






THE MORTGAGE DEBT RELIEF ACT HAS BEEN EXTENDED FOR ANOTHER YEAR!

ARE YOU BEHIND ON PAYMENTS? FACING FORECLOSURE?

DO YOU KNOW YOUR RIGHTS?

MY SHORT SALE TEAM CAN HELP!



-  All Short Sale transactions and my Realtor services are FREE to sellers.
-  Stay in your home during the short sale process. You will have plenty of time to make plans and not be rushed to move.
-  Trouble getting your modification? Most short sale files are automatically screened for modification before short sale process begins.
-  Short sale assistance money for sellers up to \$3,000.00 at close of escrow still available. Avoid foreclosure and buy again in as little as two years from the short sale closing date.
-  Save your credit to buy a home, car and other large items in the near future. Under some circumstances, current short sales can to be done.

Please contact me at your earliest convenience so my Short Sale team can go to work on your file. I have several Short Sale and Foreclosure professional certifications with Short Sale experience with 97% approval success rating since 2007 on all seller escrows. I can come to your home or you can come to my office for a FREE personal consultation. If you have a current notice of default or notice of sale, I can assist you with getting this process stopped and proceed with a Short Sale. Please feel free to visit my website for more Information or to see personal testimonials from my past and present clients. I look forward to assisting you, your family member, friends or co-workers that can benefit from this extension!

www.reno-sparkshomes4you.com

Respectfully Yours,



****This is not meant to be a solicitation of another broker's listing.**

HomeGate Realty of Nevada
Tammy R. Noble, REALTOR®

Certified Short Sale Professional

1955 Baring Blvd.
Sparks, NV 89434

775.750.7162 or 775.250.1171

email nvreoshsales@gmail.com



"Tammy is by far the most knowledgeable and most ethical Realtor I have ever worked with. Her unending tenacity and energy is incredible. She goes above and beyond to help her clients obtain the very best for their needs. She is outstanding and in a league ahead of the rest".
N. Inman

**A COPY OF MY 'SHORT SALE' PACKAGE IS AVAILABLE AT
www.reno-sparkshomes4you.com**

- SELLER CLIENT TESTIMONIALS -

Sold a Single Family home in 2011 in Reno, NV.

Summary:

Choose Tammy Noble...you will not be disappointed! Short sales are a scary process. Tammy's knowledge, experience, and commitment was comforting and allowed my family to move on without fear of the process. She explained everything and accomplished everything she said she would. We completed our short sale within three months even though our neighborhood had hundreds of vacant homes. She took care of everything; handled all communications with the bank and the lenders. Plus she has an outstanding support staff that is just as capable as she is. I would recommend her to any friend.

Steve C.

- Highly likely to recommend

Sold a Single Family home in 2011 in Dayton, NV.

Summary:

We were very happy with Tammy's expertise and knowledge on helping us with the sale of our home. Her ability and experience in expediting the short-sale process allowed us to close in less than 3 months, which allowed us to stay current with mortgage payments and minimize the negative impact on our credit. We would not hesitate to recommend Tammy Noble as a real estate agent.

Jan H.

- Highly likely to recommend

Sold a Condo home in 2011 in Northeast, Reno, NV.

Summary:

While no other agent that we contacted would take on our property, Tammy did without hesitation. Our situation was very bad but with Tammy's professionalism and experience we were able to get through this rough time in our lives. I would recommend her to anyone doing a short sale on a condo. I hope she finds time to rest in her day as she seems to always work.

A. Johnson

- Highly likely to recommend

Sold a Single Family home in 2011 in Sparks, NV.

Summary:

Tammy is one of a kind in a sea of struggling agents. Her superior skills in handling tough situations make her a great asset to her clients. Tammy listed our home and closed escrow in approximately 6 weeks which is unheard of especially in the Reno/Sparks area. We highly recommend her for all real estate needs.

Thanks Tammy,

L & D Miles

- Highly likely to recommend

Sold a Single Family home in South Reno, Reno, NV.

Summary:

Tammy assisted me in selling a house, then in purchasing another house. Having used other realtors previously, I found that Tammy was by far the most professional, knowledgeable, and over-all caring than any other. The latest purchase was a bank-owned property, which came with its own set of challenges and difficulties; Tammy's expertise allowed for the transaction to go through successfully, despite all the "road blocks" that arose. I am so impressed with Tammy and her performance, that I have recommended her to numerous family and friends as "you will not find anyone better".

- Highly likely to recommend

To Whom It May Concern,

Tammy Noble listed and sold my house in February 2010, then found and sold another house to me in November 2010. Having purchased and sold 4 properties previously, using other realtors, I found Tammy to be the most professional and knowledgeable of any of them. Her dedication and follow-through in both transactions was noteworthy; she kept me totally informed with every aspect of the processes. I truly felt that I was her most important client.

I have, and will continue to recommend her to anyone that is in the market to sell or buy real estate.

Bevin E.

Dearest Tammy,

Words can not express our gratitude on your handling of the sale of our house at 2859 Astronomer Way.

When we first contacted you regarding questions on a short-sale of our house, we were so undecided on which way to proceed or even how to proceed. You were knowledgeable, supportive and provided us with the professionals we needed to put our minds at ease with the decision we had to make.

Ours was a unique case and both Sally and you took the challenge and "ran". I know at times it didn't look like it was going to happen but you persisted and finally it all came together.

This decision was one of the most difficult situations we have ever been in and we can not say thank-you enough for all your hard work and diligence in securing our short-sale.

Respectfully,

Michelle I.



If you are in a situation where you owe more than what your home is worth or if you need to sell but don't have the money for the difference at closing, this may well be the most important article/letter you'll read about selling your home. You need to look at the option of short selling your home.

When thinking about short sales, you have to keep one thing in mind; it is a very difficult transaction process that can easily cause more harm than good if not performed properly. This is why your choice in real estate agents may be the single most important factor determining whether the process is successful or not due to the complexities and sheer volume of issues that arise.

This is not a task to be undertaken by just any real estate agent. As a Certified Short-Sale Professional, CSP, I have been trained to navigate through the requirements that need to be met to get all parties to agree to the short sale. Finding a buyer is only half the battle. Once we have an able and willing buyer we must convince the lender(s) that they should grant you a short sale.

What should you expect during the process?

1. Calculate the value of your property. This will be accomplished by preparing a CMA and looking at the competition in your area and the condition of those homes. We will need to price and position your home so that it sells quickly and at a high enough price so the lender will agree to the terms.
2. Calculate your home's financial position. In this step we will examine the value from step 1 and compare this to the mortgages and other debt that is supported by the home value. If your home value is significantly less than your debt tied to the property you are a candidate for a short sale.
3. We will start searching for a buyer, especially those that have expressed interest in buying short sale properties. Not every buyer will want your property given the status and tenuous nature of a short sale. The buyer must be willing to deal with extended deadlines and additional demands made by your lender. Your lender is the key to a successful short sale transaction and we will need them to feel confident in the new buyer.
4. We'll need to contact your lender and explain your situation. Lenders are under no obligation to accept a short sale and the terms will be examined closely by the lender. The lender is the ultimate decision maker and must give final approval for short selling your home. Lenders may disapprove of any aspect of the transaction without reason or justification. Lenders do not have to be reasonable.

5. There may be tax repercussions in enacting a short sale transaction. Part of the process we will cover is the tax liability that may remain after the short sale transaction is complete. As with any tax related matter we will advise you to seek counsel from a tax professional or tax attorney.

Summary

As a Certified Short-Sale Professional I can handle the challenge of short selling your property and prevent you from succumbing to the many pitfalls that can beset those who are not familiar with the process. Thank you for putting your trust in me during this difficult period.

Tammy R. Noble, REALTOR®, SFR, CSP
HomeGate Realty of Nevada
1955 Baring Blvd., Sparks, 89434

(775) 750-7162 Phone

(775) 201-2756 Fax

Short Sale Seller's Questionnaire

The seller/borrower needs to answer the following:

Date: _____

Seller Name #1 _____ Seller Name #2 _____

Seller (1) SS # _____ Seller (2) SS# _____

Property Address: _____

City/Zip: _____ APN: _____

Lender (s):

Lender Name	Loan Number	Phone Number

Lender Name	Loan Number	Phone Number

Lender Name	Loan Number	Phone Number

- Do you have a pre-payment penalty on any of your loans? Yes No
 Approx. Balance: _____
- When was the last mortgage payment made? _____
- Have you received a Notice of Default? Yes No Date Received _____
- Have you received a Notice of Trustee Sale? Yes No Date Received _____
- Are you currently paying child support? Yes No
 If yes: a) When was the last payment made? _____
 b) Are you in arrears? Yes No
- Are your property taxes current? Yes No
- Are the county and/or city utilities (water, sewer, garbage, gas, electric) current? Yes No
- HOA (Homeowners Assoc) Name: _____
 a) Do you currently owe dues? Yes No
 b) What is the monthly payment? _____
 c) When was the last payment made? _____
 d) Is there a sub association? Yes No
 If yes: What is the Sub Homeowner's Association Name _____
- Probate? Yes No ▪ Bankruptcy? Yes No ▪ IRS Tax Lien Yes No
- Judgments Yes No ▪ Title in Trust? Yes No Copy of Trust Certificate? Yes No
- Do you have liens with family, friends, colleagues, etc? Yes No
 If yes: What is the outstanding balance? _____
 When was the last payment made? _____

Do's and Don'ts

Do:

Stay in your home during the process. Moving out may preclude you from utilizing various available options including assistance programs. Additionally, if your lender discovers the home is vacant they may exercise their right to accelerate the foreclosure process and take possession of your home in as few as forty (40) days. No matter the final outcome of your situation, there is not a single reason to leave your home until foreclosure timelines expire or an agreement has been reached.

