

January 17, 2013

**APPROVED**

Your mortgage is approved for a permanent modification.

Please return the Modification Agreement no later than January 31, 2013.

Your first modified mortgage payment is due February 01, 2013.

[REDACTED]  
Jeffrey Avenue  
Escondido, CA 92027

Loan Number: [REDACTED]

Dear [REDACTED]

Thank you for applying for a loan modification. We are pleased to inform you that you have been approved for a principal reduction loan modification under the U.S. Department of Justice and State Attorneys General national mortgage settlement. If you accept the modification, your mortgage will soon be permanently modified with a more affordable monthly payment.

The enclosed Modification Agreement includes the new terms of your modified mortgage that will go into effect after we receive your completed documents. Please also carefully read the enclosed Clarity Commitment<sup>®</sup>, which explains many of your new loan terms. If you have questions, please call me at 1.800.669.6650.

**How to accept this offer**

Enclosed are three copies of the permanent modification offer. To accept this modification offer, you must sign two copies of the Modification Agreement and then return all pages of both signed copies to us by January 31, 2013. Please use the enclosed pre-paid envelope to mail your documents to: Home Retention Group, Inc., Modifications Department, 9700 Bissonnet Street, Suite 1500, Houston, TX 77036. Please keep the other copy for your records.

We appreciate your cooperation and look forward to taking the final steps to providing you with affordable mortgage payments.

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

**P.S. For your convenience, we invite you to enroll in our PayPlan services program. Your monthly mortgage payment can be automatically debited from your designated checking or savings account. To learn how to sign up, please review the attached PayPlan Enrollment Form.**

Enclosures: (1) Clarity Commitment (2) Modification Agreement (3) Important Disclosures (4) PayPlan Enrollment Form & Electronic Payment Service Agreement (5) Pre-Paid 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 offer you a permanent loan modification that may help you bring or keep your loan current through affordable payments.

If you are currently in a bankruptcy proceeding, or have previously obtained a discharge of this debt under applicable bankruptcy law, this notice is for information only and is not an attempt to collect the debt, a demand for payment, or an attempt to impose personal liability for that debt. You are not obligated to discuss your home loan with us or enter into a loan modification or other loan-assistance program. You should consult with your bankruptcy attorney or other advisor about your legal rights and options.

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

[REDACTED]  
JEFFREY AVENUE  
ESCONDIDO, CA 92027

**Loan Modification  
CLARITY COMMITMENT<sup>®</sup>**

Thank you for making your trial period payments. This Clarity Commitment<sup>®</sup> is intended to be a clear and simple summary of the final loan modification that we are pleased to offer you under the U.S. Department of Justice and State Attorneys General national mortgage settlement. The loan modification will help put you in a better position to meet your loan obligation. When you sign and return the enclosed loan modification agreement you are agreeing to a new and permanent loan modification. Please thoroughly review all of the enclosed documents to ensure that you understand the details of your loan modification agreement.

**Summary of Your Modified Loan**

**Your New Principal Balance is calculated as follows:**

Current Principal Balance	\$459,970.00	This is the unpaid principal balance before we modify your outstanding principal balance.
Past Due Fees (+)	\$150.00	This amount represents fees, charges, and other costs. Late fees are not included and will be waived when your loan modification is finalized.
Escrow Advances (+)	\$3,027.41	Advances we have made on your behalf for payment of taxes & insurance.
Past Due Interest (+)	\$31,985.44	Unpaid and deferred interest.
Unapplied Funds (-)	\$2,455.53	Amounts previously paid but not credited to the loan. This amount is typically any portion of a trial payment that has been paid but not yet applied to the loan.
Combined Principal Balance (=)	\$492,677.32	Total amount owed before we modify your loan.
Principal Reduction (-)	\$167,677.32	We have forgiven this amount which means it will be completely removed from your loan balance. Please consult a tax advisor to determine how this forgiveness impacts your situation as we will report this amount to the Internal Revenue Service.
New Principal Balance (=)	\$325,000.00	This is the new principal balance on your modified loan.
Deferred Principal Balance (-)	\$9,074.44	We have deferred the repayment of this amount to the end of your loan term. Deferred principal does not accrue interest. The deferred principal amount must be paid when you refinance or pay off the loan, sell or transfer an interest in the home, or on the loan maturity date.
Interest Bearing Principal Balance (=)	\$315,925.56	This is the amount of your New Principal Balance that will accrue interest at the modified rate.

The current interest rate of 6.500% is changing to 2.000% for the first 5 years of your modified loan. This rate will increase as shown in the section below.

Your final payment date, which is your existing maturity date, is 09/01/2037.

