



6/20/2011

Trial Period Plan Effective Date: 7/18/2011

[REDACTED]
RAMONA, CA 92065

Loan #: [REDACTED]

Dear [REDACTED]

Congratulations. We have determined that you are eligible for a trial modification. Enclosed is your Trial Period Plan. If you successfully complete the trial modification, your permanent modification may be similar in terms/payments, pending final review at the time of the permanent modification. Also enclosed is a Frequently Asked Questions document which is provided to help you understand the program.

After you successfully complete your Trial Period Plan by making three trial payments, we will contact you to discuss the terms of your permanent modification. A Permanent Loan Modification Agreement will be sent to you that you will need to sign and return before your loan will be permanently modified.

To participate in the Trial Period Plan, make your first month's trial period mortgage payment in the amount of \$2,237.86 as soon as possible, but in no event later than 30 calendar days after 7/18/2011. These payments should be sent instead of, not in addition to your normal monthly mortgage payment. Please send your payments where you would normally send your mortgage payment. For faster processing, you can provide payment over the phone at no additional cost by calling 1-888-325-5357.

Please read the enclosed documents carefully, and follow the instructions for making payments, and keep a copy of all documents for your records. If you have any questions or concerns, please call us at 1-888-325-5357.

Sincerely,



THE LAW OFFICES OF
MICHAEL GADDIS

[REDACTED]
[REDACTED]
Home Retention Division
BAC Home Loans Servicing, LP

IMPORTANT NOTICE TO HELP YOU AVOID FORECLOSURE SCAMS

Beware of Foreclosure Rescue Scams. Help is free from your mortgage servicer!

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

Loan Modification Trial Period Plan

Trial Period Plan Effective Date: 7/18/2011

Borrower: [REDACTED]
Servicer: BAC Home Loans Servicing, LP
Date of mortgage: 9/7/2006
Loan Number: [REDACTED]
Property Address: [REDACTED]
RAMONA, CA 92065

To qualify for a modification of your account referenced above (your "Loan") with Bank of America (the "Bank"), you are Required to complete a three month trial period. If you complete the trial period successfully, we will offer you a modification of your Loan. Here's how the process works:

- We have set your trial period payment at \$2,237.86 (the "Trial Payment Amount"). This is an estimate of what your initial monthly payment amount will be if you complete your trial period and enter into a permanent modification agreement (your "Modification Agreement"). Depending on the specific terms of your Modification Agreement, please be aware that **your monthly payment amount will not necessarily be the same as your Trial Payment Amount and will not necessarily stay the same throughout the life of your loan, but could adjust to one or more payment amounts that maybe higher than your initial monthly payment amount.** The specific terms will be included in your Modification Agreement.
- During the trial period, **Please ensure that you pay the Trial Payment Amount on the first day of the month** - instead of paying your mortgage payment (which may have a different payment due date) The dates for your payment under this Trial Period (your "Trial Payments") would be:

7/18/2011 for the first payment
8/18/2011 for the second payment, and
9/18/2011 for the third payment.

- Your trial payments must each be received by us on or before the 30th calendar day after they are due. If you have not made each of the Trial Payments required under this Trial Period Plan on or before the 30th day after each payment is due, the Original Loan Documents will not be modified and this Trial Period Plan will terminate. In this event, the Bank will have all of the rights and remedies provided by the Original Loan Documents, and any payment you make under this Trial Period Plan shall be applied to amounts you owe under the Original Loan Documents and shall not be refunded to you.
- You will receive a permanent modification of your account if you have a) paid each of the monthly trial period payments (the "Trial Payments") on time, and b) signed and returned the final Modification Agreement, which will be sent once you have completed your Trial Payments.

The first step in this process is to make the first Trial Payment of \$2,237.86 by 7/18/2011. Simply mail your trial payments where you would normally send your mortgage payment or please call us at 1-888-325-5357. If you choose to pay by phone, we can deduct your payment directly from your checking account and get your trial modification started right away and there is no fee for this phone payment.

After your third consecutive on-time Trial Payment, the Bank will contact you and will forward your Modification Agreement to you. **Please continue making your monthly trial payments until you receive your Modification Agreement.** Once you receive your Modification Agreement, you must sign and return it within 30 days or the modification offer will terminate. So please return it as soon as possible.

The terms of your Trial Plan are set forth below and are effective on the due date of the first Trial Payment under this Trial Plan, provided that you have paid your first trial payment on or before the 30th day after the first trial payment is due.

Additional Terms and Conditions:

You and we agree that:

- We will suspend any scheduled foreclosure sale or pending foreclosure proceedings on your Mortgage during the Trial Period, provided you continue to meet the obligations under this Trial Period provided that:
 - o Any pending foreclosure action will not be dismissed and may be immediately resumed if you fail to comply with the terms of this Trial Period Plan. No new notice of default, notice of intent to accelerate, notice of acceleration, or similar notice (foreclosure notices) will be necessary to continue the foreclosure action. You waive all rights to such foreclosure notices to the extent permitted by applicable law.

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.