- √ Be leery of anyone who contacts you with a loan they promise will solve all your troubles and save your home.
- √ Avoid high-pressure lenders, or those who encourage you to pay up-front fees for any service or loan; borrow more than the value of the home; or take on a loan without considering your ability to make the payments.
- √ Get all terms and promises in writing.
- √ Look out for terms that change or are not disclosed at the beginning of the loan process.
- √ Avoid any refinancing loan with inflated fees, a stiff prepayment penalty, an excessively high interest rate, or a balloon payment due.
- √ Check for complaints about any company that offers to buy your home; contact your state's consumer protection office or your state's real estate regulator for this information.

Don't:

- ∅ Don't sign anything unless you completely understand it; if you are unsure, have all documents reviewed by an attorney or a trusted real estate professional.
- ∅ Don't deed your property over to anyone; signing your home over to someone else does not relieve you of your mortgage obligation.
- ∅ Don't let someone else assume the loan without the lender's permission and without their formally releasing you from liability for the mortgage.
- ∅ Don't move out of your home because someone promises to make the mortgage payments for you.
- ∅ Do not let your insurance lapse. If your insurance lapses or is canceled, the lender may find out and send a notice of default, initiating foreclosure proceedings. Lenders have the right to start foreclosure proceedings if you do not maintain your insurance.
- ∅ Don't list your home with a Realtor that is not experienced in short sales.
- ∅ Don't consider selling your home via a short sale (or any other sale for that matter) without determining its approximate market value. Haste may later cause you financial loss in the form of a 1099, deficiency judgment, or through other associated expenses. If you choose to sell using a short sale, it is best to sell through a qualified Realtor; using the Realtor that promises the quickest results is rarely in your best interest.

Request for Transcript of Tax Return

(Rev. January 2011)

OMB No. 1545-1872

Department of the Treasury
Internal Revenue Service

► **Request may be rejected if the form is incomplete or illegible.**

Tip. Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Order a Transcript" or call 1-800-908-9946. If you need a copy of your return, use **Form 4506, Request for Copy of Tax Return**. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)
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2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number or individual taxpayer identification number if joint tax return
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3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (See instructions)

4 Previous address shown on the last return filed if different from line 3 (See instructions)

5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.

Caution. If the transcript is being mailed to a third party, ensure that you have filled in line 6 and line 9 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy.

6 Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ►

a Return Transcript, which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days

b Account Transcript, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days.

c Record of Account, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days

7 Verification of Nonfiling, which is proof from the IRS that you **did not** file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days

8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript. The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2007, filed in 2008, will not be available from the IRS until 2009. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days

Caution. If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer. **Note.** For transcripts being sent to a third party, this form must be received within 120 days of signature date.

Telephone number of taxpayer on line 1a or 2a

Sign Here	Signature (see instructions)	Date	
	Title (if line 1a above is a corporation, partnership, estate, or trust)		
	Spouse's signature	Date	

General Instructions

Purpose of form. Use Form 4506-T to request tax return information. You can also designate a third party to receive the information. See line 5.

Tip. Use Form 4506, Request for Copy of Tax Return, to request copies of tax returns.

Where to file. Mail or fax Form 4506-T to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual transcripts (Form 1040 series and Form W-2) and one for all other transcripts.

If you are requesting more than one transcript or other product and the chart below shows two different RAIVS teams, send your request to the team based on the address of your most recent return.

Automated transcript request. You can quickly request transcripts by using our automated self help-service tools. Please visit us at IRS.gov and click on "Order a Transcript" or call 1-800-908-9946.

Chart for individual transcripts (Form 1040 series and Form W-2)

If you filed an individual return and lived in:

Mail or fax to the "Internal Revenue Service" at:

Florida, Georgia (After June 30, 2011, send your transcript requests to Kansas City, MO)

RAIVS Team
P.O. Box 47-421
Stop 91
Doraville, GA 30362
770-455-2335

Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address

RAIVS Team
Stop 6716 AUSC
Austin, TX 73301

512-460-2272

Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming

RAIVS Team
Stop 37106
Fresno, CA 93888

559-456-5876

Arkansas, Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia

RAIVS Team
Stop 6705 P-6
Kansas City, MO
64999

816-292-6102

Chart for all other transcripts

If you lived in or your business was in:

Mail or fax to the "Internal Revenue Service" at:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, a foreign country, or A.P.O. or F.P.O. address

RAIVS Team
P.O. Box 9941
Mail Stop 6734
Ogden, UT 84409

801-620-6922

Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin

RAIVS Team
P.O. Box 145500
Stop 2800 F
Cincinnati, OH 45250

859-669-3592

Line 1b. Enter your employer identification number (EIN) if your request relates to a business return. Otherwise, enter the first social security number (SSN) or your individual taxpayer identification number (ITIN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 3. Enter your current address. If you use a P. O. box, include it on this line.

Line 4. Enter the address shown on the last return filed if different from the address entered on line 3.

Note. If the address on Lines 3 and 4 are different and you have not changed your address with the IRS, file Form 8822, Change of Address.

Line 6. Enter only one tax form number per request.

Signature and date. Form 4506-T must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506-T within 120 days of the date signed by the taxpayer or it will be rejected.

Individuals. Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506-T exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506-T can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

Partnerships. Generally, Form 4506-T can be signed by any person who was a member of the partnership during any part of the tax period requested on line 9.

All others. See Internal Revenue Code section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the Letters Testamentary authorizing an individual to act for an estate.

Privacy Act and Paperwork Reduction Act

Notice. We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. You are not required to request any transcript; if you do request a transcript, sections 6103 and 6109 and their regulations require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-T will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form**, 10 min.; **Preparing the form**, 12 min.; and **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-T simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.

Steps of a Short Sale

For most loans, to avoid going through the costs of foreclosure, a bank will sanction a short sale by allowing a Buyer to purchase the home for less than the mortgage balance while the home is in pre-foreclosure stage. Pre-foreclosure state is the first of the three stages of foreclosures. Here are some of the steps of a short sale:

- Seller signs a listing agreement with a real estate agent subject to selling as a short sale with third-party approval.
- Buyer makes an offer for less than the amount of the mortgage.
- Seller accepts the Buyer's purchase offer.
- Seller's lender accepts the Buyer's purchase offer.
- Transaction closes when the Buyer delivers the funds, the bank releases the lien and the Seller delivers the deed.

Note: If loan is FHA, the steps to this process may be in a slightly different order.

Qualifications for a Short Sale

Consider the following to determine whether you may qualify for a short sale. If you cannot answer yes to all four requirements, you may not qualify for a short sale.

- **The Home's Market Value Has Dropped.**

Hard comparable sales must substantiate that the property value is less than the unpaid mortgage balance. This unpaid balance may include a prepayment penalty.

- **The Mortgage is in or near Default Status.**

In the past, banks would not consider a short sale if the payments were current, but that is no longer the case. Realizing that other factors contribute to a potential default, many banks are now willing to consider a short pay off.

- **The Seller Has Fallen on Hard Times.**

The Seller must submit a letter of hardship explaining why the Seller cannot pay the full loan amount, and why the Seller has, or will, stop making the monthly payments.

Examples of hardship are:

1. Adjusting Rates
2. Unemployment
3. Divorce
4. Medical emergency / sudden illness
5. Bankruptcy
6. Death
7. Decrease in income

- **The Seller Has No Assets**

The bank may request a copy of the Seller's tax returns and financial statement. If the bank discovers assets, the bank may not grant the short sale because the Seller has the ability to pay the shorted difference. Sellers with assets may still be granted a short sale but could be required to pay back the shortfall.

For example, if the Seller has savings, owns other real estate, stocks, bonds or even IRA accounts, the bank will most likely determine that the Seller has assets: however, the bank may discount the deficiency. In a Short Sale, the Seller cannot make a profit.

Some Possible Consequences

A short sale is dependent on a Buyer making an offer to purchase. If the seller does not receive an offer, he will not qualify for a short sale. Even if the seller meets all the other criteria, it is possible that no one will buy the property. It is also dependent on the bank accepting the Buyer's offer. If the bank rejects the offer, a short sale will not occur.

- **Tax Consequences**

If the bank agrees to the short sale, they have the right to issue a 1099 for the deficiency, as provided in the IRS code regarding debt forgiveness. Many situations are exempt from debt forgiveness, according to the Mortgage Forgiveness Debt Relief Act of 2007.

The seller should speak with a real estate lawyer and a tax accountant to determine the amount of short sale tax consequences.

- **Blemished Credit Report**

A short sale will affect the seller's credit report. The big key here is to avoid foreclosure. Short sales will affect your credit rating especially if you miss your mortgage payments during the process. But, by nearly any measure, a foreclosure is definitely more damaging to your credit. The seller should seek legal counsel before attempting to pursue a short sale. Real estate agents cannot give legal advice.