**Your New Mortgage Payments**

Your new total modified monthly mortgage payments of \$1,753.97 are made up of principal and interest of \$1,353.02 and an initial escrow amount of \$400.95. Escrow payments are collected for payment of items such as property taxes and insurance and may change. We will notify you of any adjustments to the total monthly payment.



[REDACTED]


As shown in the schedule below, your interest rate will increase in steps that will bring your final rate to 3.375% and your total monthly payments to \$1,929.79. The amount of these payments will change if your escrow payment amount changes.

- For Years 1-5, beginning 02/01/2013, your interest rate will be 2.000% with a total monthly payment of **\$1,753.97**.
- Year 6, beginning 02/01/2018, the interest rate will be 3.000% with a total monthly payment of **\$1,882.20**.
- Years 7-25, beginning 02/01/2019, the interest rate will be 3.375% with a total monthly payment of **\$1,929.79**.

We deferred the principal amount mentioned above. If you make all of the monthly payments as scheduled, your estimated final payment will be \$9,074.44


**If you have questions regarding the modification agreement or the steps you must take to complete this process, please call me at 1.800.669.6650.**

If you are currently in a bankruptcy proceeding, or have previously obtained a discharge of this debt under applicable bankruptcy law, this notice is for information only and is not an attempt to collect the debt, a demand for payment, or an attempt to impose personal liability for that debt. You are not obligated to discuss your home loan with us or enter into a loan modification or other loan-assistance program. You should consult with your bankruptcy attorney or other advisor about your legal rights and options.

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




**Modification Agreement  
(Customer Copy)**

**Bank of America**  **Home Loans**

RECORDING REQUESTED BY:  
Bank of America, N.A.  
Attn Home Retention Division: CA6-919-02-46  
400 NATIONAL WAY  
Simi Valley, CA 93065

Loan # 

BAC MODIFICATION AGREEMENT – Single Family/NMS with Forgiveness  
 Bank of America, N.A.

*(Page 1 of 11 pages)*



This document was prepared by  
Home Retention Services, Inc.,  
Modifications Department  
9700 Bissonnet Street  
Suite 1500  
Houston, TX 77036  
1.877.422.1761

\_\_\_\_\_ *SPACE ABOVE THIS LINE FOR RECORDER'S USE* \_\_\_\_\_

## LOAN MODIFICATION AGREEMENT

This Loan Modification Agreement ("Agreement"), effective on the date set forth below, between Maria A Villa and Gonzalo A Villa, (the "Borrower(s)") and Bank of America, N.A. ("Lender") amends and supplements (1) the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument"), dated the 16 day of August, 2007 and in the amount of \$460,000.00, and (2) the Note bearing the same date as, and secured by, the Security Instrument (the "Note") which covers the real and personal property described in the Security Instrument and defined therein as in the "Property", located at 1845 Jeffrey Avenue, Escondido, CA 92027.

If my representations in Section 1 below continue to be true in all material respects, then this Modification Agreement ("Agreement") will, as set forth in Section 3 below, amend and supplement (1) Security Instrument on the Property and (2) the Note secured by the Security Instrument, and any previous modifications to the Security Instrument and/or Note. The Security Instrument and Note together, as they may previously have been amended, are referred to as the "Loan Documents". Capitalized terms used in this Agreement and not defined here have the meaning given to them in the Loan Documents.

I have received three copies of this Agreement. After I sign and return two copies of this Agreement to Lender, I will retain the other copy for my records. This Agreement will not take effect unless the preconditions set forth in Section 2 below have been satisfied.

1. **My Representations and Covenants.** I certify, represent to Lender, covenant and agree:

BAC MODIFICATION AGREEMENT – Single Family/NMS with Forgiveness  
[REDACTED] Bank of America, N.A.

(Page 2 of 11 pages)



[REDACTED]

[REDACTED]

I am experiencing a financial hardship, and as a result, (1) I am in default under the Loan Documents or my default is imminent, and (2) I do not have sufficient income or access to sufficient liquid assets to make the monthly mortgage payments now or in the near future.

- A. The property is currently occupied and there has been no impermissible change in the ownership of the Property since I signed the Loan Documents. A permissible change would be any transfer that the lender is required by law to allow.
- B. I have provided documentation for all income that I receive that I am required to disclose, and I understand that I am not required to disclose child support or alimony unless I chose to rely on such income when requesting to qualify for this Loan Modification ("Modification").
- C. Under penalty of perjury, all documents and information that I (or any third party on my behalf) have provided to Lender in connection with this Agreement, including the documents and information regarding my eligibility for the Modification, are true and correct to the best of my information and belief.
- D. I have made all payments required under a trial period plan or loan workout plan.

