checklist	28
	Exhibit D: Missing Documentation Letter.....	29
	Exhibit E: Underwriter Checklist.....	31
	Exhibit F: Trial Agreement Package.....	32
	Exhibit G: HAMP Denial Letter	42
	Exhibit H: Monthly 60+ Days Report.....	45
	Exhibit I: Weekly Survey.....	47

1.0 MISSION

The goal of the Home Affordable Modification Program at Franklin Credit Management Corporation is to expedite the Federal government's efforts to ensure that borrowers in or verging on financial hardship are given every opportunity to retain their homes through loan modifications that do not result in future default. Toward this end, prompt review of borrower Home Affordable Modification Program applications and accurate dissection of borrower financials are essential.

2.0 OVERVIEW

On September 11, 2009, Franklin Credit Management Corporation was accepted as a participating mortgage servicer in the U.S. Treasury's Home Affordable Modification Program ("HAMP") for first-lien mortgage loans that are not owned or guaranteed by Fannie Mae or Freddie Mac. This servicing status is also referred to as a "non-GSE servicer"—that is, Franklin Credit Management Corporation may service only Non-Government-Sponsored Entities.

HAMP is designed to give eligible borrowers an opportunity to avoid foreclosure through affordable and sustainable loan modifications made in accordance with HAMP guidelines, procedures, directives, and requirements.

HAMP opportunities are not extended to a client's borrowers until the client authorizes Franklin Credit Management Corporation to extend same. Thereafter, if a borrower is not eligible for HAMP, Franklin Credit Management Corporation may, on behalf of the client, consider other loss mitigation options that are appropriate for the borrower.

AN INCENTIVE-DRIVEN PROGRAM

To ensure worthy borrowers are encouraged to enter into HAMP modifications and uphold those modifications, HAMP provides mortgagee, mortgagor, and mortgage servicer alike with incentives ([Exhibit A](#)).

Borrower Incentives

Aside from a more manageable monthly first mortgage payment, borrowers are encouraged to keep their HAMP-modified loan current. Borrowers whose monthly mortgage payment (principal, interest, taxes, all related property insurance and homeowner's or condominium association fees, but excluding mortgage insurance) is reduced through the HAMP by six percent or more and who make timely monthly payments earn an annual "pay for performance" principal balance reduction payment equal to the lesser of: (i) \$1,000 (\$83.33/month), or (ii) one-half of the reduction in the borrower's annualized monthly payment for each month a timely payment is made.

The principal balance reduction is applied to the borrower's account in accordance with government-issued compensation procedures posted on the hmpadmin.com Web site.

A borrower can earn the right to receive a "pay for performance" principal balance reduction payment for payments made during the first five years following execution of the Agreement *provided* the loan continues to be in good standing as of the date the payment is made. The "pay for performance" principal balance reduction payment will accrue monthly but will be applied annually for each of the five years in which this incentive payment accrues, prior to the first payment due date after the anniversary of the month in which the Trial Period Plan was executed.

This payment will be paid to Franklin Credit Management Corporation to be applied first towards reducing the interest bearing Unpaid Balance (UPB) on the mortgage loan, and then to any principal forbearance amount (if applicable).

Borrower incentive payments do not accrue during the Trial Period; however, on the first month of the modification, the borrower will accrue incentive payments equal to the number of months in the trial period.

If and when the loan ceases to be in good standing, the borrower will cease to be eligible for any further incentive payments after that time, even if the borrower subsequently cures his or her delinquency. The borrower will lose his or her right to any accrued incentive compensation when the loan ceases to be in good standing.

Client Incentives

If the target monthly mortgage payment ratio is achieved, investors in Non-GSE mortgages are entitled to payment reduction cost share compensation.

This compensation equals one-half of the dollar difference between the borrower's monthly payment under the modification at the target monthly mortgage payment ratio and the lesser of (i) what the borrower's monthly payment would be at a 38 percent monthly mortgage payment ratio; or (ii) the borrower's pre-modification monthly payment.

Payment reduction cost share compensation shall accrue monthly as the borrower makes each payment so long as the loan is in good standing as defined in these guidelines. This compensation will be provided for up to five years or until the loan is paid off, whichever is earlier.

Additionally, investors will receive a one-time incentive of \$1,500 for each agreement executed with a borrower who was current prior to the start of his or her Trial Period Plan. The one-time incentive also is conditional upon at least a six percent reduction in the borrower's monthly mortgage payment.

Investor incentives are remitted to the client in accordance with government-issued compensation procedures posted on the hmpadmin.com Web site.

Mortgage Servicer Incentives

Franklin Credit Management Corporation itself receives a one-time incentive payment of \$1,000 for each loan modified in accordance with HAMP. To encourage modification terms that will assist the borrower for the long-term, this payment is held back until the borrower successfully completes a trial modification period of at least three or four months. An additional one-time payment of \$500 is made if the borrower is current at the start of the modification trial period, but facing imminent default. Should a borrower remain in good standing on his payments under HAMP, Franklin Credit Management Corporation could earn an additional fee of up to \$1,000 per year for each of the modification's first three years.

3.0 DETERMINING ELIGIBILITY

Once HAMP is authorized by a client, Franklin Credit Management Corporation Customer Service, Collections Agents, Loss Mitigation Negotiators, and Recovery Agents may pre-qualify borrowers for HAMP—should a borrower not qualify for HAMP, the Agent may consider the borrower for other client-approved loss mitigation programs.

BASIC LOAN REQUIREMENTS

To be pre-qualified for the HAMP program, the following basic loan requirements must be met:

- Loan must be a first lien and must have originated prior to January 1, 2009.
- The subject property must be a residential, 1-4 unit structure that is occupied by the borrower.
- The unpaid balance on the loan must currently be \$729,750 or less for a one-unit property, \$934,200 for a two-unit property, \$1,129,250 for a three-unit property, and \$1,403,400 for a four-unit property.
- The loan must have an escrow account for taxes and insurance. If one does not already exist, an escrow account will be set up by the Escrow Department.
- The loan cannot have been previously enrolled in a Trial or Official HAMP program.

BORROWER FINANCIAL REQUIREMENTS

Further, the borrower must meet the following financial requirements:

- Loans 60+ days delinquent with legitimate financial hardship qualify.
- If loan is less than 60 days delinquent, borrower may qualify if finances indicate likely imminent default (basis for this decision must be documented).
- Current PITI (Principal, Interest, Taxes, Insurance) costs, which the Agent may obtain over the phone, must exceed 31% of the borrower's gross monthly income. In making the calculation, the Agent should include flood insurance and homeowners association (HOA) or other condominium fees. The Agent should not include mortgage insurance or subordinate liens in calculating the borrower's PITI/gross monthly income ratio.
- The borrower's total monthly gross expenses should not exceed 55% of the borrower's monthly gross income. If it does, a Trial HAMP Modification may be initiated, but Franklin Credit Management Corporation must send a *HAMP Counseling Letter* ([Exhibit B](#)) requiring the borrower to work with a HUD-approved counselor. The borrower or counselor will need to advise Franklin

Credit Management Corporation in writing that the counselor has been consulted before the borrower's Official HAMP Modification can initiated.

4.0 SOLICITATION OF BORROWERS

HAMP solicitation letters and/or documentation request packages are sent out following two events:

- A borrower requests and pre-qualifies for HAMP modification consideration from an Agent.
- The company's Interlink Loan Servicing account information system (ILS) generates a monthly report of loans that have become 60 days delinquent and whose property and loan characteristics meet HAMP eligibility requirements. A solicitation letter is sent to these borrowers.

The borrower is generally given thirty (30) days to respond to the correspondence indicating intent to apply for the modification. If the loan is currently in foreclosure, foreclosure proceedings are suspended for thirty (30) days or, depending upon the state, postponed to accommodate the borrower as best as possible. However, these courtesies may not be extended to a borrower in foreclosure who is applying for a second or subsequent time.

ACCOUNTS PRE-QUALIFIED BY AN AGENT

Once a Customer Service, Collections, Loss Mitigation, or Recovery professional has determined that a borrower is eligible to apply for a HAMP modification, the Agent:

- Documents all of his or her discussion with the borrower in the account Comments fields in the Collections module of ILS.
- Goes into the ILS account for the borrower and, using the Task Tracking screen, creates a new HAMP account project.
- Completes two tasks in ILS: "HAMP Doc Request Letter" and "HAMP Financials & Hardship Updated".

Thereafter the Processor will generate a Solicitation Packet ([Exhibit B](#)) for mailing, as outlined in the *Obtaining Borrower Documents (Financials and Executions)* section below.

