

Law office of Michael Gadd COMPANY:

# HELPING YOU STAY IN YOUR HOME.



PROGRAM  
MORTGAGE

**You may be able to make your payments more affordable!  
Call 877-371-9962 for Immediate Assistance.**

July 5, 2013

[REDACTED]  
[REDACTED] S GLENDORA AVE  
GLENDORA, CA 91740

Loan Number: [REDACTED]

Dear [REDACTED]

**Congratulations!** You are approved to enter into a trial period plan under the Home Affordable Modification Program. 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.

### What you need to do...

To accept this offer please call me at the phone number listed below no later than 14 calendar days from the date listed at the top of this letter or send in your first monthly trial period payment instead of your normal monthly mortgage payment. If you do not contact me within 14 days or send in your monthly payment by the due date, you will no longer be eligible for this offer. During the 14 day period (when your application is pending) the foreclosure process will not move forward. Send your monthly trial period payments instead of your normal monthly mortgage payments as follows:

If you do not call to accept the offer within 14 days or send in your first payment by the due date, the foreclosure process will move forward. We will continue to work with you to help you avoid a foreclosure sale. However, please understand that if you have not yet been referred to foreclosure, that process could begin at any time. If your mortgage has been referred to foreclosure, as part of the foreclosure process, you may receive notices from a third-party attorney delivered by mail, or see steps being taken to proceed with a foreclosure sale of your home. During the HAMP Trial period, a foreclosure sale will not be held as long as you comply with the terms of the trial period plan and make all your payments on time.

1st Payment: \$1,375.39 by 8/1/2013  
2nd Payment: \$1,375.39 by 9/1/2013  
3rd Payment: \$1,375.39 by 10/1/2013


'O:Law office of Michael Gadd COMPANY:

After all trial period payments are timely made and you have submitted all the required documents, your mortgage would then 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 Wells Fargo Home Mortgage in the month in which it is due, this offer will end and your loan will not be modified under the Making Home Affordable Program.**

If you have received a discharge in a Chapter 7 bankruptcy proceeding and the mortgage debt was not reaffirmed, you will not have personal liability on the debt pursuant to this Agreement. This is not a reaffirmation agreement.

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 me at 877-371-9962 as we may be able to help you. (Also, please review the attached "Frequently Asked Questions")

Sincerely,

  
Home Preservation Specialist  
Wells Fargo Home Mortgage, a division of Wells Fargo Bank, N.A.  
Phone Number: 877-371-9962

**Get free counseling to help manage expenses and avoid foreclosure.** Reach out to a local HUD-approved, non-profit housing counseling agency if you're struggling to keep up with monthly expenses, or want help to avoid foreclosure. At no cost, a counselor will work closely with you, providing the information and assistance you need. To find an agency near you, go to [www.hud.gov/offices/hsg/sfh/hcc/fe](http://www.hud.gov/offices/hsg/sfh/hcc/fe). Or call 1-800-569-4287.

Be sure you avoid anyone who asks for a fee for counseling or a loan modification, or asks you to sign over the deed to your home, or to make your mortgage payments to anyone other than Wells Fargo Home Mortgage.

Attachments: (1) Frequently Asked Questions; (2) Additional Trial Period Plan Information and Legal Notices; (3) Trial Period Plan Notice (Verified Income)

*The Making Home Affordable Program was created to help millions of homeowners refinance or modify their mortgages. As part of this program, we – your mortgage servicer – and the Federal Government are working to offer you options to help you stay in your home.*

Wells Fargo Home Mortgage is a division of Wells Fargo Bank, N.A.

O:Law office of Michael Gadd COMPANY:

**FREQUENTLY ASKED QUESTIONS**

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

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

- To accept this offer you must call no later than 14 calendar days from the date listed at the top of this letter.
- 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 a permanent modification.
- If your loan is modified, we will waive all unpaid late charges.
- When you become past due on your mortgage payments, it's important to understand that the actions you take to correct the situation can affect your credit score. If you choose a loan modification with a trial period plan, your credit score could be negatively impacted during the trial period plan, but it may not be as impacted as an ongoing series of late payments or foreclosure. During that process, we are required to continue to report the delinquency status of your loan to the credit reporting agencies as "paying under a partial or modified payment agreement". When you are approved for either a HAMP or our proprietary permanent loan modification, the modification process is complete and is recorded on your credit report as "loan modified" as long as you make your permanently modified payments on time. Keep in mind that the degree of impact to your credit score depends on your overall credit circumstances and is different for each individual. We are required by the Fair Credit Reporting Act (FCRA) to accurately report the status of your loan to the credit bureaus. For more information about your credit score, go to <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>.
- You may be required to attend credit counseling.

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

The trial period offers you immediate payment relief and gives you time to make sure you can manage the lower monthly mortgage payment. The trial period is temporary, and your existing loan and loan requirements remain in effect and unchanged during the trial period.

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

Your trial period payment is approximately 31% of your total gross monthly income, which we determined to be \$4,432.38 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 \$598.86; this can either be paid in a lump sum when the loan is modified or over the next 60 months in an amount of \$9.98 per month in addition to your modified monthly mortgage payment. If you wish to pay the total shortage as a lump sum, please contact me at 877-371-9962.

VO:Law office of Michael Gadd COMPANY:

### 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. 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. Are there incentives that I may qualify for if I am current with my new payments?**

Once 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 payments. Depending on your modified monthly payment, you may accrue up to \$1,000 each year for five years for a maximum 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 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 loses good standing, which means that the equivalent of three full monthly payments are due and unpaid on the last day of any month, 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. 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.

**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.

**Q. What if I have other questions about a Home Affordable Modification that cannot be answered by my mortgage servicer?**

Call the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (4673). This Hotline can help with questions about the program and offers access to free HUD-certified counseling services in English and Spanish.



**Q. What if I am aware of fraud, waste, mismanagement or misrepresentations affiliated with the Troubled Asset Relief Program?**

Please contact SIGTARP at 1.877.SIG.2009 (toll-free), 202.622.4559 (fax) or [www.sigtar.gov](http://www.sigtar.gov) and provide them with your name, our name as your servicer, your property address, loan number and reason for escalation. Mail can be sent to: Hotline Office of the Special Inspector General for Troubled Asset Relief Program, 1801 L Street NW, Washington, DC 20220.



0:Law office of Michael Gadd COMPANY:

**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 your trial period plan below are effective on the day you make your first trial period payment, provided you have paid it on or before August 31, 2013. You and we agree that:

**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 that has been suspended may be resumed if you are notified in writing that you failed to comply with the terms of the trial period plan or do not qualify for a permanent modification.
- You agree that the servicer will hold the trial period payments in an account until sufficient funds are in the account to pay your oldest delinquent monthly payment. You also agree that the servicer will not pay your interest on the amounts held in the account. If any money is left in this account at the end of the trial period plan, those funds will be deducted from amounts that would otherwise be added to your modified principal balance.
- The servicer's 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 actions) and related activities, and shall not constitute a cure of your default under your loan unless such 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 do so:**

- 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 payment instead of the payment 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.

This communication is an attempt to collect a debt and any information obtained will be used for that purpose. However, if you have received a discharge of this debt in bankruptcy or are currently in a bankruptcy case, this notice is not intended as an attempt to collect a debt and, this company has a security interest in the property and will only exercise its right as against the property.

With respect to those loans secured by property located in the state of California, the state Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act require that, except under unusual circumstances collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or [www.ftc.gov](http://www.ftc.gov)