



You're on your way toward an affordable mortgage payment.

To accept our offer, make your first trial period payment today.

[Redacted]  
FALLBROOK, CA 92028

Loan Number: [Redacted]

March 2, 2011

Dear [Redacted]

We are pleased to tell you that you are approved to enter into a trial period plan under the Fannie Mae Modification Program. This is the next step toward qualifying for affordable and sustainable mortgage payments. Please read this letter so that you understand all the steps you need to take to permanently modify your mortgage, starting with your first trial period payment.

**What you need to do**

To accept this offer you must make new monthly Trial Period Plan payments in place of your normal monthly mortgage payments. Each payment must be made in the exact amount of your Trial Period Plan payment. **Send in your monthly Trial Period Plan payments — instead of your normal monthly mortgage payments — as follows:**

1st payment: \$2,268.02	by 03/01/10
2nd payment: \$2,268.02	by 04/01/10
3rd payment: \$2,268.02	by 05/01/10.

Payment coupons are included in this package if you wish to send your payment in the mail, or you can call us at 1.800.669.0102 and we can deduct your payment directly from your checking account. (There are no fees to make your payment by phone during the trial period.)

**MICHAEL GADDIS**

After all trial period payments are timely made, your mortgage will be permanently modified. (Your existing loan and loan requirements remain in effect and unchanged during the trial period.) If each payment is not received in the month in which it is due, you will no longer be eligible for a Fannie Mae loan modification and your loan will not be modified. If your last trial period payment is made in the last half of the month it is due, we may elect to extend your Trial Period Plan by an extra month.

If you have any questions, if you cannot afford the trial period payments shown above or if you have decided to leave your home but still want to avoid foreclosure, please call us at 1.800.669.6607 between 8 a.m. - 10 p.m. Eastern, Monday through Friday as we may be able to help you. Also, please review the attached Frequently Asked Questions.

We are glad you have been accepted into a trial period plan with the Fannie Mae Modification Program. Start it today by making your first trial period payment.

Home Loan Team  
BAC Home Loans Servicing, LP

**Bank of America**  **Home Loans**

Enclosures: (1) Frequently Asked Questions (2) Additional Trial Period Plan Information and Legal Notices (3) Payment Coupons

BAC Home Loans Servicing, LP is required by law to inform you that this communication is from a debt collector. However, the purpose of this communication is to let you know about your potential eligibility for a loan modification program that may help you bring or keep your loan current through more affordable payments.

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**Q. What else should I know about this offer?**

- You will not be charged any fees for this Trial Period Plan or final modification.
- If your loan is permanently modified, we will waive all unpaid late charges.
- Your credit may be affected by accepting a Trial Period Plan or modification. Staying current on your payments is the best way to maintain your credit score. However, if you need to enter into a modification, your credit may be negatively impacted. The impact of a loan modification on a credit score depends on the overall composition of a consumer's credit profile as well as how the new loan modification credit obligation is reported. Your loan will be reported as paying under a partial payment plan during the trial plan, and as modified after the final modification agreement. Credit scores are determined by the credit bureaus and not controlled directly by BAC Home Loan Servicing, beyond our commitment to accurately report the status of all our customers. For more information about your credit score, go to: [ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm](http://ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm)
- You may be required to attend credit counseling.
- If you make your new payments timely we will not conduct a foreclosure sale.

**Q. Why are you offering me this option?**

Because you were unable to qualify for a HAMP modification or were unable to successfully make payments under HAMP, we want to continue to work with you to determine a long-term solution. We know many homeowners are struggling with their mortgage payments and need assistance. That's why we are offering you the opportunity to qualify for a Fannie Mae Loan Modification. Our goal is to help make your mortgage more affordable, and most importantly, help you keep your property and avoid foreclosure.

**Q. Why is there a trial period?**

The trial period offers you immediate payment relief. Making all of your payments during this trial period will demonstrate that you can afford the modified payments and that they work within your budget. Note: This is only a temporary Trial Period Plan. Your existing loan requirements remain in effect and unchanged during the trial period and you will continue to receive monthly statements that will show the payment amount based on your original home loan agreement. However, please pay the new trial period payment amount instead of your original payment amount.

**Q. When are my trial period payments due?**

Your payment amount and the day each month your payment is due during the Trial Period Plan are on page 1 of this package under the heading "Trial Period Plan."

**Q. How was my new payment in the trial period determined?**

Your trial period payment is based upon a variety of factors including your income, current value of your property, the amount you owe on your loan and amounts past due. Fannie Mae uses this information to provide the most affordable terms for you. Your trial period payments include escrow amounts to cover your property taxes, insurance premiums and other permissible escrow fees based on our current escrow analysis, including any homeowners' association dues. Your modified monthly payment may change, if your property taxes and insurance premiums change.

If you did not have an escrow account before, you will be required to set up an escrow account for the payment of such escrow amounts. The timing of your tax and insurance bills may require that you make a payment to cover any bills when they are due. Your loan requires you to pay escrows in the amount of \$ 1,391.99; this can either be paid in a lump sum up front when the loan is modified or over the next 5 years (or 60 months). If you wish to pay the total shortage as a lump sum, please contact us at 1.800.669.6607.

