



350 Highland Drive
Lewisville, TX 75067

Trial Period Plan Notice

**You may be able to make your payments more affordable!
Call 877-372-9439 for Immediate Assistance.**

06/10/2011

██████████
REDLANDS, CA 92374

Loan #: ██████████
Property Address: ██████████

██████████
REDLANDS, CA 92374

Dear ██████████

We want to continue to work with you to modify your mortgage and help make your payments more affordable. Unfortunately, we were unable to approve your request for a permanent loan modification under the federal government's Home Affordable Mortgage Program (HAMP), because the current DTI is less than 31%. For detailed information, please see the HAMP Non-Approval Notice included in this package.

Fannie Mae Loan Modification

The good news – you may be eligible for another option – a modification offered by Fannie Mae (the owner of your loan). This modification is intended for borrowers, like you, who for some reason did not meet all of the eligibility criteria for a permanent modification under HAMP.

With this modification, you will be required to make new affordable payments during a trial period. 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.

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What you need to do...

To accept this offer, you must make your first monthly "trial period payment" under your Trial Period Plan (described below). To qualify for a permanent modification, you must make the following trial period payments in a timely manner as specified in the Trial Period Plan below – instead of your normal monthly mortgage payments.

Trial Period Plan	
1 st payment:	\$ 1,359.75 by 07/01/2011
2 nd payment:	\$ 1,359.75 by 08/01/2011
3 rd payment:	\$ 1,359.75 by 09/01/2011

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 by Nationstar Mortgage LLC in the month in which it is due, you will no longer be eligible for a 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 or if you cannot afford the trial period 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 877-372-9439 as we may be able to help you. (Also, please review the attached "Frequently Asked Questions.")

Sincerely,

Nationstar Mortgage LLC

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



FREQUENTLY ASKED QUESTIONS

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

Q. What is a Fannie Mae Loan Modification?

A Fannie Mae Loan Modification offers you the ability to *permanently* modify your loan—helping to make your mortgage more affordable for the life of the loan. This modification was created as an additional loan modification option, and is available to certain borrowers who do not qualify for a modification under the Home Affordable Modification Program (HAMP). With a Fannie Mae Loan Modification, you still have an opportunity to modify your loan provided you successfully complete a trial period.

Q. Why are you offering me this option?

Because you were unable to qualify for a HAMP modification, 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 remain in your home and avoid foreclosure.

Q. What are the benefits of a Fannie Mae Loan Modification?

A Fannie Mae Loan Modification offers you a permanent long-term solution to make your mortgage more affordable.

Q. Why was I not approved for the Home Affordable Modification Program (HAMP)...what happened?

You should receive a separate letter regarding the denial of your HAMP application. Please review this letter titled Notice of Non-Approval for HAMP for the specific reason(s) as to why you did not qualify for a permanent HAMP modification.

Q. If I didn't qualify for a permanent modification under HAMP, will I qualify for a Fannie Mae Loan Modification?

The requirements for a Fannie Mae Loan Modification have been designed specifically to assist borrowers like you, who were unable to qualify for a permanent modification through HAMP.

Q. Will I still receive incentive compensation like the HAMP program provides?

No. A Fannie Mae Loan Modification does not offer incentive compensation for borrowers. The borrower incentive compensation is only available to borrowers who were eligible/qualified for a permanent modification under HAMP.

Q. Is there a trial period I have to complete?

Yes. There is a trial period for the Fannie Mae Loan Modification. You will be required to complete a trial period prior to entering into a permanent Loan Modification Agreement. Your loan will not be permanently modified until you successfully complete the Trial Period Plan and you enter into a Loan Modification Agreement.

Q. Why is there a trial period?

The trial period offers you immediate payment relief (and could prevent a foreclosure sale) and 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.



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FREQUENTLY ASKED QUESTIONS

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

Q. When are my trial period payments due?

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

Q. What happens if I can't afford the new payments?

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

Q. What happens if I misstate or misrepresent my information/documentation?

If you have intentionally misrepresented any fact(s) in connection with any of the documentation you have submitted to demonstrate your status, financial information or hardship, the Trial Period Plan and any Loan Modification Agreement may be cancelled (and we may pursue foreclosure proceedings). Additionally, knowingly submitting false information may violate federal law.

Q. What else should I know about this offer?

- If you make your new payments timely we will not conduct a foreclosure sale.
- You will not be charged any fees for this Trial Period Plan or final modification.
- If your loan is modified, we will waive all unpaid late charges.
- Your credit score may be affected by accepting a Trial Period Plan or modification. The impact of a loan modification on a credit score depends on the overall composition of the consumer's credit profile as well as how the new loan modification credit obligation is reported. The credit score could remain unchanged, increase or decrease. For more information about your credit score, go to <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtml>.
- You may be required to attend credit counseling.

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

Your trial period payment is approximately 24% of your total gross monthly income, which we determined to be \$ 1,359.75 based upon the income documentation you provided previously. If the loan is successfully modified, your new payment also will be based on approximately 24% of your gross income and should be sufficient to pay your modified principal and interest due on your modified loan as well as pay for 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, as permitted by law. 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 \$ 1,377.60; this can either be paid in a lump sum 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 877-372-9439.

FREQUENTLY ASKED QUESTIONS

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

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

Once you make all of your trial period payments on time, we will send you 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 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 as that is determined based on your total monthly gross income, not your loan balance.

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

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. 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.



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IMPORTANT PROGRAM INFO

Here's additional information you need to know about the Home Affordable Modification Program.

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 07/01/2011. 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 Servicer in the Request for Modification and Affidavit (RMA) signed by you in connection with the Making Home Affordable Program (HAMP) 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 Servicer 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 Servicer at 877-372-9439 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.

- Any pending foreclosure action or proceeding may be immediately resumed if you fail to comply with the terms of the Trial Period Plan or do not qualify for a modification. No new notice of default, intent to accelerate, acceleration or similar notice will be necessary to continue the foreclosure action, and all these notices are waived to the extent permitted by applicable law.

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 each of your monthly trial period payment obligations. 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.
- 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 loan unless the 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 establish an escrow account for these items.

- 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 payments instead of the payments 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.