ACCOUNTS PRE-QUALIFIED BY ILS

- Each day, HAMP Processors run a report in ILS Task Tracking that identifies borrower accounts that may now qualify for HAMP consideration and that have not yet been extended a HAMP solicitation.
- For each account, a HAMP Processor initiates the ILS task, "HAMP Doc Request Letter".
- Solicitation Packets ([Exhibit B](#)) are sent out automatically to the accounts.
- The processor completes the task "HAMP Doc Request Letter Sent".

OBTAINING BORROWER DOCUMENTS (FINANCIALS AND EXECUTIONS)

Every HAMP project introduced by either method above appears in ILS task tracking reports that Processors run daily. Processor activities then include:

- For accounts that have prequalified by Agents for HAMP, a Processor completes the task “HAMP Doc Request Letter Sent”.
- When HAMP documentation is returned within 30 days, a Processor completes a *Processor Checklist* ([Exhibit C](#)) to ensure all required documents are present.

If required documents are missing from the package, the Processor will:

- Call the borrower and advise him or her to mail the missing items within the next 10 business days. A *Missing Documentation Letter* ([Exhibit D](#)) is also sent.
- Use this opportunity to re-request certain missing documents that are not required:
 - Proof of homeowner’s insurance.
 - Proof of flood insurance, if the Escrow Department determines the property is in a flood zone.
 - A copy of the borrower’s most recent tax bill if Franklin Credit Management Corporation does not already maintain an associated escrow account.
- Document the contact by inserting a standard comment—“HAMP Information”—into the account’s Comments field in ILS.
- Once all required documents have been received, the Processor will complete the task “HAMP Doc Request Letter Received”.
- For accounts that were solicited based upon ILS account screening (and not prequalified by Agents), the Processor will complete the HAMP Financial & Hardship Updated task.

5.0 UNDERWRITER'S REVIEW OF APPLICATION

HAMP applications come to the attention of HAMP Underwriters via an ILS report generated that includes accounts that have completed the "HAMP Doc Request Letter Received" task.

An Underwriter will subsequently:

- Order an Automated Valuation Model (AVM) property review and complete the ILS task, "AVM Ordered".
- Order a credit report and complete the ILS task, "HAMP Credit Report Ordered".
- Consulting an Underwriter's Checklist ([Exhibit E](#)), calculate the borrower's :
 - Total monthly income.
 - Current Debt-to-Income ratio (DTI).
 - Total Debt Ratio (TDR). This is the sum of the new monthly payment plus monthly credit-related debt, vs. income. Household or daycare expenses are not considered in the TDR.
- With the calculations complete, complete the ILS task, "HAMP UW Review".
- Submit the loan's information to "Waterfall Analysis" (described in detail below), then complete the ILS task, "HAMP Waterfall Analysis"
- Submit the loan information to the Net Present Value (NPV) module (described in greater detail below), then complete the ILS task, "HAMP NPV Analysis".
- If NPV Analysis results are positive, provide the file to the Processor to prepare the trial modification documents and complete the "HAMP Trial Plan Pkg Approved" task in ILS.
- Review the Trial Modification Agreement documents ([Exhibit F](#)).
- If the NPV results are negative, request the Servicing Division Director confirm that the process should not proceed, in which case:
 - The Underwriter advises a Processor to prepare a *HAMP Non-Approval Notification* ([Exhibit G](#)).
 - The Underwriter must review client-approved Loss Mitigation programs for which the account might be eligible.

Underwriters must also monitor loans that are in the three-month trial period phase. Details may be found in the *Trial Period Modification Plan* section below.

THE WATERFALL ANALYSIS

Franklin Credit Management Corporation has created a "Waterfall Analysis" spreadsheet template based on the training and recommendations of Fannie Mae. The Excel

spreadsheet contains input fields that are necessary to run the Waterfall calculations. These fields are completed by the HAMP Underwriter. Fannie Mae requires these steps be followed in the exact order stated:

1. Reduce the interest rate down by .125% increments to a minimum of 2.00% until the PITIA (the “A” denotes an escrow shortage) is as close to 31% as possible, without being less than 31% nor exceeding 31.99%. If the rate is 2% and the PITIA still exceeds 31%, continue to Step 2.
2. Extend the term by one-month increments to a maximum of 480 months until the PITIA is as close to 31% as possible, without being less than 31% nor exceeding 31.99%. If the rate is 2% and the PITIA still exceeds 31%, continue to Step 3.
3. Forbear the loan amount by \$500 increments until the PITIA is as close to 31% as possible, without being less than 31%, nor exceeding 31.99%.

Once the Waterfall Analysis complete, the Underwriter has the new terms for the loan modification. The Underwriter completes the ILS task of “HAMP Waterfall Analysis”.

The loan then is ready to be run through Fannie Mae’s NPV Model.

THE NPV MODEL

All loans that meet HAMP eligibility criteria are required to be evaluated using Fannie Mae’s standardized NPV test that compares the NPV result for a modification to the NPV result for no modification.

The Underwriter runs all loans that have completed the Waterfall Analysis through the NPV Model. The NPV Model is available via the HAMP Web site, which can only be accessed with a secured sign-in at <https://www.hmpadmin.com/portal/login.jsp>.

The model returns a result of “Positive” or “Negative” for each loan submitted.

If the NPV result for the modification scenario is greater than the NPV result for the no modification scenario, the result is deemed “Positive” and Franklin Credit Management Corporation **must** offer the modification. The loan is assigned to a processor to create a *Trial Period Modification Package*.

If the NPV result for no modification is greater than the NPV result for the modification scenario, the modification result is deemed “Negative” and the loan is given to the Loss Mitigation Manager for review. If a HAMP modification is not appropriate (e.g., the only way for the borrower to qualify is to offer an absurdly impossible forbearance amount to be paid at loan’s end), Franklin Credit Management Corporation considers the borrower for other foreclosure prevention options, including alternate client-approved modification programs.

THE TRIAL PERIOD MODIFICATION PLAN

If a trial period modification plan is offered, the borrower will be put on a trial payment period for three to four months. The borrower must make the estimated, modified mortgage trial payments every 30 calendar days for the duration of the trial period. If the

borrower defaults during the trial period, the HAMP modification is withdrawn and the borrower will not be permitted to reapply for HAMP consideration.

To effect a Trial Modification Plan:

- The Processor creates the document package by inputting the information into a vendor Web site.
- The Processor prints the required documents and submits them to a manager for review prior to mailing to the borrower.
- The borrower must return within 30 days with all documents signed and his or her first modified payment to acknowledge acceptance of the Trial Modification.
- All borrower payments received are sent to the Payment Processing Group. Funds received are deposited into a suspense account (a.k.a., “unapplied”) until sufficient funds are received to post a regular (pre-HAMP) payment.
- Underwriters are notified by Payment Processing of each trial period payment received by Payment Processing via e-mail. If a payment is correct, the Underwriter will complete the appropriate ILS task: either “HAMP Trial Plan Pymt #1 Recd”, “HAMP Trial Plan Pymt #2 Recd”, or “HAMP Trial Plan Pymt #3 Recd”.

THE OFFICIAL MODIFICATION PLAN

Once the borrower successfully completes the trial period, the Official Modification Plan documentation is sent for signatures.

The processor creates the document package by inputting the information into the vendor Web site.

A Processor prints the documents and submits them for review by a Manager prior to mailing. The borrower must return all documents signed in order to allow the modification of the loan in the servicing system.

The return of the completed, executed Official Modification documentation triggers the actual modification of the loan in ILS.

Prior to the Official HAMP Modification being prepared, an updated Waterfall must be completed by the Underwriter to determine the final figures.

RETENTION

Once the Official Modification documentation has been received and the modification has been incorporated, the documentation is archived in ILS. The original documents are sent to the Document Management unit in Customer Service for retention. All HAMP documentation must be retained for at least seven (7) years from the date of collection.

RECORDING

In addition, HAMP Processors consult the HMPadmin.com Web portal for the list of a handful of states and counties that currently require HAMP modifications be recorded in their jurisdiction's tax offices. It is the Processor's responsibility to e-mail the Satisfaction Unit in Customer Service whenever a HAMP modification requires a local recording.

6.0 HAMP REPORTING

The U.S. Treasury's HAMP program requires monthly reporting throughout the life of the loan modification.

There are two reports that Franklin Credit Management Corporation provides to the Federal National Mortgage association (FNMA, a.k.a., "Fannie Mae"), the government agency responsible for administering HAMP on behalf of the U.S. treasury.

The *Monthly 60-day Report* ([Exhibit H](#)) summarizes those client-authorized loans that may be eligible for a HAMP modification.

The *Weekly Survey* ([Exhibit I](#)) summarizes HAMP solicitations efforts, as well as Trial Modification and Official Modification Programs.