**Q. When will I know if my loan can be modified permanently and how will the modified loan balance be determined?**

If you make all of your trial period payments on time and return any additional documents that we may require, you will receive a modification agreement detailing the terms of the modified loan. The modification agreement will become effective once you and we have signed it. Any difference between the amount of the trial period payments and your regular home loan payments will be added to the balance of your loan along with any other past due amounts as permitted by your loan documents. While this will increase the total amount that you owe, it should not significantly change the amount of your modified mortgage payment as that is determined based on your total monthly gross income, not your loan balance.

**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. Will my interest rate and principal and interest payment be fixed after my loan is permanently modified?**

If your loan is modified, your interest rate and monthly principal and interest payment will be fixed for the life of your loan.

**Q. Could I end the loan with a balloon payment?**

Yes. If principal forbearance (see definition below) is required to achieve an affordable monthly mortgage payment, the principal forbearance amount would not be part of the unpaid principal balance on your loan that accrues interest, but you would still be responsible for the balance. That amount would constitute a balloon payment that does not accrue interest and is not due until you pay off your loan, refinance or sell your home. In addition, if your loan term cannot be extended, but your payment is calculated over a longer term, there will be additional principal owed when you pay off your loan, refinance, or sell your home. (Definition of principal forbearance: A portion of the principal amount you owe is deferred until the loan matures. This deferred amount will not accrue interest and must be repaid when you pay off your loan, refinance, or sell your home.)

**Q. What happens if I am unable to make payments during the trial period?**

If you do not make the specified trial period payments in full in the month when they are due, you will not qualify for a permanent modification and will not be allowed to enter into a permanent Loan Modification Agreement. If you successfully complete the Trial Period Plan and enter into a Loan Modification Agreement, you will no longer be eligible for the modified payment terms if you are 60 days within the first 12 months of a the permanent modification. If that occurs, we will look at other options to resolve your mortgage's past-due status (such as a short sale or deed-in-lieu of foreclosure). If an alternative solution cannot be found, we will need to begin foreclosure proceedings.

### Additional Trial Period Plan Information and Legal Notices

The terms of this offer are accepted and the terms of your Trial Period Plan are effective on the day you make your first trial period payment, provided you have paid it on or before the last calendar day of the month. By accepting this offer, you and we agree that:

**You are certifying that all information you previously provided, e.g., regarding your status, income and expenses, and hardship, is still true and correct.**

- You certify under penalty of perjury that all of the written information you previously provided to BAC Home Loans Servicing in the Request for Modification and Affidavit signed by you continues to be true and correct. This includes, among other things, information about your status and the status of the property, your income and expenses, and your hardship. You understand that BAC Home Loans Servicing, LP is relying on your certification in offering you the Trial Period Plan and any Loan Modification Agreement. If there have been any changes in the information you provided, you must contact BAC Home Loans Servicing, LP to discuss whether the changes affect your Trial Period Plan or eligibility for a loan modification. You must have this discussion before you send in your first trial period payment.

**We will not proceed to foreclosure sale during the trial period, provided you are complying with the terms of the trial period plan, except as detailed below:**

- During the trial period, any pending foreclosure action or proceeding will not be dismissed and may be immediately resumed if you fail to comply with the terms of the trial period plan. A new notice of default, notice of intent to accelerate, notice of acceleration, or similar notice will not be necessary to continue the foreclosure action. You waive any and all rights to receive such foreclosure notices to the extent permitted by applicable law. However, if your property is located in Georgia, Hawaii, Missouri, or Virginia and the foreclosure sale is currently scheduled, the foreclosure sale will not be suspended and foreclosure may proceed if you do not make 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. For example, if a foreclosure sale is scheduled in February and you do not make your January and any earlier required trial period payment by the end of January, the foreclosure sale may proceed in these four states. If a foreclosure sale occurs pursuant to this provision, the trial period plan will be deemed to have terminated.

**During the trial period, we may accept and post your trial period payments to your account and it will not affect foreclosure proceedings that have already been started.**

- You agree that we may hold the trial period payments in an account until sufficient funds are in the account to pay your oldest delinquent monthly payment. You also agree that we will not pay you interest on the amounts held in the account. Any amounts remaining at the end of the trial period will be applied to any outstanding amounts that you owe at the end of the trial period reducing the amount that will otherwise be added to the principal balance of your modified loan.
- The servicer's acceptance and posting of your new payment during the trial period will not be deemed a waiver of the acceleration of your loan or foreclosure action and related activities, and shall not constitute a cure of your default under your loan unless such payments are sufficient to completely cure your entire default under your loan.

**If your monthly payment did not include escrows for taxes and insurance, you are now required to do so.**

- You agree that any prior waiver that allowed you to pay directly for taxes and insurance is revoked. You agree to establish an escrow account and to pay required escrows into that account.

**Your current loan documents remain in effect; however, you may make the trial period payment instead of the payment required under your loan documents:**

- You agree that all terms and provisions of your current mortgage note and mortgage security instrument remain in full force and effect and you will comply with those terms; and that nothing in the trial period 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.

**The Trial Period Plan notice will be rescinded if an error is detected.**

- You agree that if an error in the terms of the Trial Period Plan or your eligibility is detected after issuance of the Trial Period Plan notice, the Trial Period Plan will be void and of no legal effect upon notice to you of such error. You understand that a corrected Trial Period Plan will be provided to you if it is determined that you remain eligible for a loan modification after correction of the error.



THE LAW OFFICES OF  
**MICHAEL GADDIS**

