

## Loan Modification Trial Period Plan

Trial Period Plan Effective Date: 7/1/2011

Borrower: [REDACTED]  
Servicer: BAC Home Loans Servicing, LP  
Date of mortgage: 2/14/2007  
Loan Number: [REDACTED]  
Property Address: [REDACTED]  
YORBA LINDA, CA 92886

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 \$2,961.13 (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:

**7/1/2011 for the first payment**  
**8/1/2011 for the second payment, and**  
**9/1/2011 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 Trial 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 (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 \$2,961.13 by 7/1/2011.** 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

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**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.



THE LAW OFFICES OF  
**MICHAEL GADDIS**