7.0 EXHIBITS

Exhibit A: HAMP Compensation Matrix



Home Affordable Modification Program (HAMP) Compensation—First Liens

	Payment Name	Frequency	Payee/Beneficiary	Amount	Timing
1	Servicer Incentive Payment (paid for loans that successfully complete trial)	One time	Servicer/Servicer	\$1,000	Paid in the first month of the official modification. Trial modification period must be successfully completed.
2	Current Borrower One Time Bonus Payment (paid for loans that successfully complete trial; loan must be current at the start of the trial period)	One time	Servicer/Servicer	\$500	Paid in the first month of the official modification. Trial modification period must be successfully completed.
3	Current Borrower One Time Bonus Payment (paid for loans that successfully complete trial; loan must be current at the start of the trial period)	One time	Servicer/Investor (non-GSE Only)	Must reduce monthly housing expense by at least 6%. \$1,500	Paid in the first month of the official modification. Trial modification period must be successfully completed.
4	Monthly Reduction Cost Share*	Monthly for first 5 years of the official modification	Servicer/Investor (Non-GSE Only)	The investor is paid, on a monthly basis: 50% of the difference between the P&I Payment at 38% DTI and P&I Payment at 31% DTI if the Front Ratio before modification is greater than or equal to 38% or 50% of the difference between the P&I Payment before modification and the P&I Payment at 31% DTI if the Front Ratio before modification is less than 38%. Must reduce monthly housing expense by at least 6%.	Paid monthly beginning the month after the official modification effective date when the first official monthly report (OMR) is received.
5	Borrower Pay for Performance Success Payment	Accrued monthly (only in months borrower is current) and paid annually on the anniversary date of the trial modification Borrower is eligible for 5 years after starting the trial modification period.	Servicer/Borrower	If such reduction is achieved, the borrower accrues, on a monthly basis the lower of \$83.33 or 50% of the difference between the Monthly Housing Expense Before Modification and Monthly Housing Expense After Modification. Must reduce monthly housing expense by at least 6%.	Accrue for number of months in the trial period in month 1 of the official modification to account for the time in the trial period. Amounts are accrued monthly if the OMR is received and the LPI Date Reported on the OMR is current. Paid annually in the month of the anniversary of first trial payment due date.
6	Servicer Pay for Success Payment	Accrued monthly and paid annually on the anniversary date of the trial modification Servicer will receive for 3 years after starting the trial modification period.	Servicer/Servicer	Must reduce monthly housing expense by at least 6%. If such reduction is achieved, the servicer accrues, on a monthly basis the lower of \$83.33 or 50% of the difference between the Monthly Housing Expense Before Modification and Monthly Housing Expense After Modification.	Accrue for number of months in the trial period in month 1 of the official modification. Amounts are accrued monthly if the OMR is received. Paid annually in the month of the anniversary of first trial payment due date.

(*Amount* corrected on 10/21/2009.)

Exhibit B: Solicitation Package

HELPING YOU STAY IN YOUR HOME.



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



12/28/09

Robert G. Centrifugale
657 Scrabble Hill Road
Georgetown, CT 55555

Loan #: 0123456789
Property Address: 657 Scrabble Hill Road
Georgetown, CT 55555

Dear Borrower(s),

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 01/28/2010. 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 1.800.650.7162.

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, Hardship Affidavit, and IRS Form 4506-T

RFIL-309-08-8

IMPORTANT NOTICE

We want to help you avoid foreclosure scams.

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/fo/>
- 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.

RFIL-309-08-8

Act Now!

To see if you qualify for this program, send the items listed below to Franklin Credit Management Corp., Attn: Loss Mitigation, 101 Hudson Street, Jersey City, NJ, 07302, no later than 01/28/2010. 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 1.800.650.7162.

You must send in all required income documentation, tax returns, completed Form 4506-T, and a signed hardship affidavit by no later than 01/28/2010. 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 30 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 1-800-650-7162 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.

RFIL-309-08-8

IMPORTANT PROGRAM INFO

Here's what you need to know about the Home Affordable Modification program.

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.

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.

RFIL-309-08-8

Home Affordable Modification Program Hardship Affidavit

Borrower Name: _____ Date of Birth: _____
 Co-Borrower Name: _____ Date of Birth: _____
 Property Street Address: _____
 Property City, ST, Zip: _____
 Servicer: _____
 Loan Number: _____

In order to qualify for _____'s ("Servicer") offer to enter into an agreement to modify my loan under the federal government's Home Affordable Modification Program (the "Agreement"), I/we am/are submitting this form to the Servicer and indicating by my/our checkmarks ("✓") the one or more events that contribute to my/our difficulty making payments on my/our mortgage loan.

- | Borrower | Co-Borrower | |
|--------------------------|--------------------------|---|
| Yes | No | |
| <input type="checkbox"/> | <input type="checkbox"/> | My income has been reduced or lost. For example: unemployment, underemployment, reduced job hours, reduced pay, or a decline in self-employed business earnings. I have provided details below under "Explanation." |
| <input type="checkbox"/> | <input type="checkbox"/> | My household financial circumstances have changed. For example: death in family, serious or chronic illness, permanent or short-term disability, increased family responsibilities (adoption or birth of a child, taking care of elderly relatives or other family members). I have provided details below under "Explanation." |
| <input type="checkbox"/> | <input type="checkbox"/> | My expenses have increased. For example: monthly mortgage payment has increased or will increase, high medical and health-care costs, uninsured losses (such as those due to fires or natural disasters), unexpectedly high utility bills, increased real property taxes. I have provided details below under "Explanation." |
| <input type="checkbox"/> | <input type="checkbox"/> | My cash reserves are insufficient to maintain the payment on my mortgage loan and cover basic living expenses at the same time. Cash reserves include assets such as cash, savings, money market funds, marketable stocks or bonds (excluding retirement accounts). Cash reserves do not include assets that serve as an emergency fund (generally equal to three times my monthly debt payments). I have provided details below under "Explanation." |
| <input type="checkbox"/> | <input type="checkbox"/> | My monthly debt payments are excessive, and I am overextended with my creditors. I may have used credit cards, home equity loans or other credit to make my monthly mortgage payments. I have provided details below under "Explanation." |
| <input type="checkbox"/> | <input type="checkbox"/> | There are other reasons I/we cannot make our mortgage payments. I have provided details below under "Explanation." |

Information for Government Monitoring Purposes

The following information is requested by the federal government in order to monitor compliance with federal statutes that prohibit discrimination in housing. **You are not required to furnish this information, but are encouraged to do so. The law provides that a lender or servicer may not discriminate either on the basis of this information, or on whether you choose to furnish it.** If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, the lender or servicer is required to note the information on the basis of visual observation or surname if you have made this request for a loan modification in person. **If you do not wish to furnish the information, please check the box below.**

BORROWER <input type="checkbox"/> I do not wish to furnish this information		CO-BORROWER <input type="checkbox"/> I do not wish to furnish this information	
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino		Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White		Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male		Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	
To be Completed by Interviewer		Interviewer's Name (print or type)	
This application was taken by:		Interviewer's Signature Date	
<input type="checkbox"/> Face-to-face interview		Name/Address of Interviewer's Employer	
<input type="checkbox"/> Mail			
<input type="checkbox"/> Telephone			
<input type="checkbox"/> Internet		Interviewer's Phone Number (include area code)	

Borrower/Co-Borrower Acknowledgement and Agreement

1. Under penalty of perjury, I/we certify that all of the information in this affidavit is truthful and the event(s) identified above has/have contributed to my/our need to modify the terms of my/our mortgage loan.
2. I/we understand and acknowledge the Servicer may investigate the accuracy of my/our statements, may require me/us to provide supporting documentation, and that knowingly submitting false information may violate Federal law.
3. I/we understand the Servicer will pull a current credit report on all borrowers obligated on the Note.
4. I/we understand that if I/we have intentionally defaulted on my/our existing mortgage, engaged in fraud or misrepresented any fact(s) in connection with this Hardship Affidavit, or if I/we do not provide all of the required documentation, the Servicer may cancel the Agreement and may pursue foreclosure on my/our home.
5. I/we certify that my/our property is owner-occupied and I/we have not received a condemnation notice.
6. I/we certify that I/we am/are willing to commit to credit counseling if it is determined that my/our financial hardship is related to excessive debt.
7. I/we certify that I/we am/are willing to provide all requested documents and to respond to all Servicer communication in a timely manner. I/we understand that time is of the essence.