- **Deficiency Judgment**

Foreclosure vs Short Sale Homeowner Consequences

Issue	Foreclosure	Successful Short Sale
Future Fannie Mae Loan - Primary Residence	A homeowner who loses a home to foreclosure is ineligible for a Fannie Mae-backed mortgage for a period of 5 years.	A homeowner who successfully negotiates and closes a short sale will be eligible for a Fannie Mae-backed mortgage after only 2 years.
Future Fannie Mae Loan - Non-Primary	An investor who allows a property to go to foreclosure is ineligible for a Fannie Mae-backed investment mortgage for a period of 7 years.	An investor who successfully negotiates and closes a short sale will be eligible for a Fannie Mae-backed investment mortgage after only 2 years.
Future Loan with any Mortgage Company	On any future application, a prospective borrower will have to answer "YES" to question C in Section VIII of the standard 1003 form that asks "Have you had a property foreclosed upon or given title or deed in lieu thereof in the last 7 years?" This will affect future rates.	There is no similar declaration or question regarding a short sale.
Credit Score	Score may be lowered anywhere from 250 to more than 300 points. Typically will affect a credit score for over 3 years.	Only late payments on mortgage will show, and after sale, mortgage is normally reported as "paid as agreed", "paid as negotiated", or "settled". This can lower the score as little as 50 points if all other payments are being made. A short sale's effect can be as brief as 12 to 18 months.
Credit History	Foreclosure will remain as a public record permanently, and on a person's credit history for 10 years or more.	A short sale is not reported on a credit history. There is no specific reporting item for "short sale". The loan is typically reported "paid in full, settled".
Security Clearance	Foreclosure is the most challenging issue against a security clearance outside a serious misdemeanor or felony conviction. If a client has a foreclosure and is a police officer, in the military, in the CIA, security, or any other position that requires a security clearance, in almost all cases clearance will be revoked and position will be terminated.	On its own, a short sale does not challenge most security clearances.
Current Employment	Employers have the right and are actively checking in the credit of all employees who are in sensitive positions. In many cases, a foreclosure is reason for immediate reassignment or termination.	A short sale is not reported on a credit report and is therefore not a challenge to employment.
Future Employment	Many employers are requiring credit checks on all job applicants. A foreclosure is one of the most detrimental credit items an applicant can have and in most cases will challenge employment.	A short sale is not reported on a credit report and is therefore not a challenge to future employment.
Deficiency Judgment	In 100% of foreclosures (except in those states where there is no deficiency), the bank has the right to pursue a deficiency judgment.	In some successful short sales, it is possible to convince the lender to give up the right to pursue a deficiency judgment against the homeowner.
Deficiency Judgment (amount)	In a foreclosure, the home will have to go through an REO process if it does not sell at auction. In most cases this will result in a lower sales price and longer time to sale in a declining market. This will result in a higher possible deficiency judgment.	In a properly managed short sale, the home is sold at a price that should be close to market value, and in almost all cases will be better than an REO sale resulting in a lower deficiency.

The Mortgage Debt Forgiveness Debt Relief Act of 2007 and Debt Cancellation

If you owe a debt to someone else and they cancel or forgive that debt, the canceled amount may be taxable.

The Mortgage Debt Relief Act of 2007 generally allows taxpayers to exclude income from the discharge of debt on their principal residence. Debt reduced through mortgage restructuring, as well as mortgage debt forgiven in connection with a foreclosure, qualifies for the relief.

This provision applies to debt forgiven in calendar years 2007 through 2012. Up to \$2 million of forgiven debt is eligible for this exclusion (\$1 million if married filing separately). The exclusion does not apply if the discharge is due to services performed for the lender or any other reason not directly related to a decline in the home's value or the taxpayer's financial condition.

More information, including detailed examples can be found in [Publication 4681](#), Canceled Debts, Foreclosures, Repossessions, and Abandonments. Also see IRS news release [IR-2008-17](#).

The following are the most commonly asked questions and answers about The Mortgage Forgiveness Debt Relief Act and debt cancellation:

What is Cancellation of Debt?

If you borrow money from a commercial lender and the lender later cancels or forgives the debt, you may have to include the cancelled amount in income for tax purposes, depending on the circumstances. When you borrowed the money you were not required to include the loan proceeds in income because you had an obligation to repay the lender. When that obligation is subsequently forgiven, the amount you received as loan proceeds is normally reportable as income because you no longer have an obligation to repay the lender. The lender is usually required to report the amount of the canceled debt to you and the IRS on a Form 1099-C, Cancellation of Debt.

Here's a very simplified example. You borrow \$10,000 and default on the loan after paying back \$2,000. If the lender is unable to collect the remaining debt from you, there is a cancellation of debt of \$8,000, which generally is taxable income to you.

Is Cancellation of Debt income always taxable?

Not always. There are some exceptions. The most common situations when cancellation of debt income is not taxable involve:

- **Qualified principal residence indebtedness:** This is the exception created by the Mortgage Debt Relief Act of 2007 and applies to most homeowners.
- **Bankruptcy:** Debts discharged through bankruptcy are not considered taxable income.
- **Insolvency:** If you are insolvent when the debt is cancelled, some or all of the cancelled debt may not be taxable to you. You are insolvent when your total debts are more than the fair market value of your total assets.
- **Certain farm debts:** If you incurred the debt directly in operation of a farm, more than half your income from the prior three years was from farming, and the loan was owed to a person or agency regularly engaged in lending, your cancelled debt is generally not considered taxable income.
- **Non-recourse loans:** A non-recourse loan is a loan for which the lender's only remedy in case of default is to repossess the property being financed or used as collateral. That is, the lender cannot pursue you personally in case of default. Forgiveness of a non-recourse loan resulting from a foreclosure does not result in cancellation of debt income. However, it may result in other tax consequences. These exceptions are discussed in detail in Publication 4681.

What is the Mortgage Forgiveness Debt Relief Act of 2007?

The Mortgage Forgiveness Debt Relief Act of 2007 was enacted on December 20, 2007 (see News Release IR-2008-17). Generally, the Act allows exclusion of income realized as a result of modification of the terms of the mortgage, or foreclosure on your principal residence.

What does exclusion of income mean?

Normally, debt that is forgiven or cancelled by a lender must be included as income on your tax return and is taxable. But the Mortgage Forgiveness Debt Relief Act allows you to exclude certain cancelled debt on your principal residence from income. Debt

The Mortgage Debt Forgiveness Debt Relief Act of 2007 and Debt Cancellation

reduced through mortgage restructuring, as well as mortgage debt forgiven in connection with a foreclosure, qualifies for the relief.

Does the Mortgage Forgiveness Debt Relief Act apply to all forgiven or cancelled debts?

No. The Act applies only to forgiven or cancelled debt used to buy, build or substantially improve your principal residence, or to refinance debt incurred for those purposes. In addition, the debt must be secured by the home. This is known as qualified principal residence indebtedness. The maximum amount you can treat as qualified principal residence indebtedness is \$2 million or \$1 million if married filing separately.

Does the Mortgage Forgiveness Debt Relief Act apply to debt incurred to refinance a home?

Debt used to refinance your home qualifies for this exclusion, but only to the extent that the principal balance of the old mortgage, immediately before the refinancing, would have qualified. For more information, including an example, see Publication 4681.

How long is this special relief in effect?

It applies to qualified principal residence indebtedness forgiven in calendar years 2007 through 2012.

Is there a limit on the amount of forgiven qualified principal residence indebtedness that can be excluded from income?

The maximum amount you can treat as qualified principal residence indebtedness is \$2 million (\$1 million if married filing separately for the tax year), at the time the loan was forgiven. If the balance was greater, see the instructions to Form 982 and the detailed example in Publication 4681.

If the forgiven debt is excluded from income, do I have to report it on my tax return?

Yes. The amount of debt forgiven must be reported on Form 982 and this form must be attached to your tax return.

Do I have to complete the entire Form 982?

No. Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Adjustment), is used for other purposes in addition to reporting the exclusion of forgiveness of qualified principal residence indebtedness. If you are using the form only to report the exclusion of forgiveness of qualified principal residence indebtedness as the result of foreclosure on your principal residence, you only need to complete lines 1e and 2. If you kept ownership of your home and modification of the terms of your mortgage resulted in the forgiveness of qualified principal residence indebtedness, complete lines 1e, 2, and 10b. Attach the Form 982 to your tax return.

