



This is your Trial Period Plan. You're on your way toward an affordable mortgage payment.

To accept our offer, make your first payment today.

[REDACTED]  
[REDACTED]  
LOMA LINDA, CA 92354

Loan Number [REDACTED]

July 14, 2011

Dear [REDACTED]

We are pleased to tell you that you are approved to enter into a Trial Period Plan under the federal government's Home Affordable Modification Program. This is the next step toward qualifying for affordable mortgage payments. Please read this letter so that you understand all the steps you need to take to properly modify your mortgage, starting with your first Trial Period Plan 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 payment. Each payment must be made in the amount of your Trial Period Plan payment and in a timely manner. Send in your monthly Trial Period Plan payments — instead of your normal monthly mortgage payments — as follows:

1st payment: \$2,481.59	by 09/01/11
2nd payment: \$2,481.59	by 10/01/11
3rd payment: \$2,481.59	by 11/01/11

Payment coupons are included in this package if you wish to send your payment in the mail. You can also call us at 1.800.669.6650 and we can deduct your payment directly from your checking account. (There are no fees to make your payment by phone during your trial period.)

If you successfully make all of your Trial Period Plan payments and return any additional documents that may be required, you may receive a Modification Agreement explaining your loan modification terms that must be signed, notarized and returned to us. At that time, your modification will be officially permanent. (Your existing loan and loan requirements remain in effect and unchanged during the Trial Period Plan.) **If each payment is not received in the month in which it is due, this offer will end and your loan will not be modified under the Home Affordable Modification Program.**

If you cannot afford the Trial Period Plan payments shown above but want to remain in your home or if you have decided to leave your home but still want to avoid foreclosure, please call us at 1.800.669.6650 Monday - Thursday 8 a.m. to 12 a.m. Eastern, Friday 8 a.m. - 10 p.m. Eastern, Saturday 8 a.m. - 6 p.m. Eastern and Sunday 3 p.m. - 12 a.m. Eastern as we may be able to help you. Additionally, please visit [bankofamerica.com/homeloanassistance](http://bankofamerica.com/homeloanassistance) for more information.

We are glad you have been accepted into a Trial Period Plan with the Home Affordable Modification Program. Start today by making your first payment.

[REDACTED]

Home Loan Team  
Bank of America, N.A.

**P.S. We want to help you stay in your home. Begin making your Trial Period Plan payments today.**

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

Bank of America, N.A. 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 affordable payments.

Mortgages funded and administered by an Equal Housing Lender.  
Protect your personal information before opening this document.



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

- If you make your new payments on time each month, we will not conduct a foreclosure sale.
- You will not be charged any fees for this Trial Period Plan or a permanent modification. However, third party fees such as attorney fees, recording fees, etc. may occur and you will be responsible for payment.
- If your loan is modified, we will waive all unpaid late charges.
- Entering into a Trial Period Plan for a loan modification or accepting a permanent loan modification can affect your credit. The actual effect will depend on a variety of factors. Visit [fic.gov/bcp/edu/pubs/consumer/credit/cre24.shtml](http://fic.gov/bcp/edu/pubs/consumer/credit/cre24.shtml) for more information about your credit and how to improve it.
- You may be required to attend credit counseling.

**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 Plan payment amount instead of your original payment amount.

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

Your Trial Period Plan payment is approximately 31% of your total gross monthly income, which we determined to be \$5,360.00 based upon the income documentation you provided. If the loan is successfully modified, your new payment also will be based on 31% of your gross income. In addition, if your existing payment includes mortgage insurance premiums, this amount will also be added to your payment. If we were able to permanently modify your loan today, we estimate your modified interest rate would be 2.600%. Your final modified interest rate may be different.

The modified payment should be sufficient to pay the principal and interest as well as property taxes, insurance premiums and other permissible escrow fees based on our recent analysis of these costs. Your modified monthly payment may change if your property taxes and insurance premiums change. If you did not have an escrow account before, the timing of your tax and insurance bills may require that you make a payment to cover any such bills when they come due. This is known as an escrow shortage. Your loan has an escrow shortage of \$2,372.40; this can either be paid in a lump sum when the loan is modified or over the next 60 months in an amount of \$39.54 per month in addition to your modified monthly mortgage payment. If you wish to pay the total shortage as a lump sum, please contact us at 1.800.869.6650.