8. I/we understand that the Servicer will use this information to evaluate my/our eligibility for a loan modification or other workout, but the Servicer is not obligated to offer me/us assistance based solely on the representations in this affidavit.
9. I/we accept and agree to all terms of the Home Affordable Modification Trial Period ("Trial Period") Plan which is incorporated herein by reference as if set forth in full.
10. I/we agree that when the Servicer accepts and posts a payment during the Trial Period it will be without prejudice to, and will not be deemed a waiver of, the acceleration of my loan or foreclosure action and related activities and shall not constitute a cure of my default under my loan unless such payments are sufficient to completely cure my entire default under my loan.
11. I/we agree that any prior waiver as to payment of escrow items in connection with my loan has been revoked.
12. I/we agree to the establishment of an escrow account and the payment of escrow items if an escrow account never existed on my loan.
13. I/we understand that Servicer will collect and record personal information, including, but not limited to, my name, address, telephone number, social security number, credit score, income, payment history, government monitoring information, and information about account balances and activity. I understand and consent to the disclosure of my personal information and the terms of the Trial Period Plan and Modification Agreement by Servicer to (a) the U.S. Department of the Treasury, (b) Fannie Mae and Freddie Mac in connection with their responsibilities under the Homeowner Affordability and Stability Plan; (c) any investor, insurer, guarantor or servicer that owns, insures, guarantees or services my first lien or subordinate lien (if applicable) mortgage loan(s); (d) companies that perform support services for the Home Affordable Modification Program and the Second Lien Modification Program; and (e) any HUD certified housing counselor.

Borrower Signature _____	Date _____	Co-Borrower Signature _____	Date _____
E-mail Address: _____		E-mail Address: _____	
Cell Phone # _____		Cell Phone # _____	
Home Phone # _____		Home Phone # _____	
Work Phone # _____		Work Phone # _____	
Social Security # _____		Social Security # _____	

Explanation:

Explanation (Continued):

A large, empty rectangular box with a thin black border, intended for the user to provide a detailed explanation or narrative. It occupies the majority of the page area below the 'Explanation (Continued):' label.

Short Form Request for Individual Tax Return Transcript

► Request may not be processed if the form is incomplete or illegible.

OMB No. 1545-2154

Tip: Use Form 4506T-EZ to order a 1040 series tax return transcript free of charge.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return
2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
4 Previous address shown on the last return filed if different from line 3	
5 If the transcript is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.	
Third party name	Telephone number
Address (including apt., room, or suite no.), city, state, and ZIP code	
6 Year(s) requested. Enter the year(s) of the return transcript you are requesting (for example, "2008"). Most requests will be processed within 10 business days.	

Caution. If the transcript is being mailed to a third party, ensure that you have filled in line 6 before signing. Sign and date the form once you have filled in line 6. Completing these steps helps to protect your privacy.

Note. If the IRS is unable to locate a return that matches the taxpayer identity information provided above, or if IRS records indicate that the return has not been filed, the IRS may notify you or the third party that it was unable to locate a return, or that a return was not filed, whichever is applicable.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a. If the request applies to a joint return, either husband or wife must sign.

Note. This form must be received within 60 days of signature date.

Sign Here	Signature (see instructions)	Date	Telephone number of taxpayer on line 1a or 2a
	Spouse's signature	Date	

Purpose of form. Individuals can use Form 4506T-EZ to request a tax return transcript that includes most lines of the original tax return. The tax return transcript will not show payments, penalty assessments, or adjustments made to the originally filed return. You can also designate a third party (such as a mortgage company) to receive a transcript on line 5. Form 4506T-EZ cannot be used by taxpayers who file Form 1040 based on a fiscal tax year (that is, a tax year beginning in one calendar year and ending in the following year). Taxpayers using a fiscal tax year must file Form 4506-T, Request for Transcript of Tax Return, to request a return transcript.

Use Form 4506-T to request the following.

- A transcript of a business return (including estate and trust returns).
- An account transcript (contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed).
- A record of account, which is a combination of line item information and later adjustments to the account.
- A verification of nonfiling, which is proof from the IRS that you did not file a return for the year.
- A Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.

Form 4506-T can also be used for requesting tax return transcripts.

Automated transcript request. You can call 1-800-829-1040 to order a tax return transcript through the automated self-help system. You cannot have a transcript sent to a third party through the automated system.

Where to file. Mail or fax Form 4506T-EZ to the address below for the state you lived in when that return was filed.

If you are requesting more than one transcript or other product and the chart below shows two different RAIVS teams, send your request to the team based on the address of your most recent return.

Where to mail . . .

If you filed an individual return and lived in:	Mail or fax to the "Internal Revenue Service" at:
Alabama, Delaware, Florida, Georgia, North Carolina, Rhode Island, South Carolina, Virginia	RAIVS Team P.O. Box 47-421 Stop 91 Doraville, GA 30362 770-455-2335
Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team Stop 6716 AUSC Austin, TX 73301 512-460-2272
Alaska, Arizona, California, Colorado, District of Columbia, Hawaii, Idaho, Iowa, Kansas, Maine, Maryland, Massachusetts, Minnesota, Montana, New Hampshire, New Mexico, New York, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Vermont, Washington, Wisconsin, Wyoming	RAIVS Team Stop 37106 Fresno, CA 93888 559-456-5876
Arkansas, Connecticut, Illinois, Indiana, Michigan, Missouri, New Jersey, Ohio, Pennsylvania, West Virginia	RAIVS Team Stop 6705-B41 Kansas City, MO 64999 816-292-6102

Signature and date. Form 4506T-EZ must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506T-EZ within 60 days of the date signed by the taxpayer or it will be rejected.

Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506T-EZ exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. Sections 6103 and 6109 require you to provide this information, including your SSN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506T-EZ will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form**, 9 min.; **Preparing the form**, 18 min.; and **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506T-EZ simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.

Exhibit C: Processor Checklist

HAMP PROCESSOR Checklist

Date: _____

Loan #: _____

Last Name: _____

Legal Status: _____

If in FC, check DRI for Sale Date

Sale Date: _____

On Hold?: _____

HAMP Eligibility	Yes	No	
1 Is the loan a secured 1 st lien?			If no, refer to Work Rules
2 Is the property currently being occupied by the borrowers as their primary residence?			If no, refer to Work Rules
3 Is the property a 1-4 unit, condo, townhouse or PUD?			If no, refer to Work Rules
4 Was the loan originated prior to 1/1/09?			If no, refer to Work Rules
5 If a 1-unit property, is the current UPB < \$729,750? If 2-unit, < \$934,200? If 3-unit, < \$1,129,250? If 4-unit, < \$1,403,400?			If no, refer to Work Rules
6 Is the account 60+ Days delinquent with legitimate hardship or does it meet the imminent default qualification (see below)?			If no, refer to Work Rules
7 Does the borrowers' current PITIA exceed 31% of their gross monthly income?			If no, refer to Work Rules
8 Are the taxes and insurance escrowed on the account or is the borrower willing to immediately set up an escrow account?			If no, refer to Work Rules

Proof of Residence - Tax Return, Paystub, Mailing Address

Documents Received

Hardship Affidavit

Proof of Income - Date: _____

Signed 4506 - Date: _____

Tax Return - Complete? YES NO

Signed by Borrower

Paystubs, Bank Stmt's, SSI, Disability,

Unemp., P&L

Signed by all Borrowers

Year 2008

Year 2007

FMC Dept Requests, if already in Archiver

Credit Report - Date: _____

Escrow Analysis - Date: _____

AVM - Date: _____

Need to be ordered? YES NO

Need to be ordered? YES NO

Need to be ordered? YES NO

Comments

Processor Name: _____

Exhibit D: Missing Documentation Letter

Franklin Credit Management Corp.
101 Hudson Street, 25th Floor
Jersey City, NJ 07302
Attention: HAMP

HAMP Missing Documentation Letter

12/28/09

Robert G. Centrifugale
657 Scrabble Hill Road
Georgetown, CT 5555

Account Number: 0123456789
Property Address: 657 Scrabble Hill Road
Georgetown, CT 55555

Dear Borrower,

THESE CONDITIONS MUST BE RECEIVED IN ORDER TO PROCESS YOUR LOAN MODIFICATION.

Conditions of Request:

- ☐ Hardship Affidavit completed and signed by all borrowers
- ☐ A signed and dated 4506-T (Request for Transcript of Tax Return)
- ☐ Proof of Tax bill, Homeowner's insurance policy (HOI) or Homeowner's association dues (HOA)
- ☐ Documentation to verify all income. This document 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 the above stated documents are not received in our office within TEN (10) days, the request will be denied. Please submit the documents to:

Franklin Credit Management Corp.
101 Hudson Street, 25th Floor
Jersey City, NJ 07302
Attention:HAMP

If you have any questions, please contact Franklin Credit at 1-800-650-7162.

