



710 S ASH ST, SUITE 200
GLENDALE, CO 80246-1989

DECEMBER 26, 2012

[REDACTED]
[REDACTED]
RIVERSIDE, CALIFORNIA 92504-8823

You have been approved for a trial plan that could make your payments more affordable for the long term. Make your new payments on time each month!

Loan #: [REDACTED]
Property Address: [REDACTED]
[REDACTED]
RIVERSIDE, CALIFORNIA 92504

Dear [REDACTED]

You are approved to enter into a trial period plan under the Home Affordable Modification Program. This is the first step toward qualifying for more affordable mortgage payments. Please read this letter so that you understand all the steps you need to take to modify your mortgage payments.

What you need to do...

To accept this offer, you must make your first monthly trial period payment in place of your normal monthly mortgage payment. Thereafter, send in your monthly trial period payments—instead of your normal monthly mortgage payment—as follows:

1st payment:	\$2,342.05 by 02/01/2013
2nd payment:	\$2,342.05 by 03/01/2013
3rd payment:	\$2,342.05 by 04/01/2013

After all trial period payments are timely made and you continue to meet all program eligibility requirements, your mortgage would then be permanently modified. You will be required to execute a permanent mortgage modification agreement that we will send you before your modification becomes effective. Until then, your existing loan and loan requirements remain in effect and unchanged during the trial period. **If each trial payment is not received by us in the month in which is due, this offer will end, your loan will not be modified under the terms described in this offer, and you may lose eligibility for any modification programs.**

Accepting this trial period plan may have a negative impact on your credit rating. See the attached Frequently Asked Questions section for more information.

If you have any questions or if you cannot afford the trial period payments shown above but want to keep your property, or if you have decided to leave your property but still want to avoid foreclosure, please call us at (800) 848-9380 as we may be able to help you. Also, please review the attached Frequently Asked Questions.

Sincerely,

Chase

Your dedicated Customer Assistance Specialist is:
[REDACTED]
Direct phone number: 877-496-3138 ext [REDACTED]

Attachments: (1) Frequently Asked Questions; (2) Additional Trial Period Plan Information and Legal Notices; (3) Payment Coupons with Envelopes; (4) Fraud (SIGTARP) Notice;

The Making Home Affordable Program was created to help millions of homeowners who are unable to modify their mortgage. As part of this program, we — your mortgage servicer — and the Federal Government are working to ease your obligations to help you stay in your home.



Q. What else should I know about this offer?

- If you make your new trial payments timely, we will not conduct a foreclosure sale.
- You will not be charged any fees for this Trial Period Plan (Plan) or permanent modification.
- If your loan is modified, we will waive all unpaid late charges.
- Your credit score may be adversely affected by accepting this trial period plan. During the trial period we will continue to report your mortgage loan payment status to the credit reporting agencies. If your loan was delinquent when you entered the Plan, we will continue to report your loan as delinquent even if you are making your trial payments on time. If your loan was current when you entered the Plan, and you make each trial period payment on time, we will report your loan as current, paying under a partial payment agreement. Once the modification is complete we will report the modification to the credit bureaus as modified under a federal government plan or loan modified based on the modification type and will report your loan as current if payments are received within 0-29 days of due date. Completing a modification will NOT change previous adverse reporting. The impact of a permanent modification on a credit score depends on the homeowner's entire credit profile. For more information about your credit score, go to <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>.
- You may be required to attend credit counseling.

Q. Why is there a trial period?

The trial period offers you immediate payment relief (and could prevent a foreclosure sale). It also gives you time to make sure you can manage the lower monthly mortgage payment. Note: This is only a temporary Trial Period Plan. Your existing loan and loan requirements remain in effect and unchanged during the trial period.

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

Your trial period payment is approximately 31% of your total gross monthly income, which we determined to be \$7,773.57 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 2.125%. 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 currently have lender-placed hazard or flood insurance on your property, you should consider obtaining your own insurance, which will likely be more affordable.