- During the Trial Period, we may accept and post your Trial Payments to your account and it will not affect foreclosure proceedings that have already started.
 - Our 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 Mortgage unless such payments are sufficient to completely cure your entire default under your Mortgage.
- Your current loan documents (your "Original Loan Documents") remain in effect; however, you may make the Trial Payment instead of the payment required under your Original Loan Documents.
 - You agree that all terms and provisions of your current Mortgage note and Mortgage security instrument, except to the extent modified by this Trial Period Plan, 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 Original Loan
 - You agree that BAC Home Loans Servicing, LP 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, 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.
- Property Taxes and Insurance:
 - If the Bank does not maintain an impound account with respect to your Loan, it is your responsibility to pay all property taxes and premiums for insurance by their due dates, as required in your Loan Documents. If the Bank does maintain an impound account with respect to your Loan, you agree to forward to the Bank the amounts required to permit the impound account to contain a sufficient balance so that payments for property taxes and insurance may be made on time. The failure to pay property taxes or insurance before their due dates, if there is no impound account, or to forward to the Bank sufficient funds so that such payment may be made from your impound account, shall constitute an event of default under this Trial Period Plan and the Loan Documents, and this Trial Period Plan shall terminate immediately and automatically without further notice to you.
- Final terms of your Modification Agreement:
 - Once you have completed your Trial Payments, and after applying any remaining money held at the end of the Trial Period, we will determine the new payment amount and the remaining final terms of your Modification Agreement. This Modification Agreement will modify your Original Loan Documents to reflect your new payment amount and other terms.
- If you have not made the Trial Payments required under this Trial Period Plan in a timely manner, the Original Loan Documents will not be modified and the Trial Period Plan will terminate. In this event, the Bank will have all of the rights and remedies provided by the original Loan Documents, and any payment you make under this Trial Period plan shall be applied to amounts you owe under the Original Loan Documents and shall not be refunded to you.
- Credit reporting during the Trial Period:

Your credit score may be affected by accepting a trial period plan or modification. For more information about your credit score, please go to <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>.
- If there is existing mortgage insurance on your loan, and if the modified principal balance of your Mortgage exceeds the original principal balance, your Mortgage Insurance premiums may increase, causing your payment to go up. Furthermore, the date on which you may request cancellation of the Mortgage Insurance may change. For loans on single family primary residences, federal law allows you to request that Mortgage Insurance be canceled on either:
 - The date the principal balance on your loan is scheduled to reach 80% of the original value of the property; or
 - The date the principal balance is reduced to 80% of the original value of the property based on actual payments.

State law or investor guidelines may also allow for the cancellation of Mortgage Insurance at different times or if your loan is secured by a 2-4 unit property. For more information about Mortgage Insurance please call us at 1-800-669-6609.
- If MERS is the original mortgagee of record: "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender or Lender's successors and assigns. MERS is the mortgagee under the Mortgage. MERS is organized and existing under the laws of Delaware, their address is P.O. Box 2026, Flint, MI 48501-2026, and their toll-free number is (888) 679-MERS. MERS holds only legal title to the interests granted by the borrower in the mortgage, but if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of your lender including, but not limited to, releasing and canceling the mortgage Loan.



THE LAW OFFICES OF
MICHAEL GADDIS

Loan Modification Agreement Frequently Asked Questions

Q. If I qualify, how will my mortgage be modified?

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:

- o 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 **if taxes and insurance have been paid but will not be collected through escrow account and to the extent permitted** and taxes and insurance which may have been paid on your behalf to your principal. Any unpaid late fees arising from your most recent delinquency will be waived at the time of modification.
- o Your loan payments may be recalculated over a longer period even though the maturity date of your loan will not change. This will help lower your monthly payments, however, it will result in your loan having a lump sum payment (known as a balloon payment) which will continue to accrue interest until you pay off the modified loan (unless you choose to pay that amount sooner).
- o You may be offered an interest rate that is equal to or lower than your current interest rate. If your new modified interest rate is below market rate, it may increase annually until it reaches the market rate on the day your modification becomes effective. Please be assured that each of these increases will be clearly defined by your loan modification agreement.

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.

Q. Will a foreclosure occur if I participate in the Loan Modification Program?

As long as you comply with the terms of the Trial Period Plan, we will not start foreclosure proceedings; if foreclosure proceedings have already started, we will place the foreclosure on hold. If you fail to comply with the terms of the Trial Period Plan and do not make other arrangements, the hold on the foreclosure will be removed and your Loan will be enforced according to its original terms, which could include foreclosure.

Q. Where should I mail or send my trial period payments?

You can simply mail your trial payments where you would normally send your mortgage payment, or please call us at 1-888-325-5357. If you choose to pay by phone, we can deduct your payment directly from your checking account – and there is no fee for this phone payment.

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. **If you were in default at the beginning of the Trial Period, you will remain in default under your Loan. If you were not in default at the beginning of the Trial Period, you may become in default under the terms of your Loan if your Trial Period Payments are less than your contractual payments.**

Q. What if my trial period payment is less than the payment I currently owe on my Loan?

Your monthly statement will continue to include your regular payment amount and any regularly accruing late charge amounts. You only need to make the Trial Period Payment during the three month trial period. The difference between the amount of the trial payment and your normal monthly payment will be included in the final Modification Agreement at the successful conclusion of your trial period, and any unpaid late fees related to the most recent delinquent fee which are owed at the time of the modification will be waived.

Q. Could my Trial Period Payment or final modified payment be more than my current payment?

Yes. For example, if your escrow payment substantially increases or your Modification includes capitalization of past due interest, your Trial Period Payment or your final modified payment maybe higher than your current payment.

Q. If I get a permanent Modification Agreement, can my modified Loan terms ever revert to the original Loan terms?

No. Once your Loan is modified, the new terms stay in place for the remainder of your Loan.