Sincerely,

Loss Mitigation Department
Franklin Credit Management Corporation

Exhibit E: Underwriter Checklist

HAMP Underwriter Checklist

Date: _____

Loan #: _____

Last Name: _____

Legal Status: _____

If in FC, check DRI for Sale Date

Sale Date: _____

On Hold?: _____

Proof of Residence - Tax Return, Paystub, Mailing
Address

Financials Updated - Date: _____

Total Household Income \$ _____

Current Pymt: \$ _____ Current DTI: _____% Proposed payment at 31%: _____

Total Debt Amount: \$ _____ Total Debt Ratio: _____%

Documents Received

Hardship Affidavit

Signed by Borrower

Paystubs, Bank Stmt, SSI, Disability,

Unemp., P&L

Signed by all Borrowers

Year 2008

Year 2007

Proof of Income - Date: _____

Signed 4506 - Date: _____

Tax Return/W-2

FCCM Dept Requests

Credit Report - Date: _____

Escrow Analysis - Date: _____

AVM - Date: _____

Waterfall

NPV

Date Ordered

Date Ordered

Date Ordered

Pass

Positive

Fail

Negative

Comments

Underwriter Name: _____

Fields Needed for NPV

Rate at Origination	%
LTV at Orig, if appl	%
Next ARM Reset Rate	%
Next ARM Reset Date:	
CB Credit Score:	
Association fees before modification	\$
Monthly hazard and flood insurance	\$
Monthly real estate tax + monthly shortage	\$
Total Monthly Obligations	\$
Monthly Gross Income	\$
UPB after Mod (net of FB)	\$
Int Rate after Mod	%
Am Term after Mod:	
P&I after Mod	\$
Principal FB Amount	\$
Property Valuation Type	AVM BPO
Property Valuation Amt	\$

Exhibit F: Trial Agreement Package


MAKING HOME AFFORDABLE



Loan Number: 9876543210

NOTICE TO BORROWERS

Be advised that you are signing the following documents under penalty of perjury. Any misstatement of material fact made in the completion of these documents including but not limited to misstatement regarding your occupancy in your home, hardship circumstances, and/or income will subject you to potential criminal investigation and prosecution for the following crimes: perjury, false statements, mail fraud, and wire fraud. The information contained in these documents is subject to examination and verification. Any potential misrepresentation will be referred to the appropriate law enforcement authority for investigation and prosecution.

By signing the enclosed documents you certify, represent and agree that:

"Under penalty of perjury, all documents and information I have provided to Lender in connection with this Agreement, including the documents and information regarding my eligibility for the program, are true and correct."

SIGTARP Hotline

If you are aware of fraud, waste, abuse, mismanagement or misrepresentations affiliated with the Troubled Asset Relief Program, please contact the SIGTARP Hotline by:

Online Form: www.SIGTARP.gov
Phone: 877-SIG-2009 (toll-free)
Fax: 202-622-4559
Mail to: Hotline
Office of the Special Inspector General
For The Troubled Asset Relief Program
1500 Pennsylvania Ave., NW, Suite 1064
Washington, D.C. 20220

For all other inquiries related to your mortgage, please contact your Lender.

HOME AFFORDABLE MODIFICATION TRIAL PERIOD PLAN (Step One of Two-Step Documentation Process)

Investor Loan #:

Trial Period Plan Effective Date: JANUARY 1, 2010

Borrower ("I")¹: GREGORY MORTENSKI

Lender or Servicer ("Lender"): FRANKLIN CREDIT MANAGEMENT CORP

Date of first lien mortgage, deed of trust, or security deed ("Mortgage") and Note ("Note"): 04/18/2007

Loan Number: 9876543210

Property Address ("Property"): 34 CRASTENMEIER DR., EURIDYCE, FL 55554

If I am in compliance with this Trial Period Plan (the "Plan") and my representations in Section 1 continue to be true in all material respects, then the Lender will provide me with a Home Affordable Modification Agreement ("Modification Agreement"), as set forth in Section 3, that would amend and supplement (1) the Mortgage on the Property, and (2) the Note secured by the Mortgage. The Mortgage and Note together, as they may previously have been amended, are referred to as the "Loan Documents." Capitalized terms used in this Plan and not defined have the meaning given to them in the Loan Documents.

If I have not already done so, I am providing confirmation of the reasons I cannot afford my mortgage payment and documents to permit verification of all of my income (except that I understand that I am not required to disclose any child support or alimony unless I wish to have such income considered) to determine whether I qualify for the offer described in this Plan (the "Offer"). I understand that after I sign and return two copies of this Plan to the Lender, the Lender will send me a signed copy of this Plan if I qualify for the Offer or will send me written notice that I do not qualify for the Offer. This Plan will not take effect unless and until both the Lender and I sign it and Lender provides me with a copy of this Plan with the Lender's signature.

1. My Representations. I certify, represent to Lender and agree:

- A. I am unable to afford my mortgage payments for the reasons indicated in my Hardship Affidavit and as a result, (i) I am either in default or believe I will be in default under the Loan Documents in the near future, and (ii) I do not have sufficient income or access to sufficient liquid assets to make the monthly mortgage payments now or in the near future;
- B. I live in the Property as my principal residence, and the Property has not been condemned;
- C. There has been no change in the ownership of the Property since I signed the Loan Documents;

¹ If there is more than one Borrower or Mortgagor executing this document, each is referred to as "I". For purposes of this document words signifying the singular (such as "I") shall include the plural (such as "we") and vice versa where appropriate.

- D. I am providing or already have provided documentation for **all** income that I receive (and I understand that I am not required to disclose any child support or alimony that I receive, unless I wish to have such income considered to qualify for the Offer);
- E. Under penalty of perjury, all documents and information I have provided to Lender pursuant to this Plan, including the documents and information regarding my eligibility for the program, are true and correct; and
- F. If Lender requires me to obtain credit counseling, I will do so.

[Check box if following applies:]

- ☐ G. I was discharged in a Chapter 7 bankruptcy proceeding subsequent to the execution of the Loan Documents. Based on this representation, Lender agrees that I will not have personal liability on the debt pursuant to this Plan.

2. **The Trial Period Plan.** On or before each of the following due dates, I will pay the Lender the amount set forth below ("Trial Period Payment"), which includes payment for Escrow Items, including real estate taxes, insurance premiums and other fees, if any, of U.S. \$ 1,164.19

Trial Period Payment #	Trial Period Payment	Due Date On or Before
1	1,164.19	01/01/2010
2	1,164.19	02/01/2010
3	1,164.19	03/01/2010

The Trial Period Payment is an estimate of the payment that will be required under the modified loan terms, which may be finalized in accordance with Section 3 below. The actual payments under the modified loan terms, however, may be different.

***I understand that my first payment and this signed Trial Period Plan must be received by the Lender no later than JANUARY 1, 2010 or I may not be accepted into the Home Affordable Modification Program.**

I agree that during the period (the "Trial Period") commencing on the Trial Period Effective Date and ending on the earlier of: (i) the first day of the month following the month in which the last Trial Period Payment is due (the "Modification Effective Date") or (ii) termination of this Plan, I understand and acknowledge that:

- A. TIME IS OF THE ESSENCE under this Plan. This means I must make all payments on or before the days that they are due;
- B. Except as set forth in Section 2.C. below, the Lender will suspend any scheduled foreclosure sale, provided I continue to meet the obligations under this Plan, but any pending foreclosure action will not be dismissed and may be immediately resumed from the point at which it was suspended if this Plan terminates, and no new notice of default, notice of intent to accelerate, notice of acceleration, or similar notice will be necessary to continue the foreclosure action. All rights to such notices are hereby waived by me to the extent permitted by applicable law;
- C. If my property is located in Georgia, Hawaii, Missouri, or Virginia and a foreclosure sale is currently scheduled, the foreclosure sale will not be suspended and the Lender may foreclose if I have not made each and every Trial Period Payment that is due through the end of the month preceding the month in which the foreclosure sale is scheduled to occur. If a foreclosure sale occurs pursuant to this Section 2.C., this Plan shall be deemed terminated;
- D. The Lender will hold the payments received during the Trial Period in a non-interest bearing account until they total an amount that is enough to pay my oldest delinquent monthly payment on my loan in full. I understand the Lender will not pay me interest on the amounts held in the account. If there is any remaining money after such payment

is applied, such remaining funds will be held by the Lender and not posted to my account until they total an amount that is enough to pay the next oldest delinquent monthly payment in full;