**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 Plan payments on time and return any additional documents that we may require, you may receive a Modification Agreement explaining the terms of the modified loan. Any difference between the amount of the Trial Period Plan 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. Are there incentives that I may qualify for if I am current with my new payments?**

If your loan is modified, you can earn a pay-for-success incentive for every month that you make on-time payments beginning with the Trial Period Plan Payments. Depending on your modified monthly payment, you may accrue up to \$1,000 each year for five years for a total of \$5,000. This important benefit, which will be applied to your principal balance each year after the anniversary date of your first Trial Period Plan Payment due date, will help you earn equity in your home by reducing the amount that you owe. However, you must remain current on your loan. You will lose this benefit if

your modified loan becomes 90 days past due at any time during this five year period. If you lose this benefit, you will lose all accrued, unapplied incentive payments.

**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 unless your initial modified interest rate is below current market interest rates. In that case, the below market interest rate will be fixed for five years. At the end of the fifth year, your interest rate may increase by 1% per year until it reaches a cap. The cap will equal the market rate of interest being charged by mortgage lenders on the day your Modification Agreement is prepared (the Freddie Mac Primary Mortgage Market Survey® rate for 30-year, fixed-rate conforming mortgages). Once your interest rate reaches the cap it will be fixed for the remaining life of your loan. Your new monthly payment will include an escrow for property taxes, hazard insurance and other escrowed expenses. If the cost of your homeowners insurance, property tax assessment or other escrowed expenses increases, your monthly payment will increase as well.

**Q. How will you achieve an affordable payment?**

There are several different ways we may modify the terms of your loan to reach an affordable payment. The specific terms of your modification will be set forth in your Modification Agreement, but the modifications to your existing loan may include one or more of the following to achieve a modified payment equal to 31% of your gross monthly income.

- Your loan may be brought current by capitalizing past due amounts. This means we may add past due interest, servicing expenses paid to third parties (and taxes and insurance which may have been paid on your behalf) to your principal. Unpaid late fees will be waived at the time of modification.
- Your interest rate may be reduced to as low as 2%, if necessary, to achieve a payment that you can afford. Each borrower's interest rate will only be reduced to a point sufficient to reach a modified payment equal to 31% of the borrower's gross monthly income. Not all borrowers will need a rate reduction to 2% to achieve a monthly mortgage payment that is affordable.
- Your loan payments may be recalculated over a longer period even though the maturity date will not change. This will help lower your monthly payments, but it will result in your having a lump sum payment (known as a balloon payment) which will continue to accrue interest until you pay off the modified loan.
- We may forbear or defer a portion of your unpaid principal balance. This is called principal forbearance. The amounts subject to this forbearance will not accrue interest for the remainder of the life of the loan. At the end of the loan term or at the time the loan is paid off through sale or refinancing, any remaining deferred amount becomes due.
- Your permanent Modification Agreement may not contain all of these terms, or may contain different terms. The key terms of your permanent Modification Agreement will be designed to provide you with affordable monthly mortgage payments.
- Elimination of the negative amortization feature on your loan which will allow you to build equity faster. Negative amortization occurred when you chose a monthly payment option which did not cover the interest due on your loan and this payment difference was added to your principal.

**Q. What happens if I am unable to make payments during the Trial Period Plan?**

If you are unable to make each payment in the month in which it is due, you will not be eligible for a modification under the Home Affordable Modification Program. However, you may be eligible for other foreclosure-prevention options.

**Q. Is housing counseling required for a modification under the Home Affordable Modification Program?**

Borrowers whose payments are past due are strongly encouraged to contact a housing counselor approved by the U.S. Department of Housing and Urban Development (HUD) to help them understand all of their options and to create a workable budget plan. These services offered by HUD-approved housing counselors are free. Housing counseling is required for borrowers whose total monthly debts are very high in relation to their income (equal to or more than 55% of their gross monthly income). If counseling is required for you, a page entitled "Housing Counseling" will be included in this package. If this page is not included, counseling is not required.

**Q. How will a modification of my loan affect the Mortgage Insurance on my loan?**

Mortgage Insurance (MI) is typically required on loans for which the original loan amount is greater than 80% of the original value of the property. MI coverage protects lenders and investors against a financial loss when borrowers default.

If you did not already have MI on your loan before the modification, you will not be required to obtain it as a result of the modification. If you currently have MI, and the modified principal balance changes as a result of the modification, your MI premiums may change as well. Furthermore, the date that you may request cancellation of the MI may change. For loans on single-family primary residences, federal law allows you to request that MI be canceled on either:

- The date the principal balance on your loan is scheduled to reach 80% of the original value of the property.
- The date the principal balance is reduced to 80% of the original value of the property based on actual payments.

