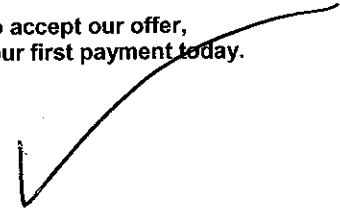


This is your Trial Period Plan.  
You're on your way toward  
an affordable mortgage payment.

To accept our offer,  
make your first payment today.



[REDACTED]  
[REDACTED]  
Oceanside, CA 92056

Loan Number: [REDACTED]

March 13, 2013

Dear [REDACTED]:

We are pleased to tell you that **you are approved to enter into a Trial Period Plan under the federal government's Home Affordable Modification Program.** This is the next step toward qualifying for affordable mortgage payments. Please read this letter so that you understand all the steps you need to take to permanently modify your mortgage, starting with your first Trial Period Plan payment.

Your state is also participating in another program sponsored by the federal government called the Hardest Hit Fund. This program could, when combined with the Home Affordable Modification Program, provide you with an affordable payment and forgive a portion of your outstanding principal balance. If you successfully complete your Trial Period, the state of California will agree to provide Hardest Hit Funds to reduce your unpaid principal balance. In addition, the owner of your loan will also agree to reduce your loan balance by an equal amount. Please refer to the Hardest Hit Fund Notification insert within this package for additional information.

**What you need to do**

To accept this offer, you must make new monthly Trial Period Plan payments in place of your normal monthly mortgage payment. Each payment must be made in the amount of your Trial Period Plan payment and in a timely manner. **Send in your monthly Trial Period Plan payments — instead of your normal monthly mortgage payments — as follows:**

1 <sup>st</sup>	payment: \$1,590.49 by 04/01/13
2 <sup>nd</sup>	payment: \$1,590.49 by 05/01/13
3 <sup>rd</sup>	payment: \$1,590.49 by 06/01/13


Payment coupons are included in this package if you wish to send your payment in the mail. You can also call us at 1.800.669.6650 and we can deduct your payment directly from your checking account. (There are no fees to make your payment by phone during your trial period.)

If you successfully make all of your Trial Period Plan payments complete housing counseling (as explained on the enclosed page entitled "Housing Counseling") and return any additional documents that may be required, you may receive a Modification Agreement explaining your loan modification terms that must be signed, notarized and returned to us. At that time, your modification will be officially permanent. (Your existing loan and loan requirements remain in effect and unchanged during the Trial Period Plan.) **If each payment is not received in the month in which it is due, this offer will end and your loan will not be modified under the Home Affordable Modification Program.**

If you cannot afford the Trial Period Plan 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 me at **1.800.669.6650** as we may be able to help you. Additionally, please visit [bankofamerica.com/homeloanassistance](http://bankofamerica.com/homeloanassistance) for more information.

We are glad you have been accepted into a Trial Period Plan with the Home Affordable Modification Program. Start today by making your first payment.

[REDACTED]  
Home Loan Team  
Bank of America, N.A.

Bank of America  Home Loans

**P.S. We want to help you stay in your home. Begin making your Trial Period Plan payments today.**

Enclosures: (1) Frequently Asked Questions (2) Additional Trial Period Plan Information and Legal Notices (3) Hardest Hit Fund Notification (4) Housing Counseling (5) Payment Coupons (6) Return Envelope

Bank of America, N.A. is required by law to inform you that this communication is from a debt collector. However, the purpose of this communication is to let you know about your potential eligibility for a loan modification program that may help you bring or keep your loan current through affordable payments.

Mortgages funded and administered by an Equal Housing Lender.  
Protect your personal information before recycling this document.

## FREQUENTLY ASKED QUESTIONS

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

### Q. What else should I know about this offer?

- If you make your new payments on time each month, **we will not conduct a foreclosure sale.**
- You will not be charged any fees for this Trial Period Plan or a permanent modification. However, third party fees such as attorney fees, recording fees, etc. may occur and you will be responsible for payment.
- If your loan is modified, we will waive all unpaid late charges.
- Entering into a Trial Period Plan for a loan modification or accepting a permanent loan modification can affect your credit. The actual effect will depend on a variety of factors. Visit [ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm](http://ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm) for more information about your credit and how to improve it.
- You may be required to attend credit counseling.