- E. When the Lender accepts and posts a payment during the Trial Period it will be without prejudice to, and will not be deemed a waiver of, the acceleration of the loan or foreclosure action and related activities and shall not constitute a cure of my default under the Loan Documents unless such payments are sufficient to completely cure my entire default under the Loan Documents;
- F. If prior to the Modification Effective Date, (i) the Lender does not provide me a fully executed copy of this Plan and the Modification Agreement; (ii) I have not made the Trial Period payments required under Section 2 of this Plan; (iii) the Lender determines that any of my representations in Section 1 were not true and correct as of the date I signed this Plan or are no longer true and correct at any time during the Trial Period; or (iv) I do not provide all information and documentation required by Lender, the Loan Documents will not be modified and this Plan will terminate. In this event, the Lender will have all of the rights and remedies provided by the Loan Documents, and any payment I make under this Plan shall be applied to amounts I owe under the Loan Documents and shall not be refunded to me; and
- G. I understand that the Plan is not a modification of the Loan Documents and that the Loan Documents will not be modified unless and until (i) I meet all of the conditions required for modification, (ii) I receive a fully executed copy of a Modification Agreement, and (iii) the Modification Effective Date has passed. I further understand and agree that the Lender will not be obligated or bound to make any modification of the Loan Documents if the Lender determines that I do not qualify or if I fail to meet any one of the requirements under this Plan. If, under the Lender's procedures, a title endorsement(s) and/or subordination agreement(s) are required to ensure that the modified Loan Documents retain first lien position and are fully enforceable. I understand and agree that the Lender will not be obligated or bound to make any modification of the Loan Documents or to execute the Modification Agreement if the Lender has not received an acceptable title endorsement(s) and/or subordination agreement(s) from other lien holders, as Lender determines necessary.
3. **The Modification.** I understand that once Lender is able to determine the final amounts of unpaid interest and any other delinquent amounts (except late charges) to be added to my loan balance and after deducting from my loan balance any remaining money held at the end of the Trial Period under Section 2.D. above, the Lender will determine the new payment amount. If (1) my representations in Section 1 were and continue to be true in all material respects; (2) I comply with the requirements in Section 2; (3) I provide the Lender with all required information and documentation; and (4) the Lender determines that I qualify, the Lender will send me a Modification Agreement for my signature which will modify my Loan Documents as necessary to reflect this new payment amount and waive any unpaid late charges accrued to date. The Modification Agreement will provide that, as of the Modification Effective Date, a buyer or transferee of the Property will not be permitted, under any circumstance, to assume the loan unless permitted by applicable State or Federal law, rules or regulations. This Plan shall terminate the day before the Modification Effective Date and the Loan Documents, as modified by a fully executed Modification Agreement, shall govern the terms between the Lender and me for the remaining term of the loan. Provided I make timely payments during the Trial Period and both the Lender and I execute the Modification Agreement, I understand that my first modified payment will be due on the Modification Effective Date (i.e., on the first day of the month, following the month in which the last Trial Period Payment is due).
4. **Additional Agreements.** I agree to the following:
- A. That all persons who signed the Loan Documents or their authorized representative(s) have signed this Plan, unless (i) a borrower or co-borrower is deceased; (ii) the borrower and co-borrower are divorced and the property has been transferred to one spouse in the divorce decree, the spouse who no longer has an interest in the property need not sign this Plan (although the non-signing spouse may continue to be held liable for the obligation under the Loan Documents; or (iii) the Lender has waived this requirement in writing.
- B. To comply, except to the extent that they are modified by this Plan, with all covenants, agreements, and requirements of the Loan Documents, including my agreement to make all payments of taxes, insurance premiums, assessments, Escrow Items, impounds, and all other payments, the amount of which may change periodically over the term of my loan.

- C. If Lender may establish an escrow account under applicable law, this Plan constitutes notice that the Lender's waiver as to payment of Escrow Items, if any, has been revoked, I have been advised of the amount needed to fund my escrow account and I agree to the establishment of an escrow account. If the Loan Documents do not currently have escrow account provisions that govern, among other things, the collection, posting and payment of Escrow Items to and from the escrow account, the Lender will include provisions in my Modification Agreement that are similar to the escrow account provisions in the Fannie Mae/Freddie Mac Uniform Instrument for the state in which I live.
- D. That all terms and provisions of the Loan Documents remain in full force and effect; nothing in this Plan shall be understood or construed to be a satisfaction or release in whole or in part of the obligations contained in the Loan Documents.

[Check box if following applies:]

☐

Notwithstanding anything herein to the contrary, if my final two Trial Period Payments are received by Servicer after the close of business on the 15th calendar day of the last month of the Trial Period but before the end of the Trial Period, I agree that the Trial Period shall be extended by one calendar month (the "Additional Trial Period"). I agree to abide by all terms and provisions of this Plan during the Additional Trial Period. In addition, I agree to make a Trial Period Payment in the amount of \$ 1,164.19 [the same amount of the other Trial Period Payments] no more than 30 days after the last due date listed in the chart in Section 2 above.

- E. That I will execute such other and further documents as may be reasonably necessary to either (i) consummate the terms and conditions of this Plan; or (ii) correct the terms and conditions of this Plan if an error is discovered.
- F. That Lender will collect and record personal information, including, but not limited to, my name, address, telephone number, social security number, credit score, income, payment history, government monitoring information, and information about account balances and activity. I understand and consent to the disclosure of my personal information and the terms of this Trial Period Plan and the Modification Agreement by Lender to (a) the U.S. Department of the Treasury, (b) Fannie Mae and Freddie Mac in connection with their responsibilities under the Home Affordability and Stability Plan; (c) any investor, insurer, guarantor or servicer that owns, insures, guarantees or services my first lien or subordinate lien (if applicable) mortgage loan(s); (d) companies that perform support services for the Home Affordable Modification Program and the Second Lien Modification Program; and (e) any HUD certified housing counselor.
- G. That, as of the Trial Period Plan Effective Date, I understand that the Lender will only allow the transfer and assumption of this Trial Period Plan to a transferee of my property in the case of my death, divorce or marriage to the same extent as permitted under the Garn St. Germain Act, 12 U.S.C. Section 1701j-3. This Plan may not under any other circumstances, be assigned to, or assumed by, a buyer or transferee of the Property.

In Witness Whereof, the Lender and I have executed this Plan.
FRANKLIN CREDIT MANAGEMENT CORP

Lender

By: _____

Date

GREGORY MORTENSKI (Seal)
-Borrower

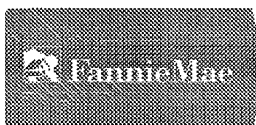
(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower



HELPING YOU STAY IN YOUR HOME.



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

Loan #: 9876543210

Property Address: 34 CRASTENMEIER DR.
EURIDYCE, FL 55554

Dear GREGORY MORTENSKI

We have good news about providing you a more affordable mortgage. You are eligible for the federal government's Home Affordable Modification program!

Please carefully read the enclosed Home Affordable Modification Program Trial Period Plan ("Trial Period Plan"). Make sure that you understand it and that the statements set forth in the "My Representations" section are true and accurate.

STEP 1	ACCEPT THE TRIAL PERIOD PLAN OFFER
---------------	---

To accept this offer and enter into the Home Affordable Modification program, all borrowers must sign both copies of the enclosed Trial Period Plan. You must then return BOTH signed copies to us - along with your first trial period payment in the amount of \$ 1,164.19 - by no later than JANUARY 1, 2010.

STEP 2	MAKE YOUR TRIAL PERIOD PAYMENTS ON TIME
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Your remaining trial period payments in the amount of \$ 1,164.19 will be due on or before MARCH 1, 2010. Your trial period payments should be sent instead of - NOT IN ADDITION TO - your normal monthly mortgage payments.

By no later than JANUARY 1, 2010, please mail two signed copies of the Trial Period Plan and your first trial period payment to: FRANKLIN CREDIT MANAGEMENT CORP
101 HUDSON STREET, 25 FLOOR
JERSEY CITY, NEW JERSEY 07302

If you have any questions, please contact us at (800) 650-7162

Sincerely,

FRANKLIN CREDIT MANAGEMENT CORP

The Making Home Affordable program was created to help millions of homeowners refinance or modify their mortgages. As part of this program, Fannie Mae (the owner of your loan), your servicer, and the Federal Government are working to offer you options to help you stay in your home.
--

Attachments: Important Program Info, Frequently Asked Questions, and Two copies of the Trial Period Plan

HOME AFFORDABLE MODIFICATION TRIAL PERIOD PLAN COVER LETTER
STEP ONE - INCOME VERIFIED
CL1V.HMP 04/15/09

Page 1 of 3

DocMagic eForms 800-649-1362
www.docmagic.com

IMPORTANT PROGRAM INFO	Here's what you need to know about the Home Affordable Modification program
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NO FEES. There are no fees under the Home Affordable Modification program.