**Q. What happens if I have a Borrowers Protection Plan®?**

If you have a Borrowers Protection Plan with your mortgage, you complete the Trial Period Plan and receive a permanent modification your Borrowers Protection Plan will remain on your modified loan. If your Plan remains in place, your monthly fee for the Plan and the amount of any benefits under the Plan will be adjusted according to your new modified loan payment amount. However, the Plan will not remain in place if you notify us of your request to cancel or your Borrowers Protection Plan has already been cancelled or terminated in accordance with its terms. You may cancel your Borrowers Protection Plan at any time by calling 1-866-554-2676. If you notify us of your request to cancel your Borrowers Protection Plan within the 60 days after the date your permanent modification becomes effective, you will receive a refund of any Borrowers Protection Plan fees you pay with respect to any period after that effective date.

For details of your plan, please refer to the Borrowers Protection Plan Addendum you received when you closed your loan or contact us at 1.866.554.2676. If after reviewing your plan you find that you have experienced a qualifying event that may be eligible for benefits under Borrowers Protection Plan, please contact us immediately by calling 1-866-317-5116.

**Q. What happens if I have other optional products or credit insurance?**

If, after your loan closed, you purchased an optional product such as accidental death insurance or Privacy Assist, where you agreed to have the cost for the optional product added to your mortgage payment, please contact us at 1-800-641-5298 to discuss the choices you may have.

If you have credit insurance, please contact us at 1-800-288-7647 to discuss your credit insurance plan.



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Get the answers you need to some of the most common questions.

**Q. Are there additional resources where I can find information about the Home Affordable Modification Program?**

Call the Homeowner's HOPE™ Hotline at 1.888.995.HOPE (4673). This Hotline can help with questions about the program and offers access to free HUD-certified counseling services in English and Spanish. Or you may visit [bankofamerica.com/mha](http://bankofamerica.com/mha) or [makinghomsaffordable.com](http://makinghomsaffordable.com) for more information.



**Q. What if I am aware of fraud, waste, mismanagement or misrepresentations affiliated with the Troubled Asset Relief Program?**

Please contact SIGTARP at 1.877.SIG.2009 (toll-free), 202.622.4559 (fax) or [sigtarp.gov](http://sigtarp.gov) and provide them with your name, our name as your servicer, your property address, loan number and reason for escalation. Mail can be sent to: Hotline Office of the Special Inspector General for Troubled Asset Relief Program, 1801 L Street NW, Washington, DC 20220.



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### Additional Trial Period Plan Information and Legal Notices

The terms of your Trial Period Plan below are effective on the day you make your first Trial Period Plan payment, provided you have paid it on or before September 01, 2011. You and we agree that:

If your loan was previously referred to foreclosure, we have made a request to the court or the foreclosure trustee to halt the foreclosure sale. In addition, if you accept participation in the program by making your first Trial Period Plan payment, we will make a request to the court or the foreclosure trustee to halt the foreclosure process as long as you make your required Trial Period Plan payments on time. If you do not comply with the terms of the Trial Period Plan and do not work with us to find other foreclosure prevention alternatives for which you may qualify, your loan will be serviced according to its original terms, which could include foreclosure.

If you do not comply with the terms of the Trial Period Plan, you will be sent a notice that your loan does not qualify. In most cases, you will have 30 days to review the reason your loan was not eligible and contact us to discuss any concerns or other foreclosure prevention alternatives that may be available to you. During this 30-day period (or any longer period required for us to review supplemental material you may provide in response to the non-approval notice); your loan may be referred to foreclosure or we may continue with pending foreclosure action. However, we will make a request to the court or your foreclosure trustee that no foreclosure sale will be conducted during the review period.

Do not ignore any foreclosure notices. Even if you are participating in a Trial Period Plan, to protect your rights under applicable foreclosure law, you may need to respond to foreclosure notices or take other actions. If you have any questions about the foreclosure process and the evaluation of your loan, contact us at 1.800.622.2270.

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

- The servicer's acceptance and posting of your new payment during the Trial Period Plan 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.
- You agree that Bank of America, N.A. will hold each of your Trial Period Plan payments that you make in a non-interest bearing account. Once there are enough funds in that account to make your full mortgage payment, we will apply the funds to your loan account to make that payment. At the end of your Trial Period Plan, there could be funds left in that account because there is not enough to make a full mortgage payment. If so, we will apply those funds towards your unpaid principal balance at the time your loan is permanently modified.

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 Plan 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.