**2. Acknowledgements and Preconditions to Modification.** I understand and acknowledge that:

- A. If prior to the Modification Effective Date as set forth in Section 3 below, Lender determines that any of my representations in Section 1 above are no longer true and correct, the Loan Documents will not be modified and this Agreement will terminate. In that event, Lender will have all of the rights and remedies provided by the Loan Documents; and
- B. I understand that the Loan Documents will not be modified unless and until (1) I return a signed and notarized (if required) copy of this Agreement to Lender, (2) the Lender accepts this Agreement by signing it, and (3) the Modification Effective Date (as defined in Section 3 below) has occurred.

**3. The Modification.** If all of my representations in Section 1 continue to be true in all material respects and all preconditions to the modification set forth in Section 2 above have been met, the Loan Documents will automatically become modified on February 01, 2013 (the "Modification Effective Date").



- A. As part of this Modification, I agree that all amounts and arrearages that are or will be past due as of the Modification Effective Date, including unpaid and deferred interest, fees, charges, escrow advances, and other costs, but excluding unpaid late charges, (collectively "Unpaid Amounts") less any amounts paid to Lender but not previously credited to my Loan, will be added to the current principal balance of the Note. This combined principal balance will be \$492,677.32 (the "Combined Principal Balance"). I understand that by agreeing to add the Unpaid Amounts to the outstanding principal balance, the added Unpaid Amounts accrue interest based on the interest rate in effect under this Agreement unless those amounts are either deferred as non-interest bearing or forgiven as specified in this Agreement.
- B. \$167,677.32 of the Combined Principal Balance is hereby permanently forgiven, and will be deducted from the unpaid principal balance. I further acknowledge that Lender may be required to report the amount of principal forgiveness to the IRS and that any tax liability arising out of that forgiveness shall be my responsibility. I further acknowledge that Lender has recommended that I consult my own tax advisor to determine how this forgiveness impacts my personal situation.
- C. As of the Modification Effective Date the principal balance of the loan that remains due and payable is \$325,000.00 (the "New Principal Balance").
- D. \$9,074.44 of the New Principal Balance shall be deferred (the "Deferred Principal Balance") and I will not pay interest or make monthly payments on this amount. The New Principal Balance, minus the Deferred Principal Balance shall be referred to as the "Interest Bearing Principal Balance" and this amount is \$315,925.56.

Interest at the rate of 2.000% will begin to accrue on the Interest Bearing Principal Balance as of January 01, 2013, and the first new monthly payment on the Interest Bearing Principal Balance will be due on February 01, 2013. My payment schedule for the modified loan is as follows:



Years	Interest Rate	Interest Rate Change Date	Type of Payment	Monthly Principal and Interest Payment Amount	Estimated Monthly Escrow Payment Amount*	Total Monthly Payment*	Payment Begins On	Number of Monthly Payments
Years 1-5	2.000%	1/01/2013	Principal and Interest	\$1,353.02	\$400.95 May adjust periodically	\$1,753.97 May adjust periodically	02/01/2013	60
Year 6	3.000%	1/01/2018	Principal and Interest	\$1,481.25	May adjust periodically	May adjust periodically	02/01/2018	12
Years 7-25	3.375%	1/01/2019	Principal and Interest	\$1,528.84	May adjust periodically	May adjust periodically	02/01/2019	224

\* If escrow payments are collected by Lender, Lender may adjust such payments periodically in accordance with applicable law. Therefore, my total monthly payment may change accordingly.

The terms in this Section 3.D. supersede any provisions to the contrary in the Loan Documents, and previous loan modifications including (but not limited to) provisions for an adjustable or interest-only rate.

The total remaining principal balance that will be due in a balloon payment at the maturity of my loan will be the Deferred Principal Balance described in paragraph D above. This means that, even if I make all of the scheduled payments on time and comply with all other terms of the modified loan agreement, a principal balance of \$9,074.44 will remain unpaid at the time of the scheduled maturity date. This balance will not accrue interest at the Note rate and is sometimes called a balloon payment. I will need to make arrangements to pay this remaining balance when I payoff my loan, when I transfer an interest in (unless permitted by applicable law), refinance or sell the Property, or at maturity.