TRIAL PERIOD PLAN/MODIFICATION AGREEMENT. The Trial Period Plan is the first step. Once we are able to finalize your modified loan terms, 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.

☒ **ESCROW ACCOUNT.** The terms of your Trial Period Plan and your Modification Agreement will require the servicer to set aside a portion of your new monthly payment in an escrow account for payment of your property taxes, insurance premiums and other required fees. Your current loan may also require escrows. If it does not, the previous waiver of escrows is cancelled under your Trial Period Plan.
FRANKLIN CREDIT MANAGEMENT CORP will draw on this account to pay your real estate taxes and insurance premiums as they come due. Please note that your escrow payment amount will adjust if your taxes, insurance premiums and/or assessment amounts change, so the amount of your monthly payment that the servicer must place in escrow will also adjust as permitted by law. This means that your monthly payment may change. Your initial monthly escrow payment will be \$ 490.91

☒ **ESCROW SHORTAGE.** Due to the timing of your tax and insurance payments, we have determined that there will be a shortage of funds in your escrow account in the amount of \$ 2,066.41. You may pay this amount over a 5 -year (60 months) period. This monthly payment has already been included in the monthly escrow payment stated above. **If you wish to pay the total shortage now as a lump sum, please contact us.**

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 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 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.

FREQUENTLY ASKED QUESTIONS	You've got questions. We've got answers.
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Q. What if my trial period payment is less than the payment I currently owe on my loan?

We will add the difference between the monthly payment that you currently owe on your loan and the trial period payment to your loan balance and allow you to pay it over the remainder of the modified loan term.

Q. Will a foreclosure occur if I participate in the Home Affordable Modification program?

As long as you comply with the terms of the Trial Period Plan, we will not start foreclosure proceedings or conduct a foreclosure sale if foreclosure proceedings have started. If you fail to comply with the terms of the Trial Period Plan and do not make other arrangements, your loan will be enforced according to its original terms, which could include foreclosure.

Q. What happens to my trial period payments if I do not comply with the terms of the Trial Period Plan?

Your trial period payments will be applied to your existing loan according to the terms of your loan documents.

Q. If I get a Home Affordable Modification, can my modified loan terms ever revert to the original terms?

No. This is one of the advantages of the Home Affordable Modification program. Once your loan is modified, the new terms stay in place for the remainder of your loan.

Q. Do all borrowers have to sign the Trial Period Plan and other documents?

Unless a borrower or co-borrower is deceased, all borrowers who signed the original loan documents or their duly authorized representative(s) must sign the Trial Period Plan, the Modification Agreement and all other required modification documents. Contact your servicer if it would be difficult or impossible for you to comply with this requirement.

Q. Could my trial period payment be more than my current payment?

Yes. For example, if your current payment does not include an escrow payment and you are now required to make monthly escrow payments, your trial period payment could be higher than your current payment. Note, however, that the increase in your payment under these circumstances would be offset by other tax and insurance bills you would no longer have to pay directly as we will pay those for you out of your escrow account.



HELPING YOU STAY IN YOUR HOME.



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

Loan #: 9876543210

Date: DECEMBER 4, 2009

Property Address: 34 CRASTENMEIER DR., EURIDYCE, FL 55554

Dear GREGORY MORTENSKI

You did it! By entering into a Home Affordable Modification Trial Period Plan you have taken the first step toward making your payment more affordable. We want to remind you that when you signed your Trial Period Plan, you agreed to work with a HUD-approved housing counseling agency. The service provided by the housing counseling agency is **FREE**. Counselors will work with you to create a household budget and develop an action plan to reduce your household debts. You can also count on your housing counselor to provide you with support during the loan modification process.

Your next step is to choose from the following housing counseling options:

- A. Select a HUD approved housing counseling agency by going to this website address: <http://www.hud.gov/offices/hsg/sfh/hcc/fc/>. The available agencies are listed by state and can provide you with either in-person counseling or counseling by phone.
- B. Or, select counseling by phone through the HOPE Hotline by calling 1-888-995-HOPE. This is an on-demand counseling service that is available 24-hours a day/7-days a week. The HOPE Hotline is available in Spanish or English (other languages are available on request).

Whichever option you select, the housing counseling services will be made available at **NO COST TO YOU**. Remember, it is **your responsibility** to contact one of these counseling agencies. It is also a requirement of your Trial Period Plan.

If you have questions about this requirement, please contact us at (800) 650-7162

Sincerely,

FRANKLIN CREDIT MANAGEMENT CORP

The Making Home Affordable program was created to help millions of homeowners refinance or modify their mortgages. As part of this program, Fannie Mae (the owner of your loan), your servicer, and the Federal Government are working to offer you options to help you stay in your home.

HOME AFFORDABLE MODIFICATION AGREEMENT COUNSELING LETTER
CL.HMP 04/15/09

DocMagic  800-649-1362
www.docmagic.com

Exhibit G: HAMP Denial Letter

Franklin Credit Management Corp.
101 Hudson Street, 25th Floor
Jersey City, NJ 07302
Attention: HAMP

HAMP Non Approval Notification

Date

Borrower's Name
Mailing Address
City, State Zip Code

Account Number:
Property Address:

Dear Borrower,

We have received your application for a HAMP Modification and reviewed the documentation provided. We have determined that we cannot offer you the modification due to the reasons checked off on the attached *Reasons for Non Approval Notice*.

Your account is being reviewed for alternate options to foreclosure. We will be contacting you regarding these options.

If you have any questions, please contact Franklin Credit at 1-800-650-7162.

Sincerely,

Loss Mitigation Department
Franklin Credit Management Corporation

Reasons for Non Approval Notice

_____ 1. **Ineligible Mortgage.** We are unable to offer you a Home Affordable Modification because your loan did not meet one or more of the following basic eligibility criteria of the Home Affordable Modification Program.

_____ You did not obtain your loan on or before January 1, 2009.

_____ Your loan with us is not a first lien mortgage.

_____ The current unpaid principal balance on your loan is higher than the program limit. (\$729,750 for a one unit property, \$934,200 for a two unit property, \$1,129,250 for a three unit property and \$1,403,400 for a four unit property).

_____ 2. **Ineligible Borrower.** We are unable to offer you a Home Affordable Modification because your current monthly housing expense, which includes the monthly principal and interest payment on your first lien mortgage loan plus property taxes, hazard insurance and homeowner's dues (if any) is less than or equal to 31% of your gross monthly income (your income before taxes and other deductions) which, we verified as \$ _____. Your housing expense must be greater than 31% of your gross monthly income to be eligible for a Home Affordable Modification. If you believe this verified income is incorrect, please contact us at the number provided below.

_____ 3. **Property Not Owner Occupied.** We are unable to offer you a Home Affordable Modification because you do not live in the property as your primary residence.

_____ 4. **Ineligible Property.** We are unable to offer a Home Affordable Modification because your property is vacant, has been condemned or has more than four dwelling units.

_____ 5. **Investor Guarantor Not Participating.** We are unable to offer you a Home Affordable Modification because we service your loan on behalf of an investor or group of investors that has not given us the contractual authority to modify your loan under the Home Affordable Modification Program.

_____ 6. **Bankruptcy Court Declined.** We are unable to offer you a Home Affordable Modification because you have filed for bankruptcy protection and the proposed modified loan terms were not approved by the Bankruptcy Court. You may wish to contact your bankruptcy counsel or trustee to discuss this decision.

_____ 7. **Negative NPV.** The Home Affordable Modification Program requires a calculation of the net present value (NPV) of a modification using a formula developed by the Department of the Treasury. The NPV calculation requires us to input certain financial information about your income and your loan including the factors listed below. When combined with other data in the Treasury model, these inputs estimate the cash flow the investor (owner) of your loan is likely to receive if the loan is modified and the investor's cash flow if the loan is not modified. Based on the NPV results the owner of your loan has not approved a modification.

If we receive a request from you within 30 calendar days from the date of this letter, we will provide you with the date the NPV calculation was completed and the input values noted below. If, within 30 calendar days of receiving this information you provide us with evidence that any of these input values are inaccurate, and those inaccuracies are material, for example a significant difference in your gross monthly income or an inaccurate zip code, we will conduct a new NPV evaluation. While there is no guarantee that a new NPV evaluation will result in the owner of your loan approving a modification, we want to ensure that the NPV evaluation is based on accurate information.