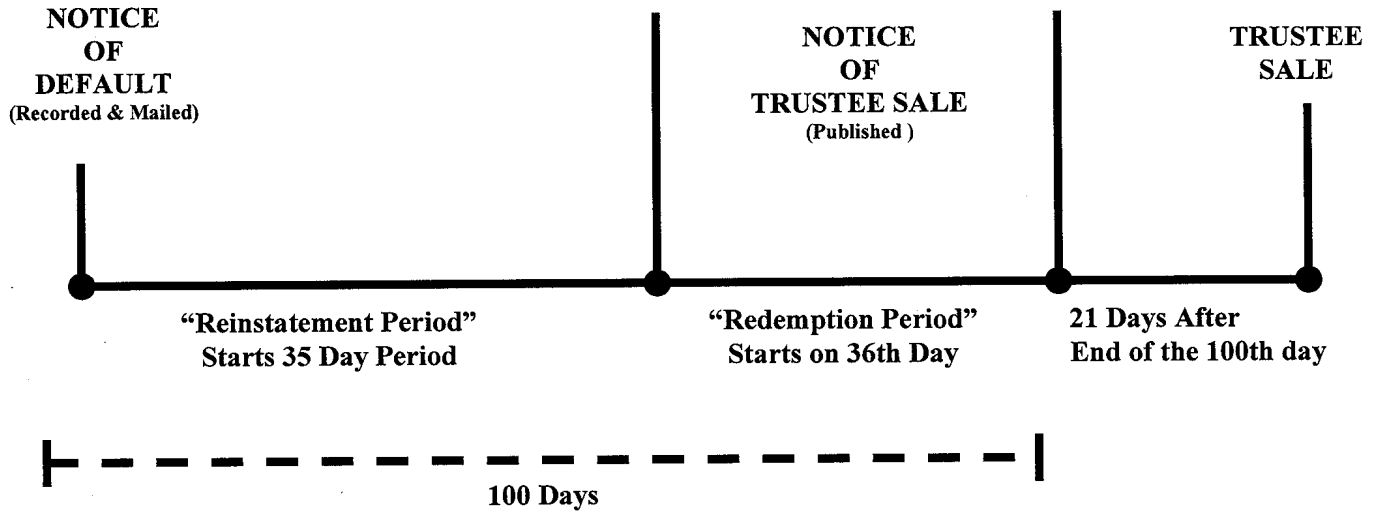
Where can I get this form?

If you use a computer to fill out your return, check your tax-preparation software. You can also download the form at IRS.gov, or call 1-800-829-3676. If you call to order, please allow 7-10 days for delivery.

How do I know or find out how much debt was forgiven?

Your lender should send a Form 1099-C, Cancellation of Debt, by February 2, 2009. The amount of debt forgiven or cancelled will be shown in box 2. If this debt is all qualified principal residence indebtedness, the amount shown in box 2 will generally be the amount that you enter on lines 2 and 10b, if applicable, on Form 982.

Nevada Foreclosure Timeline



TO REINSTATE

- Trustee Fees
- Back Payments
- Allowable Expenses

TO REDEEM

- Entire Loan Amount
- Back Payments
- Allowable Expenses

HOME SOLD

No Right
Of
Redemption

SUMMARY

1. Trustee collects all necessary documents, orders a title search, identifies all lien holders and other parties entitled to receive a notice of the foreclosure.
2. Notice of Default is prepared, recorded, published, posted, and mailed to all concerned parties. Trustor has 35 days from the mailing of the notice to reinstate the loan including all expenses.
3. Once the 35 days has expired, the trustor enters the second phase of the foreclosure and has three months from the date of the recording of the Notice of Default to redeem the property by paying the full amount of the loan plus all allowable expenses to date.
4. Approximately 10 days before the 100 days has expired, the trustee will begin publication of the Notice of Trustee Sale. The notice must be advertised for three consecutive weeks. The Notice of Trustee Sale must also be posted in three public places for 21 successive days.
5. Trustee Sale is held on the exact day stated in the Notice of Trustee Sale. The sale deprives the homeowner of all interest in the property and there is no right of redemption.
6. If there are no bidders at the trustee sale, the property reverts back to the lender as an REO.
7. If there is a successful bidder, that person becomes the new owner and has immediate rights to the property.
8. If occupants refuse to move, legal action may be taken to have them evicted.
9. Note: Homeowners have approximately 4 months before they can be evicted from their home.

How Does a Bank Handle Deficiency Judgments on a Short Sale?

By Michael Cuevas

Many people ask, what happens to all the money that is never paid back to the bank? When banks are considering a short sale as an option to foreclosure there are many things they must look at. The average person would think that it is crazy that the banks do not chase borrowers of defaulted loans but it really depends on what state you reside in. You must first know your state laws regarding deficiency judgments. Your state can either be a deficiency judgment state or a non-deficiency judgment state. If your state is a deficiency state a lender foreclosing or accepting a short sale can come after you. In a non-deficiency state they cannot come after the borrower.

So how do lenders come after borrowers in deficiency judgment states? The following list is a breakdown of what happens to all the money that is lost and how lenders handle their loss.

The result of a lender taking less money and how they deal with their loss is called a deficiency judgment. There are several ways a lender can handle a deficiency amount.

Forgiveness - When a short sale occurs, the loss to the bank amount can be forgiven believe it or not. Borrowers must remember that to get full forgiveness on a file it depends on the servicing company, note holder or investor, and borrower hardship/financial situation. This can still be obtained in a deficiency state but only few lenders and servicing companies do this.

Promissory Note - A lender can issue the borrower a promissory note which specifies that the borrower can pay back the amount owed over an extended period of time say 15-20 years in the form of monthly payments. This really depends on the borrower's financials. Do they have the ability to pay on a promissory note? Is it the PMI company who is asking for a promissory note (PMI companies are notorious for this)? What is the borrower's hardship?

1099 Tax Form - The lender may choose to tax the borrower on the deficiency judgment amount as a capital gains tax. They basically consider their loss as your gain, therefore making it taxable. Basically the lender will 1099 the borrower the difference making it a taxable income on the borrower. In nine out of ten cases borrowers really have to financial consequences to this. The Mortgage Debt Forgiveness Act of 2007 states that any borrower who resided in the home as their primary residence is forgiven from paying IRS taxes on any 1099 that they may receive as a result of a short sale or foreclosure. If it is not a primary residence borrowers may also be eligible for the exclusion if they can claim insolvency. Most people do not realize it but this is the homeowner bailout. This can eliminate this obligation but you should consult with a good attorney or tax

professional. It's also important to know that if the property goes to foreclosure borrowers still can expect to get a 1099. This is the most common way lenders will handle their loss.

Cash Contribution - Sometimes the lender may just ask for cash at the time of closing ranging anywhere from \$200-\$5,000. This depends on a borrower's financial situation. If the loss is extreme or if it is a 2nd mortgage, particularly a HELOC, some lenders may ask for a cash contribution to settle the account or approve the short sale. If a borrower has strong reserves and assets the probability is higher. PMI companies are also notorious for this as well.

One point to remember is that these are remedies for the lender to cure their loss and approve a short sale. Once you speak and consult with a professional there are also remedies you as a homeowner are given as well. Since each situation is different results will vary. The most important part is that none of these listed above are any worse than having a foreclosure on your credit.

These are the main ways that a bank will deal with their loss. Always use a professional who knows what they are doing when working on a short sale. The average real estate agent is trained in selling houses not negotiating liens with banks. Proper representation will increase your chance of obtaining a settled account vs. a collectible balance. It's an entire different industry.

Mike Cuevas is a local real estate agent and investor. He is the founder of Aspire Properties, which focuses on short sales and bank owned foreclosures. Mike wholesales residential property as well as run a day to day brokerage. He has consistently ranked amongst the top 10% of realtors for 6 out of the last 8 years. For information visit <http://www.chicagorealestatedeal.com>.

Article Source: http://EzineArticles.com/?expert=Michael_Cuevas

Utility & HOA Agreement

Owner of the property located at _____, agrees and understands that all utilities to include water, electric, and gas must be kept on during the short sale period.

If you decide to disconnect these utilities for any extended period of time, you are at risk of cracked piping, dried out piping, dust build up in tour vents and air conditioning units, among various other costly damages to the property.

Utilities must be kept on for the buyer to be able to conduct their inspections and walk through according to the agreement.

Owner of the above mention property agrees to keep Homeowner Association (HOA) dues current during the short sale period.

Not staying current with HOA dues may result in liens, charges, and substantial costs incurred.

Borrower

Date

Co-Borrower

Date



Items needed for bank approval:

- Hardship Letter (Typed or hand written)
- Most recent 2 years w2's
- Most recent 2 months of pay stubs
- If self employed, need 1099s (2 yrs)
- Most recent 1040's w/all schedules (2 yrs)
- Most recent 2 months bank statements
- Recent statement of any other assets (401k, IRA, Stocks, etc.)
- Attached Financial Information form
- Most recent 1st mortgage statement
- Most recent 2nd mortgage statement (if applicable)
- Authorization to release information to Tammy Noble as your listing agent
- Any correspondence from lender regarding late payments, default notices, etc.

I will need the above required items within the 1st few days of listing the home on the MLS as a short sale. You can drop them off at my office at:

1955 Baring Blvd.
Sparks, NV 89434

Or, you can call me at 775-750-7162 and I will come and pick them up from you.

Request for Financial Information

Property Address:		Mortgage Late? Y / N	How Late?
Have/Are you filed BK? Y / N	Is HOA current? Y / N	Property taxes current? Y / N	Homeowners Insurance current? Y / N

Borrower

Co-Borrower

Employment

Liquid Assets – combine for all borrowers

Non-Liquid Assets – combine for all borrowers

Asset	Value	Asset	Est. Value	Balance Due	Net Value
Cash on Hand		Primary Home			
Checking & Savings		Other Home			
Stocks, Bonds, CD's, etc.		Auto 1			
Retirement Assets (401K) etc.		Auto 2			
Other:		Cash Value Insurance			
Other :		Other:			
Total Liquid Assets:		Total Non-Liquid Assets			

Acknowledgement and Agreement

Certification: I/We certify that the information provided in the Request for Financial Information and Estimated Monthly Expenses is true and correct as of the date set forth opposite my/our signature(s) on this form and acknowledge my/our understanding that any intentional or negligent misrepresentation of the information contained on this form may result in civil liability and/or criminal penalties.