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 \$2,395.36; this can either be paid in a lump sum when the loan is modified or over the next 60 months in an amount of \$805.38 per month in addition to your modified monthly mortgage payment.

Q. Will I be required to have an escrow account?

The terms of your Trial Period Plan and your Modification Agreement will require us to establish an escrow account if your loan does not already have one, and to set aside a portion of your new monthly payment in this escrow account for payment of your property taxes, insurance premiums and other required charges as they become due. This means that your monthly payment may change after the Modification Agreement becomes effective.

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

Once we confirm you are still eligible for a Home Affordable Modification and you make all of your trial period payments on time, we will send you a modification agreement detailing the terms of the modified loan. Any difference between the amount of the trial period payments and your regular mortgage 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.

Q. Are there incentives that I may qualify for if I am current with my new payments?

Once 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 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 payment due date, will help you earn equity in your property by reducing the amount that you owe. However, you must remain current on your loan. You will lose this benefit completely if your modified loan loses good standing, which means that the equivalent of three full monthly payments are due and unpaid on the last day of any month, at any time during this five year period. If you lose this benefit, you will lose all accrued, unapplied incentive payments.

You may be eligible to have some of your principal forgiven on a deferred basis. So long as your modified loan remains in good standing, we will forgive \$108,015.67 of the principal balance of your loan each year on the anniversary of your first trial period payment date for three years. You will lose this benefit completely if your modified loan loses good standing, which means that the equivalent of three full monthly payments are due and unpaid on the last day of any month, at any time during this three year period. If you lose this benefit, you will lose all accrued and unapplied amounts. Any principal forgiveness will be reported to the Internal Revenue Service and may have tax consequences. Therefore, you are advised to seek guidance from a tax professional. Please contact us if you do not want principal forgiveness, we may have other modification options for you.

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

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

Q. What if I have other questions about Home Affordable Modification that cannot be answered by my mortgage servicer?

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.



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 www.sigarp.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.



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 payment, provided you have paid it on or before February 01, 2013. You and we agree that:

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

- During the trial period, any pending foreclosure action or proceeding that has been suspended may be immediately resumed if you are notified in writing that you failed to comply with the terms of the trial period plan or do not qualify for a permanent modification. 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 (foreclosure notices). You waive any and all rights to receive such foreclosure notices to the extent permitted by applicable law.
- You agree that the servicer will 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 the servicer will not pay your interest on the amounts held in the account. If any money is left in this account at the end of the trial period plan, those funds will be deducted from amounts that would otherwise be added to your modified principal balance.
- 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 should 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 during the trial period 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.

If I previously received a Chapter 7 bankruptcy discharge, but did not reaffirm the mortgage debt under applicable law:

- You agree that you were discharged in a Chapter 7 bankruptcy proceeding subsequent to the execution of the Loan Documents. Based on this representation, Lender agrees that you will not have personal liability on the debt pursuant to this Trial Period Plan.

An important reminder for all our customers: As stated in the "Questions and Answers for Borrowers about the Homeowner Affordability and Stability Plan" distributed by the Obama Administration, "Borrowers should beware of any organization that attempts to charge a fee for housing counseling or modification of a delinquent loan, especially if they require a fee in advance." We offer loan modification assistance free of charge (i.e., no modification fee required).

We are a debt collector.

If you are represented by an attorney, please refer this letter to your attorney and provide us with the attorney's name, address, and telephone number.



IMPORTANT INFORMATION

For additional information, you may wish to know about the Home Affordable Modification Program.

To the extent your original obligation was discharged, or is subject to an automatic stay of bankruptcy under Title 11 of the United States Code, this notice is for compliance and/or informational purposes only and does not constitute an attempt to collect a debt or to impose personal liability for such obligation.



THE LAW OFFICES OF
MICHAEL GADDIS