_____ 8. **Default Not Imminent.** We are unable to offer you a Home Affordable Modification because you are current on your mortgage loan and after reviewing the financial information you provided us we have determined that you are not at risk of default because:

- _____ You have not documented a financial hardship that has reduced your income or increased your expenses, thereby impacting your ability to pay your mortgage as agreed.
- _____ You have sufficient net income to pay your current mortgage payment.
- _____ You have the ability to pay your current mortgage payment using cash reserves or other assets.

_____ 9. **Excessive Forbearance.** We are unable to offer you a Home Affordable Modification because we are unable to create an affordable payment equal to 31% of your reported monthly gross income without changing the terms of your loan beyond the requirements of the program.

_____ 10. **Previous HAMP Modification.** We are unable to offer you a Home Affordable Modification because your loan was previously modified under the Home Affordable Modification Program. The program does not allow more than one modification.

_____ 11. **Request Incomplete.** We are unable to offer you a Home Affordable Modification because you did not provide us with the documents we requested. A notice which listed the specific documents we needed and the time frame required to provide them was sent to you more than 30 days ago.

_____ 12. **Trial Plan Default.** We are unable to offer you a Home Affordable Modification because you did not make all of the required Trial Period Plan payments by the end of the trial period.

_____ 13. **Loan Paid Off or Reinstated.** We are not considering your request for a modification because: Your loan was paid in full on _____ or your loan was reinstated on _____ and you no longer appear to be in need of modification. If you feel that you are at risk of default please contact us to discuss your eligibility and qualification for a Home Affordable Modification.

Exhibit H: Monthly 60+ Days Report

Data as of November 30, 2009

Complete all yellow highlighted sections

Servicer				<--- Enter Servicer Name Here				
# Loans	\$ UPB	# Loans	\$ UPB	GSE	\$ UPB	# Loans	\$ UPB	
				Portfolio ^a				
				Private Label Securities ^b				
				# Loans				
				\$ UPB				
First lien mortgage loans, 60 or more days delinquent¹								
- Loans originated after 12/31/2008: ²								
- Loans guaranteed by FHA or VA								
- Jumbo Non-Conforming ³								
- Loans on nonowner occupied, or non-principal residence as disclosed at origination (e.g. second homes)								
60+ Day Delinquent Loans net of items listed above								\$0
Known Exclusions:⁴								\$0
- Vacant properties								
- Debt-to-income ratio is already less than 31%.								
- Negative NPV								
- Unemployed Borrower								
- Non-owner occupied (do not count loans in this category that were excluded with last week's survey as "Non-owner occupied")								
- Loans for which you may have determined that the investor's pooling and servicing agreement precludes Manufactured Housing loans with title/Chattel issues that excludes them from the HAMP								
- Loans in other active workouts ⁵								
60 + Day Delinquent Loans, net of known exclusions ⁶								\$0
Estimated Exclusions⁷:								\$0
(please explain estimation methodology with your email submission)								
- Vacant properties								
- Debt-to-income ratio is already less than 31%.								
- Negative NPV								
- Unemployed Borrower								
- No longer owner-occupied (separate from the non-owner occupied at origination category in the upper section)								
- Loans for which you may have determined that the investor's pooling and servicing agreement precludes modifications.								
- Manufacturing loans with title/Chattel issues that excludes them from the HAMP								
- Loans in other active workouts ⁵								
60 + Day Delinquent Loans, net of estimated exclusions								\$0

Foreclosure Sales Reporting:			
# Loans	\$ UPB	# Loans	\$ UPB
GSE		Non-GSE	
Total number of foreclosure SALES since participation in program			
Of those reported under sales, how many:			
- Were secured after 12/31/2008?			
- Were guaranteed by FHA or VA			
- Were Jumbo Non-Conforming ¹			
- Were non-owner occupied, or non-principal residence are disclosed at origination? (e.g. second homes)			
In addition, how many were:			
- Vacant properties			
Suits filed, how many were:			
- Vacant properties			
- Internal Distribution			

Complete all yellow highlighted sections

Complete all yellow highlighted sections

10

Item	Current year return	Current year return minus 10%
- Debt-to-income ratio is already less than 31%	100%	100%
- Negative NPV	100%	100%
- Unemployed Borrower	100%	100%
- No longer owner-occupied	100%	100%
- No longer owner-occupied, but determined that the investor's pooling and servicing agreement precludes modifications.	100%	100%
- Manufactured Housing loans with titling/Chattel	100%	100%
- Loans in other active workbooks	100%	100%
- Loans in the HAMP	100%	100%

	2010	2011	2012
Of the remaining foreclosed sales (line 22), how			
Subtotal	0	0	0
	0	0	0

	many:	fewer:	same:	more:
- Borrowers Failed to Respond to Solicitation	100%	98%	97%	96%
- Borrowers Failed to Respond to Trial Offer Sent	99%	97%	96%	95%
- Borrower Failed a Trial Modification	99%	97%	96%	95%

* DONOR'S FUND OF FUND RECONCILIATION				
Total	0	\$0	0	\$0

Notes:

- 1 -** Mortgages all fall into mortgage loans that are 90 or more days delinquent in regard to bankruptcy or in foreclosure. Do not include REO. Include the last six categories of subcategories that follow. The worksheet will calculate the HAMP Eligible 60+ day Delinquent Loan numbers and amount and may be used by Treasury for development of public reporting.
- 2 -** Ensure that exclusions are mutually exclusive and do not result in loans being excluded more than once.
- 3 -** Known exclusions include:
- a. Loans with current unpaid principal greater than \$750,750 for 1 unit
 - b. Loans with current unpaid principal greater than \$1,129,250 for 2 units
 - c. Loans with current unpaid principal greater than \$1,403,400 for 3 units
 - d. Loans with current unpaid principal greater than \$1,403,400 for 4 units
- 4 -** Known exclusions are loans where there is data to support the placement in a given category.
- 5 -** Note that this data point may be used by Treasury for development of public reporting.
- 6 -** Do not exclude loans that are currently in the HAMP program and are delinquent (satisfaction, offer sent, trial modification). This category includes estimated excursions as assumptions on your population of 60+ year loans, based on the known excursions or other analyses. The estimated excursions are assumed to be 1% of the total portfolio.
- 7 -** Estimated excursions are assumptions on your population of 60+ year loans, based on the known excursions or other analyses. The estimated excursions are assumed to be 1% of the total portfolio.
- 8 -** Non-GBS portfolio is defined as all non-GBS portfolio that is not securitized. It is a collection of loans held for servicing or investment. If the non-GBS is NOT a Publicly Issued Security, it is not a Portfolio (see #9 above), hence it is not a GBS.
- 9 -** PLS is non-GBS originated loan that has been securitized as a Private Label Security. If the loan is not a Portfolio (see #8 above), then it is not a GBS.

DELIVERY INSTRUCTIONS: Please email spreadsheet to the following email addresses:

hamp_results_and_reports@fanniema.com; beth_e_cramer@fanniema.com; natalie_m_feinberg@fanniema.com; jerry_gordon@fanniema.com; carlos_pla@fanniema.com; david_w_rowland@fanniema.com; randy_b_borregard@fanniema.com

Exhibit I: Weekly Survey

[illegible]

- 1) Solicitation of financial information, for the purposes of determining HAMP eligibility, has been made;
- 2) The first full trial payment is received, but may or may not have the signed Trial Period Plan - DO NOT exclude failed Trials.
- 3) The trial period Plan, outlining the terms and conditions of the trial period, is sent to a borrower.
- 4) The modification becomes effective based on the completion of the terms and conditions of the Trial Period Plan and receipt of a signed Modification Agreement.
- 5) All modifications, including those granted as a part of the Fannie Mae campaign initiative.
- 6) Include all activities performed from Friday, 1/12/20 through Thursday, 1/12/26.
- 7) See "Instructions and Information" tab for more info. Enter amounts as positive numbers.
- 8) PLS is Private Label Security. It is non-GSE originated loan that has been securitized for investment.
- 9) Portfolio is non-GSE loan that is not securitized. It is a collection of loans held for servicing or investment.
- 10) All loans that don't fit into the other 4 categories, should be other Federal Agency-type loans. Please provide additional detail if you populate this section.
- 11) See instruction and information tab for additional direction and clarification.

DELIVERY INSTRUCTIONS: Please email spreadsheet to the following email addresses:
hamp_results_and_reports@fanniemae.com; bath_o_cramer@fanniemae.com; natielle_m_feinberg@fanniemae.com; jerry_gordon@fanniemae.com; carlos_pla@fanniemae.com; david_w_rowland@fanniemae.com; randy_b_borregard@fanniemae.com

Questions/Comments: Please contact David Rowland (202-752-3310), Randy Borregard (202-752-6483), or Natielle Feinberg (202-752-3887).