Borrower

Date

Borrower

Date

Estimated Monthly Expenses

Category	Description	Monthly Payment	Balance Due	Estimated Value	Past Due Yes / No	If yes, # of months
Subject Property	1 st Mortgage					
	2 nd Mortgage					
Other Properties	Other Mortgage					
	Rent Paid					
Dues	HOA					
Automobile	Auto 1					
	Auto 2					
	Gasoline					
	Maintenance					
	Insurance					
Other Loans	Student Loan(s)					
	Finance Company					
	Installment					
Credit Cards	VISA					
	Mastercard					
	American Express					
	Discover					
	Other					
Utilities	Electric					
	Gas					
	Water/Sewer/Trash					
	Telephone					
	Cable					
Insurance	Health/Dental					
	Life					
Medical (Not covered by insurance)	Doctor/Dentist					
	Vision					
	Hospital					
	Medication					
Child Care	Daycare/Safe Key					
Vision	Contacts					
Support	Child					
	Alimony					
Food	Family					
Other: Please Specify:						
Totals \$\$	\$	\$	\$	\$		

Acknowledgement and Agreement

Certification: I certify that the information provided in the Request for Financial Information and Estimated Monthly Expenses is true and correct as of the date set forth opposite my signature(s) on this form and acknowledge my understanding that any intentional or negligent misrepresentation of the information contained on this form may result in civil liability and /or criminal penalties.

Signature

Date

Signature

Date



COUNTER OFFER



1 Property address _____
2 In reference to the offer made by, _____, Buyer,
3 dated _____, the following Counter Offer is submitted:
4
5

6 1. Seller's lender(s) agree to consider owners debt as satisfied and does hereby
7 release and forever discharge sellers from all obligations, claim, demands, and damages
8 regarding the deed of trust and promissory note; lender will also report debt as paid in
9 full to the credit bureau upon successful close of escrow. This statement to supersede
10 any other verbiage the seller's lender may have the seller sign prior to close of
11 escrow.
12
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24 OTHER TERMS: All other terms to remain the same.

25
26 RIGHT TO ACCEPT OTHER OFFERS: Seller reserves the right to accept any other offer prior to Buyer's written
27 acceptance of the Counter Offer. Acceptance shall not be effective until a copy of this Counter Offer, dated and signed
28 by Buyer, is received by Seller and/or _____.
29

30 EXPIRATION: This Counter Offer shall expire unless written acceptance is delivered to Seller or his/her Agent on or
31 before _____ AM PM, on _____, _____.
32

33 Seller: _____ Date: _____ Time: _____
34

35 Seller: _____ Date: _____ Time: _____
36

37 BUYER'S ACCEPTANCE, COUNTER TO COUNTER OFFER OR REJECTION OF AGREEMENT
38

39 Acceptance of Counter Offer: The undersigned Buyer accepts this Counter Offer to purchase.
40

41 Counter to the Counter Offer: Buyer signs this Counter Offer subject to a Counter to the Counter Offer
42 dated _____.
43

44 Rejection: By his signature below, Buyer rejects the foregoing Counter Offer.
45

46 Buyer: _____ Date: _____ Time: _____
47

48 Buyer: _____ Date: _____ Time: _____

Additional Hardship
Info - Short Sale
Package

Hardship Letter Guidelines

Remember to state the following items in your HANDWRITTEN hardship letter:

1. **Hardships** – What are your hardships (current and past). For example – unemployed, car accident, medical problems (personal or family), etc. Go into a little detail about each hardship. The following are the most important messages to get across to the Lender:
 - a. Why you will not be able to be current again on your loan.
 - b. We do not have enough income to make these payments.
 - c. We are leaving the property.
2. **Your Assets** – Explain that you have no assets with which to continue paying.
3. **Any signed exemptions of documents** – If you do not have bank statements, pay stubs or tax returns, you will need to explain the reason in more detail in your letter as to “why” you can not provide those documents. (i.e. I’ve been unemployed for 6 months and have not been able to find work) Note- realize that if you don’t have tax returns, then the bank will ask for Extension-Fillings. So, if you don’t have Extension-Fillings either, explain why in this letter. (i.e. “I haven’t worked in over 2 years and so I haven’t filed taxes nor extensions”, or “I haven’t filed my tax returns for the past 2 years and I failed to file extensions as well).
4. **Bankruptcy** – You could also mention “I don’t want to have to file bankruptcy”.

Sample Hardship Letter

[*Remember, YOU must handwrite your own Hardship Letter to the Lender(s)]
To Whom It May Concern:

I have been unable to make my payments on my house, and I am now facing foreclosure. My inability to keep up with the monthly payments is the result of (loss of job, illness, accident, death or disability of a wage earner – describe in detail what your hardship is)

In spite of my current financial difficulties, I expect that it will only get (better / worse). I am not in a position to continue making my mortgage payments. This was not at all what I intended but I have come to the conclusion that this is my only option.

Your help and consideration in this matter are very much appreciated.

{Signature}

{Date}

{Printed Name}

DATE

TO WHOM IT MAY CONCERN,

THE FOLLOWING IS THE CHAIN OF EVENTS THAT NOW HAS US FACED WITH LOSING OUR HOME:

1. TWO YEARS AGO WE HAD OUR FIRST BABY, AND IN EXPECTING A NORMAL PREGNANCY, WE ANTICIPATED MY WIFE ONLY MISSING 3 WEEKS OF WORK. MY WIFE HAD SEVERAL COMPLICATIONS, THE WORST BEING HER BACK, WHICH PROHIBITED HER FROM RETURNING TO WORK FOR A PERIOD OF 1 YEAR, FOR WHICH WE DID NOT HAVE THE RESERVES TO SUSTAIN.
2. DUE TO THE COMPLICATIONS STATED ABOVE, IN AN EFFORT TO TRY TO SAVE OUR HOME, WE FILED BANKRUPTCY.
3. WE CURRENTLY OWE THE I.R.S. ABOUT \$6,100 AND WE DO NOT HAVE THE RESERVES, COLLATERAL, OR RESOURCES TO PAY OUR CURRENT, PAST, AND PRESENT MONTHLY OBLIGATIONS. WE HAVE BEGUN THE PROCESS OF LOOKING FOR HOUSING THAT WILL BE ABOUT HALF OF WHAT OUR CURRENT OBLIGATIONS ARE.

THE AGENTS HAVE WORKED EXTREMELY HARD ON THE SALE OF THIS HOME AND ARE ASSISTING IN HELPING US FIND A PROPERTY TO LEASE. I HOPE THE RESPONSIBLE PARTIES CAN ASSIST IN MAKING THIS SITUATION GO SMOOTHLY.

SINCERELY,

OWNER

TO WHOM IT MAY CONCERN,

THE FOLLOWING ARE THE REASONS FOR THE DEFAULT:

1. I HAVE ENCLOSED MY TAX RETURNS FROM MY PAST, AND AS YOU COMPARE THEM TO MY CURRENT CASH FLOW SITUATION, AS DISCLOSED IN THE COMPLETED FINANCIAL STATEMENTS, YOU CAN SEE I HAVE EXPERIENCED A STRONG DECLINE IN INCOME.
2. I HAVE ALSO ENCLOSED THE TAX LIENS WHICH SIMPLY DRAINED ANY AND ALL RESERVES I HAD SET ASIDE.
3. TO DATE I HAVE PAID OVER \$60,000 IN TAXES DUE TO AN I.R.S. INTERPRETATION OF A CAPITOL GAINS SITUATION, AND I SIMPLY CANNOT KEEP THIS HOME.
4. ALSO, IN THE PAST, AS DISCLOSED ON MY TAX RETURNS, I HAD A GAMBLING PROBLEM THAT HAS SINCE BEEN ADDRESSED.

THE COMBINATION OF ALL OF THE ABOVE EVENTS HAS PUT ME IN DEBT SO THAT I CANNOT OVERCOME THE PAST, AND EVEN IF I COULD CATCH UP, I CANNOT MAINTAIN THIS HOME ANY LONGER.

SINCERELY,



Ocwen Loan Servicing, LLC
P.O. Box 24737
West Palm Beach, FL 33416-4737

WWW.OCWEN.COM

DISCOUNT PAYOFF AGREEMENT and RELEASE OF CLAIMS

August 10, 2010

Re: Loan Number:
Property Address:
Borrower (s):

Dear:

PRIOR TO PROCEEDING WITH THE SHORT SALE RESOLUTION, PLEASE TAKE INTO CONSIDERATION THAT OCWEN WILL NOT POSTPONE A SCHEDULED FORECLOSURE SALE, EVEN IF THERE IS A PENDING SALE CONTRACT. NO REQUEST FOR A POSTPONEMENT OF A FORECLOSURE SALE WILL BE GRANTED. THEREFORE, YOU MUST CONSIDER THE TIME NECESSARY TO CONCLUDE THE CLOSING IN YOUR DECISION TO PROCEED.