E. I will be in default if I do not comply with the terms of the Loan Documents, as modified by this Agreement.





[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under the Loan Documents; (d) mortgage insurance premiums, if any, or any sums payable to Lender in lieu of the payment of mortgage insurance premiums in accordance with the Loan Documents; and (e) any community association dues, fees, and assessments that Lender requires to be escrowed. These items are called "Escrow Items". I shall promptly furnish to Lender all notices of amounts to be paid under this Section 4.F. I shall pay Lender the Funds for Escrow Items unless Lender waives my obligation to pay the Funds for any or all Escrow Items. Lender may waive my obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, I shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. My obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in the Loan Documents, as the phrase "covenant and agreement" is used in the Loan Documents. If I am obligated to pay Escrow Items directly, pursuant to a waiver, and I fail to pay the amount due for an Escrow Item, Lender may exercise its rights under the Loan Documents and this Agreement and pay such amount and I shall then be obligated to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with the Loan Documents, and, upon such revocation, I shall pay to Lender all Funds, and in such amounts, that are then required under this Section 4.F.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under the Real Estate Settlement Procedures Act ("RESPA"), and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

- G. On and after the Modification Effective Date, and notwithstanding any other provision of the Loan Documents, if all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. However, Lender shall not exercise this option if state or federal law, rules, or regulations prohibit the exercise of such option as of the date of such sale or transfer. If Lender exercises this option, Lender shall give me notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which I must



pay all sums secured by the Security Instrument. If I fail to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Security Instrument without further notice or demand, to the extent such action is not prohibited by applicable state and federal law.

- H. On and after the Modification Effective Date, Lender will allow the transfer and assumption of the Loan, including this Agreement, only to a transferee of my property as permitted under the Garn-St Germain Act, 12 U.S.C. Section 1701j-3. A buyer or transferee of the Property will not be permitted, under any other circumstance, to assume the Loan. Except as noted herein, this Agreement may not be assigned to, or assumed by, a buyer or transferee of the Property.
- I. On and after the Modification Effective Date, any provision in the Note (or in any addendum or amendment to the Note) that allowed for the assessment of a penalty for full or partial prepayment of the Note, is null and void.
- J. I will cooperate fully with Lender in obtaining any title endorsement(s), or similar title insurance product(s), and/or subordination agreement(s) that are necessary or required by Lender's procedures to ensure that the modified mortgage loan is in first-lien position and/or is fully enforceable upon modification. Under any circumstance and not withstanding anything else to the contrary in this Agreement, if Lender does not receive such title endorsement(s), title insurance product(s), and/or subordination agreement(s), the terms of this Agreement will not become effective on the Modification Effective Date and the Agreement will be null and void. I will allow Lender to attach an Exhibit to this Loan Modification that will include a Legal Description, recording information of the original security instrument, and any other relevant information required by a County Clerk's Office to allow for recording if and when recording becomes necessary for Lender.
- K. I will execute such other documents as may be reasonably necessary either to (1) consummate the terms and conditions of this Agreement; or (2) correct the terms and conditions of this Agreement if an error is detected after execution of this Agreement. If I elect not to sign any such correction documents, the terms of the original Loan Documents, or the most recent modified terms currently in effect, shall, at Lender's sole option, continue in full force, and the terms of the original Loan Documents, or the most recent modified terms currently in effect, will not be modified by this Agreement.
- L. Any optional product(s) I may have purchased after the closing of my Loan, the cost for



which I agreed to have added to my Total Monthly Payment, will (1) remain in force as long as I add the amount due and owing to my Total Monthly Payment each month and (2) continue to be governed by the terms of the documents the provider of the optional product delivered to me ("Governing Documents"), unless I (a) notify the provider of the optional product of my request to cancel; or (b) fail to pay any and all amounts payable when due, at which time the optional product may terminate as provided under the Governing Documents. If I have questions about any optional product(s) I may have purchased, I should contact Bank of America, N.A.

- M. I agree and consent to the disclosure of my personal information and the terms of this Modification Agreement by Lender or its agents to (a) governmental authorities, including the U.S. Department of the Treasury and Department of Justice, and their agents, (b) any investor, insurer, guarantor or servicer that owns, insures, guarantees or services this Loan or any subordinate lien on the Property; (c) companies that perform support services in conjunction with this Modification and (d) any HUD-certified housing counselor.

If you are currently in a bankruptcy proceeding, or have previously obtained a discharge of this debt under applicable bankruptcy law, this notice is for information only and is not an attempt to collect the debt, a demand for payment, or an attempt to impose personal liability for that debt. You are not obligated to discuss your home loan with us or enter into a loan modification or other loan-assistance program. You should consult with your bankruptcy attorney or other advisor about your legal rights and options.

If you are currently in a bankruptcy proceeding, approval of any program for which you may be eligible is contingent on approval by the bankruptcy court in your bankruptcy case.



As evidenced by their signatures below, the Borrower and the Lender agree to the foregoing.

\_\_\_\_\_  
Borrower, [REDACTED]

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower [REDACTED]

\_\_\_\_\_  
Date

