

seterus™

Seterus, Inc.  
14523 SW Millikan Way, Suite 200  
Beaverton, OR 97005

You may be able to make your payments more affordable!  
Call 866.570.5277 for Immediate Assistance.

August 26, 2011

L481C

[REDACTED]  
[REDACTED]  
OCEANSIDE, CA 92056

Loan No.: [REDACTED]

Dear [REDACTED]

We want to continue to work with you to modify your mortgage and help make your payments more affordable.

**Fannie Mae Loan Modification**

The good news – you may be eligible for a modification offered by Fannie Mae (the owner of your loan). This modification is designed for borrowers, like you, who for some reason did not meet all of the eligibility criteria for a permanent modification under the government's Home Affordable Modification Program (HAMP), or were unable to successfully make a modification under a HAMP modification or another modification.

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.



THE LAW OFFICES OF  
**MICHAEL GADDIS**

**What you need to do...**

To accept this offer, you must make your first scheduled "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 regularly scheduled mortgage payments:

<u>Trial Period Plan</u>		
1st payment: \$1,933.69	by	10/01/2011
2nd payment: \$1,933.69	by	11/01/2011
3rd payment: \$1,933.69	by	12/01/2011

(Continued)

THIS COMMUNICATION IS FROM A DEBT COLLECTOR AS WE SOMETIMES ACT AS A DEBT COLLECTOR. WE ARE ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. HOWEVER, IF YOU ARE IN BANKRUPTCY OR RECEIVED A BANKRUPTCY DISCHARGE OF THIS DEBT, THIS LETTER IS NOT AN ATTEMPT TO COLLECT THE DEBT, BUT NOTICE OF POSSIBLE ENFORCEMENT OF OUR LIEN AGAINST THE COLLATERAL PROPERTY. COLORADO: FOR INFORMATION ABOUT THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT, SEE WWW.COLORADODATTORNEYGENERAL.GOV/CA. Seterus, Inc. maintains a local office at 355 Undoa Boulevard, Suite 302, Lakewood, CO 80228. The office's phone number is 888.738.5576. NEW YORK CITY: 1331537, 1340663, 1340148. TENNESSEE: This collection agency is licensed by the Collection Service Board of the Department of Commerce and Insurance. Seterus, Inc. is licensed to do business at 14523 SW Millikan Way, Beaverton, OR.



Loan No.: [REDACTED]  
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August 26, 2011

The trial period payment amounts set forth above include principal, interest, and escrow amounts. 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 Seterus, Inc. 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 **866.570.5277** as we may be able to help you. (Also, please review the attached "Frequently Asked Questions")

Sincerely,

Seterus, Inc.

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



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866-570-5277  
Seterus, Inc.



**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 either did not qualify for a modification under the Home Affordable Modification Program (HAMP), or were unable to successfully make payments under a HAMP modification or other modification. 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 or were unable to successfully make payments under HAMP, 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 keep your property 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?**

Please review the Notice of Non Approval for HAMP modifications which we previously provided to you for an explanation of why you were not approved for a 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 or who were not able to successfully make payments on a prior modification.

**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 your new mortgage payments. 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. 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."

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**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). If an alternative solution cannot be found, we will need to commence or continue 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 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.mortgage.gov/bop/edu/pubs/consumer/credit/cre24.shtml>.

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

Your trial period payment is based upon a variety of factors including your verified income, current value of your property, unpaid loan balance and amounts past due. Fannie Mae uses this information to provide the most affordable terms for you and which should be sufficient to pay your modified principal and interest due on your modified loan. Your trial period payments include escrow amounts to cover your property taxes, insurance premiums and other permissible escrow fees based on our current escrow analysis, including any homeowners association dues. Your modified payments may change, if your property taxes and insurance premiums change, as permitted by law. If you did not have an escrow account before, you will be required to establish an escrow account for the payment of such escrow amounts. 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 \$1,273.24; 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 866.570.5277.

**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 Loan Modification Agreement detailing the terms of the modified loan. The Loan 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.

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**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 principal and interest payment will be fixed for the life of your mortgage. Your new regularly scheduled payment will also include an escrow for property taxes, hazard insurance and other escrowed expenses, but your servicer will separately notify you of the escrow amount to include with your payment. If the cost of your homeowners insurance, property tax assessment or other escrowed expenses increases, your regularly scheduled payment will increase as well.



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## 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 08/31/2011. 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 certified that all of the written information you previously provided to Servicer in the Hardship Affidavit signed by you in connection with the Making Home Affordable Program (HAMP), or in the Fannie Mae Hardship Affidavit signed by you as part of this modification, 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 866.570.5277 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 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 regularly scheduled 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.

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