Ocwen Loan Servicing, LLC has approved a discounted payoff on the above referenced loan in the amount of **\$217,916.57**. This discounted payoff option expires on 09/09/2010, that is, if you do not comply with the terms described below by this expiration date, this payoff option offer will no longer be available to you. To accept the discounted payoff, you (i.e., the Borrower(s) shown above) must adhere to the following prior to the expiration date of this offer:

1. The maximum payment allowable to any 2nd lien holder is \$1.00.
2. The maximum payment allowable to any 3rd lien holder is \$N/A.
3. The maximum allowable real estate commission is 6.00%.
4. An arms-length affidavit must be signed and returned with this letter.
5. Each one of the above-named borrowers must sign this letter, which includes a Release of Claims, on the appropriate line under "Acknowledged and Accepted".
6. You must fax a fully signed copy of this letter to 407-737-5071 by 09/09/2010.
7. Ocwen must **receive** the approved discounted payoff amount by bank wire transfer no later than the close of business on 09/09/2010.
8. You must fax a copy of the signed HUD-1 Settlement Statement to my attention at the below listed fax number by 09/09/2010. The HUD-1 Settlement Statement must be consistent with the preliminary HUD-1 that Ocwen relied upon to approve this discounted payoff. Any surplus funds must be paid directly to Ocwen Loan Servicing, LLC. Under no circumstances shall any funds go the borrower(s) unless pre-approved by Ocwen.
9. You authorize Ocwen to apply any funds which may be in your impound (i.e. escrow) account, or in your suspense account, to Ocwen up to the amount of the deficiency or discounted amount resulting from this discounted payoff.
10. (Optional) You (i.e., the Borrowers shown above) have/has agreed to sign a promissory note in the amount of \$ _____, **the full amount of which shall be applied to reduce any** deficiency balance you owe Ocwen on your home loan account. The original of this promissory note must be sent to us along with the payoff funds.
11. **No postponement of any foreclosure sale will be approved and if a foreclosure sale is set, we must RECEIVE the funds prior to a scheduled sale date.**

This communication is from a debt collector attempting to collect a debt; any information obtained will be used for that purpose. However, if the debt is in active bankruptcy or has been discharged through bankruptcy, this communication is not intended as and does not constitute an attempt to collect a debt.



Ocwen Loan Servicing, LLC
 P.O. Box 24737
 West Palm Beach, FL 33416-4737

WWW.OCWEN.COM

Upon our timely receipt of the entire payoff amount and a copy of this letter, properly signed by each of the above-named Borrower(s), Ocwen will execute a release/satisfaction and a discharge of the Deed of Trust/Mortgage. If necessary, Ocwen will file a withdrawal in connection with any legal action it may already have taken, as of the date of your response to this letter, to collect this obligation.

RELEASE OF CLAIMS

As consideration for this discount payoff offer, which Ocwen is not otherwise obligated to make available to Borrower(s), the receipt and sufficiency of which consideration is hereby acknowledged by Borrower(s), and as a condition to your (i.e., Borrower(s) shown above) acceptance of this discounted payoff offer, Borrower, for himself or herself and his or her heirs, personal representatives, successors, and assigns, hereby jointly and severally, knowingly and voluntarily releases, discharges, and covenants not to sue, Ocwen and its predecessors, successors and assigns, representatives, agents, affiliates, parents, subsidiaries, officers, employees, directors and shareholders, including this law firm (collectively, the "Released Parties") from any and all claims, demands, liabilities, defenses, setoffs, counterclaims, actions, and causes of action of whatsoever kind or nature, whether known or unknown, whether legal or equitable, which he or she has, or may assert in the future, against Ocwen and the Released Parties directly or indirectly, or in any manner connected with this offer and with any event, circumstance, notice of default, action, or failure to act, of any sort or type, whether known or unknown, whether legal or equitable, which was related or connected in any manner, directly or indirectly, to the Property or to the servicing of this Loan. Borrower(s) hereby further acknowledge and agree that, to the extent that any such claims may exist, the value to the Borrower(s) of the discount payoff offer by Ocwen contained in this letter, substantially and materially exceed any and all value of any kind or nature whatsoever of any such claims.

Ocwen reserves the right to terminate this offer at any time prior to your timely acceptance of the terms set forth above. All terms within this agreement must be strictly complied with, and any failure to complete or comply with any term constitutes failure to accept this discounted payoff offer rendering the offer is null and void. If this discounted payoff is not accepted, is terminated prior to acceptance, or otherwise is not completed as instructed in the manner and time frame set forth in this letter, then nothing in this letter shall be construed to prejudice, waive, modify or alter any of Ocwen's rights or remedies in law or in equity in collecting the entire amounts due and to come due on the Loan or be construed to waive any defense of Ocwen.

OCWEN LOAN SERVICING, LLC IS ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Yours truly,
 Ocwen Loan Servicing, LLC
 Toll Free Phone: (877-596-8580) Fax: (407-737-5071)

ACKNOWLEDGED AND ACCEPTED:

By: _____
 Borrower Print Name

 Borrower Signature

By: _____
 Co-Borrower Print Name

 Co-Borrower Signature

Date: _____

This communication is from a debt collector attempting to collect a debt; any information obtained will be used for that purpose. However, if the debt is in active bankruptcy or has been discharged through bankruptcy, this communication is not intended as and does not constitute an attempt to collect a debt.

Bank of America



Home Loans

Notice Date: December 07, 2011

Account No.: xxxxx7664

Property Address:

RENO, NV 89506

IMPORTANT MESSAGE ABOUT THIS ACCOUNT

This letter will serve as Bank of America, N.A.'s demand for payment and advises you that Bank of America, N.A. and/or its Investors and/or Insurers have agreed to accept a short payoff involving the above referenced property and the referenced account(s). This demand should be used by the closing agent as our formal demand statement. No additional statement will be issued. This approval is exclusive to the offer from the buyer referenced in this letter.

WHAT THIS MEANS TO THE SELLER

The owner of your mortgage note, the mortgage insurer, if your loan is covered by mortgage insurance, and Bank of America, N.A. waive their right to pursue collection of any deficiency following the completion of your short sale and your debt is considered settled. The deficiency is the difference between: (1) the remaining amount due under the mortgage note and mortgage or deed of trust; and, (2) the current market value of the property plus any cash contribution you make or amount you agree to repay in the future. The amount of the deficiency will be reported to the Internal Revenue Service (IRS) on the appropriate 1099 Form or Forms. We suggest that you contact the IRS or your tax preparer to determine if you have any tax liability.

Bank of America, N.A. will report the debt to the credit reporting agencies as "paid in full for less than the full balance". To learn more about the potential impact of a short sale on your credit, visit <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>.

If it is subsequently determined that the approval of the short sale was based, in part, on information which Bank of America, N.A. later determined to be false or misrepresented or fraudulent, Bank of America, N.A. reserves the right to pursue the remaining balance of the note.

The difference between the current amount due under your mortgage or deed of trust and the current market value of the Property must be reported to the Internal Revenue Service (IRS) on the appropriate 1099 Form or Forms. We suggest that you contact the IRS or your tax preparer to determine if you have any tax liability.

The conditions of the approval are as follows:

1. Closing must take place no later than January 30, 2012 or this approval is void. If an extension is requested and/or approved, then per diem interest will be charged through closing. Should the closing be delayed and the Investor/Insurer agree to an extension of the original closing date, the Borrower(s)/Seller(s) will be responsible for any per diem fees through the new date(s) of closing, extension fees and foreclosure sale postponement fees. The Borrower(s)/Seller(s) will be responsible for any additional costs or fees over the stated approved amounts.
2. The approved buyer(s) is/are [REDACTED] and the sales price for the property is \$101,000.00.
3. Another buyer cannot be substituted without the prior written approval of Bank of America, N.A..
4. Closing costs have been negotiated and agreed upon with the authorized agent as of December 07, 2011
 - a. Total Closing Costs not to exceed \$9,545.85
 - b. Maximum commission paid \$6,060.00
 - c. Maximum allowed to the Jr. Lien Holder N/A
 - d. Maximum allowed for HOA liens \$1,000.00 (if applicable)
 - e. Maximum allowed for repairs N/A (if applicable)
 - f. Maximum allowed for termite inspection/repairs N/A (if applicable)

Any additional fees that were not approved on December 07, 2011 will not be covered by Bank of America, N.A. and become the sole responsibility of the agent, the buyer or the seller to pay at closing.

5. Net proceeds to Bank of America, N.A. to be no less than

	1st Lien Loan Number
	xxxxx7664
Proceeds from Sale	\$91,454.15
Cash Contribution	N/A
Promissory Note	N/A

6. The property is being sold in "AS IS" condition. No repairs will be made or be paid out of the proceeds, unless specifically stated otherwise.

7. As stated in #5, the Seller is to contribute \$0.00, to assist in the closing of this transaction. This contribution will be in the form of:

a. PROMISSORY NOTE(s) (Signed, notarized and returned at closing):

	1st Lien Loan Number
	xxxxx7664
Promissory Note	N/A

If a promissory note(s) is required, it must be signed and uploaded to the Short Sale System prior to the close of escrow. It is the responsibility of the closing agent to ensure that the executed and notarized promissory note is returned to Bank of America, N.A.

If a promissory note(s) has already been signed and agreed to between the seller, investor and the Mortgage Insurance Company, a signed certified copy must be provided to Bank of America, N.A. at the close of the short sale transaction. It is the responsibility of the closing agent to ensure that Bank of America, N.A. receives the copy.

***** Sales proceeds will be returned if the note has not been received. This will result in a delay of the transaction and/or possible cancellation of this short sale transaction. *****

b. CERTIFIED FUNDS CONTRIBUTION (Due at closing):

	1st Lien Loan Number
	xxxxx7664
Cash Contribution	N/A

8. The sellers will not receive any proceeds from this short sale transaction. If there are any remaining escrow funds or refunds, it will not be returned to the seller; it will be sent to Bank of America, N.A. to offset the loss.