### Q. Why is there a trial period?

The trial period offers you immediate payment relief. Making all of your payments during this trial period will demonstrate that you can afford the modified payments and that they work within your budget. Note: This is only a temporary Trial Period Plan. Your existing loan requirements remain in effect and unchanged during the trial period and you will continue to receive monthly statements that will show the payment amount based on your original home loan agreement. However, please pay the new Trial Period Plan payment amount instead of your original payment amount.

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

Your Trial Period Plan payment is approximately 31% of your total gross monthly income, which we determined to be \$5,126.00 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 2.000%. 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 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 \$965.28; this can either be paid in a lump sum when the loan is modified or over the next 60 months in an amount of \$16.09 per month in addition to your modified monthly mortgage payment. If you wish to pay the total shortage as a lump sum, please contact us at 1.800.669.6650.

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

If you make all of your Trial Period Plan payments on time, return any additional documents that we may require, agree to participate in housing counseling as described on the enclosed page entitled "Housing Counseling", and your loan continues to meet the eligibility requirements set forth for the Home Affordable Modification Program, you may receive a Modification Agreement explaining the terms of the modified loan. Any difference between the amount of the trial period payments and your regular home loan 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. Are there incentives that I may qualify for if I am current with my new payments?

If 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 Plan 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 Plan payment due date*, will help you earn equity in your home by reducing the amount that you owe. However, you must remain current on your loan. You will lose this benefit if your modified loan becomes 90 days past due at any time during this five year period. If you lose this benefit, you will lose all accrued, unapplied incentive payments.

In addition, once your loan is permanently modified, 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 a portion 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 if your modified loan loses good standing at any time during this three year period, including 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 at 1.800.669.6650 if you do not want principal forgiveness, as 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?**

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

**Q. How will you achieve an affordable payment?**

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 to achieve a modified payment equal to 31% of your gross monthly income.

- 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 (and taxes and insurance which may have been paid on your behalf) to your principal. Unpaid late fees will be waived at the time of modification.
- Your state has agreed to provide Hardest Hit Funds to reduce your principal balance. In addition, the owner of your loan has also agreed to reduce your loan balance by an equal amount. Therefore, you are advised to seek guidance from a tax professional regarding your individual tax situation.
- Your interest rate may be reduced to as low as 2%, if necessary, to achieve a payment that you can afford. Each borrower's interest rate will only be reduced to a point sufficient to reach a modified payment equal to 31% of the borrower's gross monthly income. Not all borrowers will need a rate reduction to 2% to achieve a monthly mortgage payment that is affordable.
- Your loan payments may be recalculated over a longer period even though the maturity date will not change. This will help lower your monthly payments, but it will result in your having a lump sum payment (known as a balloon payment) that will continue to accrue interest until you pay off the modified loan.
- We may forbear or defer a portion of your unpaid principal balance. This is called principal forbearance. The amounts subject to this forbearance will not accrue interest for the remainder of the life of the loan. At the end of the loan term or at the time the loan is paid off through sale or refinancing, any remaining deferred amount becomes due.
- 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.
- Elimination of the negative amortization feature on your loan which will allow you to build equity faster. Negative amortization occurred when you chose a monthly payment option which did not cover the interest due on your loan and this payment difference was added to your principal.

**Q. Could I end up with a balloon payment?**

Yes. If principal forbearance (see definition above) is required to achieve an affordable monthly mortgage payment, the principal forbearance amount would not be part of the interest-bearing, unpaid principal balance on your loan, but you would still be responsible for the balance. That amount would constitute a balloon payment that does not accrue interest and is not due until you pay off your loan, refinance or sell your home. In addition, if your loan term cannot be extended, but your payment is calculated over a longer term, there will be additional principal owed when you pay off your loan, refinance, or sell your home.

**Q. What happens if I am unable to make payments during the trial period?**

If you are unable to make each payment in the month in which it is due, you will not be eligible for a modification under the Home Affordable Modification Program. However, you may be eligible for other foreclosure-prevention options.

**Q. Is housing counseling required for a modification under the Home Affordable Modification Program?**

Borrowers whose payments are past due are strongly encouraged to contact a housing counselor approved by the U.S. Department of Housing and Urban Development (HUD) to help them understand all of their options and to create a workable budget plan. These services offered by HUD-approved housing counselors are free. Housing counseling is required for borrowers whose total monthly debts are very high in relation to their income (equal to or more than 55% of their gross monthly income). If counseling is required for you, a page entitled "Housing Counseling" will be included in this package. If this page is not included, counseling is not required.