9. Completed Assignment of Unearned premium is to be uploaded to the Short Sale System along with the final Settlement Statement.

10. There are to be no transfers of property within 30 days of the closing of this transaction.

11. The property must be free and clear of liens and encumbrances other than those recognized and accounted for in the HUD-1 approval, on which this approval is based.

12. Bank of America, N.A. does not charge the borrower for statement, demand, recording, and reconveyance fees on short payoff transactions. Do not include them in your settlement statement. Bank of America, N.A. prepares and records its own reconveyances.

13. All funds must be wired. Any other form of payment of funds will be returned. Payoff funds must be received within 48 business hours of the HUD-1 settlement date.

14. If the terms and conditions of the short sale approval are not met, we will cancel the approval of this offer and continue the foreclosure process as permitted by the mortgage documents.

If the seller is entitled to receive any proceeds based on a claim for damage to the property under any policy of insurance, including homeowner's, lender-placed, casualty, fire, flood, etc., or if seller is entitled to receive other miscellaneous proceeds, as that term is defined in the deed of trust/mortgage (which could include Community Development Block Grant Program (CDBG) funds), these proceeds must be disclosed before we will consider the request for short sale. If we receive a check for insurance or miscellaneous proceeds that were not previously disclosed, Bank of America, N.A. will have the right to keep the proceeds and apply them to Bank of America, N.A.'s loss after the short sale. We similarly would have the right to claim the proceeds to offset our losses if it were not previously disclosed and it was sent directly to the borrower.

Bank of America, N.A. reserves the right to revoke and / or modify the terms and conditions of this short sale approval in the event

that 1) any information provided and used as the basis for our approval changes and / or 2) if we discover any evidence of fraud and / or misrepresentation by any parties involved in the transaction.

WHAT YOU NEED TO DO

***** IMPORTANT INSTRUCTIONS *****

The closing agent must upload a certified copy of the final estimated Settlement Statement to the Short Sale System 72 hours prior to Closing. You cannot close without final approval of the closing costs.

Payoff funds must be wired unless otherwise specified to:

Bank of America, N.A.
275 Valencia Avenue
Brea, CA 92823
MRC Acct # 12357-47067
ABA 026-009-593

Reference loan# xxxxx7664 [REDACTED]

WIRES MUST CONTAIN THE LOAN NUMBER, BORROWER'S NAME AND PROPERTY ADDRESS. IF WE CANNOT IDENTIFY THE FUNDS, THEY WILL BE RETURNED.

*****A certified copy of the Final Settlement Statement must be uploaded to the Short Sale System at the time of closing.**

Upon receipt of the above stated items, Bank of America, N.A. will issue a release of lien on its mortgage loan.

Bank of America, N.A. appreciates all your efforts and cooperation in this matter. If you feel there is additional information you would like to provide, or if you need additional information, please contact us at 1.866.880.1232. Please continue to work closely with your real estate agent to finalize your short sale.

JESSE SANCHES 1.800.669.6650.
Home Loan Team
Bank of America, N.A.

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 this program to help you avoid foreclosure.

Borrower Printed Name

Co-Borrower Printed Name

Borrower Signature

Co-Borrower Signature

Date

Date



Wells Fargo Home Mortgage
MAC X7801-01K
3476 Stateview Blvd
Fort Mill, SC 29715

June 06, 2011



Reno NV 89506

Dear [REDACTED]:

RE: Demand Statement for Loan [REDACTED] 739 Client 708
Projected Settlement Date 07/31/11
Property Address [REDACTED]
Reno NV 89506

Wells Fargo Bank, N A approves the sale of the above referenced property This sale will result in a short payoff of the mortgage, and the mortgagor(s) acknowledge they waive any and all rights to any escrow balance, insurance proceeds or refunds from prepaid expenses. Neither the mortgagor nor any other party may receive any sale proceeds or any funds as a result of this transaction except as noted in this Demand Statement.

As agreed, when we receive the sale proceeds and all required documentation, we will notify the credit bureau to reflect "agreed settlement short of full payment" which would appear on the credit report within 60-90 days from the sale date and within 60-90 days from the date of notification and waive any deficiency rights, if applicable.

Sale approval details

This approval is based on the purchase contract dated 04/18/11 between [REDACTED] And [REDACTED], the seller(s), and [REDACTED] And, the buyer(s), for a purchase price of \$ 135,000.00. The terms of our approval and instruction to the Settlement Agent are as follows:

1. The required payoff is \$ 114,299.47, scheduled for settlement on or before 07/31/11. Your contribution and settlement costs for this transaction are:

Mortgagor contribution:

Cash at Closing: 0.00

Promissory Note: 0.00

Approved Seller Closing Costs:

Real Estate Commission: 8,100.00

HAFAseller Incentive 3,000.00

2nd Lien Payoff 5,865.90

Tax Installment 450.00

Settlement Fee 201.88

Owner's Title Insurance 713.00

Doc Prep Fee 35.00

Recording Fees 53.00

Tax/Stamps 276.75

Electronic Recording Fee 5.00

HOA Dues 2,000.00



Wells Fargo Home Mortgage

MAC X7801-01K
3476 Stateview Blvd
Fort Mill, SC 29715

Page 2

RE: Loan Number 708/[REDACTED]739

Approved seller concession to buyer's closing costs:

Itemization of concession:

2. Within two (2) business days of receiving this Demand Statement, you must notify us of the name, address, and telephone number of the Settlement Agent. Both the Realtor and Settlement Agent must be provided a copy of this Demand Statement.
3. The Settlement Agent must contact us 48 hours before the scheduled settlement date and provide a copy of the final estimated HUD-1 Settlement Statement. The Settlement Agent must provide the information required on the enclosed title worksheet as well as the fully executed HUD Closing worksheet, for FHA loans.
If settlement is delayed and/or rescinded, we must be notified immediately to review the request and provide written approval, if granted per investor or mortgage insurance guidelines. We reserve the right to assess a per diem interest from the original settlement date until the actual settlement date.
4. All parties understand and acknowledge the purchase contract may not be amended without our prior written approval. The property is sold "as is", the purchaser is not related to the seller, and any relationship between a participating Broker/Realtor has been disclosed prior to issuing this Demand Statement. It is further understood this transaction may not involve any third party who received a deed from mortgagor at, prior to, or after settlement, and the purchase contract may not be assigned.
5. The Settlement Agent is instructed to immediately wire all approved short sale proceeds to the following wire instructions as follows:

Wells Fargo Bank, N A

Account No.: 6581202097

ABA No.: 121000248

Special Information for Beneficiary:

Apply Funds to loan: 708, [REDACTED]739

Mortgagor: [REDACTED]

From: Sender's Name and phone number

* If this information is not provided the wire will be rejected.

The original executed Promissory Note, if applicable, delivered to us by the next business day immediately following settlement to:

Wells Fargo Home Mortgage

Attn: Liquidations

X2302-044

One Home Campus

Des Moines, IA 50328



Wells Fargo Home Mortgage
MAC X7801-01K
3476 Stateview Blvd
Fort Mill, SC 29715

Page 3

RE: Loan Number 708/[REDACTED]739

Failure to comply with any of these requirements will result in the transaction re-closing. Once certified funds are received and approval is final, a document releasing the mortgage will be sent to record this decision. If the property was in foreclosure, that action will stop when the terms of the approval are met.

Contact Us with Questions

Thank you for your courtesy and cooperation. If you have questions or need additional information, please call us at (866) 903-1053, Monday through Friday, 8 AM to 8 PM, Central Time.

Anthony
VanLengen

Digitally signed by Anthony VanLengen
DN: cn=Anthony VanLengen, o=WFFHM,
ou=Loss Mitigation, email=anthony.
vanlengen@wellsfargo.com, c=US
Date: 2011.06.06 13:09:43 -05'00'

Matt Ulmer

Digitally signed by Matt Ulmer
DN: cn=Matt Ulmer, o=WFFHM, ou=Loss Mitigation,
email=matt.ulmer@wellsfargo.com, c=US
Date: 2011.06.06 13:20:07 -05'00'

Wells Fargo Home Mortgage

LW098/R0Z/pg.3

We are required by the Fair Debt Collection Practices Act to inform you that if your loan is currently delinquent or in default, as your loan servicer, we will be attempting to collect a debt, and any information obtained will be used for that purpose. However, if you have received a discharge, and the loan was not reaffirmed in the bankruptcy case, we will only exercise our right as against the property and are not attempting any act to collect the discharge debt from you personally.

With respect to those loans 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.



Wells Fargo Home Mortgage
MAC X7801-01K
3476 Stateview Blvd
Fort Mill, SC 29715

PLEASE RESPOND WITHIN 48 HOURS

Date June 06, 2011 Loan No. 708- [REDACTED] 739
To . From Home Preservation Department
Phone () - Phone (800) 416-1472
Fax () - Fax (866) 359-7363

The Following Recording Information is Needed to Prepare the Release

Date Recorded _____

Book/Page/Ins. Number _____

County _____

Original Beneficiary _____

Current Beneficiary _____

Trustee _____

Legal Description _____

(if applicable) _____

Assignments _____

(if applicable) _____

Send for Recording to:

____ Agent Name _____

Address _____

Phone _____

Fax _____

____ Courthouse

LC172/R0Z



Home Equity Solutions
Mac X2303-01N
One Home Campus
Des Moines, IA 50328

June 10, 2011



RENO NV 89506-6901

RE: **Conditional Approval of Request for Short Sale**

Account #: 650-650-3985058-XXXX

Property: [REDACTED] RENO NV 89506

Buyer(s): TBD

Dear Borrower(s):

The purpose of this letter is to confirm that Wells Fargo Bank, N.A. ("Wells Fargo") has conditionally approved your request for a short sale of the above-referenced Property. This approval is valid only for a sale in connection with the above-reference Buyer(s) and for a sale closing by July 30, 2011, if not closed by this date you will need to get a new approval letter from Wells Fargo.

This approval of a short sale with respect to the above-referenced Property is conditioned on your compliance with all Short Sale Guidelines, which have previously been provided. Short sale approval will not be final unless and until a Final Short Sale Approval Letter has been executed by Wells Fargo and written acceptance of the terms of the Final Short Sale Approval Letter is made by you. If a signed copy of Final Short Sale Approval Letter is not received by the required due date and/or is altered in any manner, the approval becomes null and void. Only upon satisfaction of all terms of the Final Short Sale Approval Letter, will Wells Fargo release its mortgage or deed of trust on the Property.

The Property must be sold "as is" for purchase price of \$135,000.00; the amount paid to Wells Fargo must be \$5,865.90 or greater. Wells Fargo is entitled to all proceeds from the sale except those necessary to pay off any senior liens and customary seller's closing costs. If you purchased optional credit insurance of any kind in connection with your Account, and your coverage has not previously been cancelled, your participation in this settlement will result in the cancellation of your insurance coverage in accordance with the terms of your insurance contract, and coverage will not be reinstated. The real estate agents' commission shall be 6.000%. The borrower(s) is to net \$3,000.00 (HAFI Incentive) from the sale.

Should you have any questions, please feel free to contact us at the number listed below.

Sincerely,

Tyler H.
Liquidation Servicing
866-970-7821 ext. 48047

The laws of some states require us to inform you that this communication is an attempt to collect a debt and that any information obtained will be used for that purpose.



February 23, 2011

[REDACTED]
[REDACTED]
Reno NV, 89523-3249

Property Address: [REDACTED]
RENO, NV 89523

Dear [REDACTED],

Please accept this letter as the CitiMortgage, Inc. authorization and acceptance to the settlement and/or short sale on the above referenced account, in the amount of **\$ 3,500.00**. This amount is valid through 03/18/2011. If the closing date is changed or if full payment is not received prior to 03/18/2011, a new settlement approval, equivalent to a 10% increase to the amount may be required. You are required to meet all the following to receive the mortgage settlement:

- Make all payments until the sale of the property.
- Sell the property in "AS IS" condition as repairs cannot be paid from the sale proceeds.
- Report that no transfers of the property can occur within the first 30 days of closing.
- Provide the real estate agent a commission that does not exceed \$ 9,600.00 or 6% of the contract sale price.
- Transfer all proceeds from the sale of the property to CitiMortgage, including all refunds, escrow accounts, insurance claim funds and credits on or before 03/18/2011 to:

Certified funds via bank wire:
Wire to: CitiBank, N.A.
New Castle, Delaware
ABA # 031100209
Credit To: CitiMortgage
Account # 38681139
Wire Memo Info Required: Payoff
Customer Name:
Customer 10 Digit Account Number:

• **Email a copy of the HUD 1 settlement statement and a copy of either the certified funds or the bank wire confirmation slip to Crisanta Martinez at crisanta.martinez@citi.com at the time of closing. Include your name and your mortgage account number: 770339602.**

- Present this letter to the property seller at time of closing.

We look forward to helping you throughout the home sale process. Please call us if you have any questions or concerns.

Sincerely,
Crisanta Martinez
Mortgage Specialist
866-422-0658 Ext 31138

Important Details: Please Read.

Upon receipt of sale proceeds, CitiMortgage, Inc. will release its mortgage on the property, will not pursue the customer for the remainder of the debt and will report your mortgage as "paid in full for less than the full balance" to all credit reporting agencies.

If principal forgiveness is equal to or greater than \$600.00 as a result of this settlement, CitiMortgage, Inc. is required to report the amount of the debt forgiven to the Internal Revenue Service on a 1099C form, a copy of which will be mailed to you.

By agreeing to this short sale transaction, you hereby authorize and agree that CitiMortgage, Inc. or insurer may cancel any insurance written in connection with the loan and assign and grant any refund of premium to CitiMortgage, Inc. to be applied to the balance.

—

**Approval to Participate
Pre-foreclosure Sale Procedure
Property Sales Information
Property Occupancy & Maintenance**

**U. S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0464
(exp. 10/31/2012)

Public reporting burden for this collection of information is estimated to average 9 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Section 204 of the National Housing Act authorizes the Secretary to pay an insurance claim that bridges the gap between the fair market value proceeds from the HUD-approved third party sale of a property. The respondent's mortgage lenders (mortgagee's), counselors and homeowners who are attempting to sell their properties prior to foreclosure. The Privacy Act of 1974 pledges assurances of confidentiality to respondents. HUD generally discloses this data only in response to a Freedom of Information request.

Mortgagee Contact Person and Phone Number: Flores, Eli	Control Number: [REDACTED]	FHA Case Number: 331-[REDACTED]	Date: [REDACTED]
Homeowner Name(s): [REDACTED]		Property Address: [REDACTED] RENO, NV 89502	
Homeowner Signature(s): [REDACTED]			

Homeowner(s): Please Read This Information Carefully.

Approval to Participate

Your interest to participate in the HUD Pre-foreclosure Sale procedure has been approved. By signing this form and returning to the above referenced mortgagee within 7 days, you are agreeing to abide by the following conditions of the program.

Property Sales Information

The property must be listed for sale with a licensed Realtor unrelated to you within 7 days of your receipt of this letter for a list price at or near \$ 55,000.00, which is the "AS IS" value indicated on the appraisal of your property. The listing agreement must include the following specific cancellation clause in the event the terms of a sale are not acceptable to HUD: "Seller may cancel this agreement prior to the ending date of the listing period without advance notice to the broker, and without payment of a commission or any other consideration if the property is conveyed to the mortgage insurer or the mortgage holder." The sale completion is subject to approval (under HUD guidelines) by the mortgagee.

Your deadline to obtain a signed Contract of Sale from a qualified buyer is 7/14/2011. If you have not been able to obtain an acceptable contract by that date, your mortgagee must recommence foreclosure or accept a deed-in-lieu of foreclosure.

Acceptable Terms of Sale

Program criteria require that "net" amount payable to HUD as a result of this sale, after allowable expenses will be at least \$ 48,400.00. You must submit your proposed Contract of Sale for approval to the Mortgagee Contact named above. The sale must be an "arm's length" transaction; the buyer cannot be a member of your family, business associate, or other favored party. No hidden terms or special understandings can exist between you, the buyer, appraiser, sales agent or mortgagee. If you negotiate with a buyer to pay for discount points, a home warranty, repairs not required for a new mortgage, transfer taxes or

other costs normally paid by the buyer, you must pay for these expenses. You must also pay prorated real estate taxes and assessments at closing. Your mortgagee can explain which sales costs may be deducted from HUD's sale proceeds.

Relocation Services

A relocation service affiliated with your employer may contribute a fixed sum towards the proceeds of the PFS, without altering the arm's length nature of the sale. This contribution simply reduces the shortfall between the proceeds and the amount owed on the mortgage note. As with any other PFS, such a transaction must result in the outright sale of the property and cancellation of the FHA mortgage insurance.

Occupancy and Property Maintenance

You are responsible for property maintenance and repair until closing. This includes but is not limited to cutting the grass, snow removal, regular interior and exterior cleaning, immediate repair of broken doors and windows, and paying utility bills as they become due. If the property is vacant or becomes vacant during marketing, you must inform your mortgagee immediately and ensure that the property is protected from freeze damage by "winterizing" plumbing pipes. You may arrange with your sales agent to provide property maintenance but you will continue to be responsible for the condition of the home until it is sold. Damage and repair expenses resulting from fire, flood or other natural causes must be reported immediately to the insurance company and to your mortgagee.

Borrower's Incentive Compensation

If you successfully close a sale of your home under this procedure, you will be paid compensation of \$750 at closing. Your compensation will increase to \$1,000 if the sale of your property closes on or before 6/14/2011. You may elect to receive cash or apply some or all of the compensation to sales costs not paid by HUD, for example, discount points, or home warranty plans. You may also use it to pay off junior liens.

Questions concerning any of this information, or your responsibilities in the Pre-foreclosure Sale procedure, must be directed to the contact person at your mortgagee's office at the above telephone number.

Bulletin

NUMBER: 2012-5

TO: Freddie Mac Servicers

February 15, 2012

SUBJECTS

With this *Single-Family Seller/Servicer Guide* (“Guide”) Bulletin, we are making the following updates to our **Servicing** requirements:

- Providing new requirements relating to the City of Chicago’s Vacant Property Ordinance as follows:
 - Adding new Guide Exhibit 59, *City of Chicago Vacant Property Ordinance Expense Codes*, which provides a new set of expense codes that Servicers must use when submitting expense reimbursement requests through the Reimbursement System for activities that are required by Sections 13-12-125, 126, 127 and 135 of the Municipal Code of the City of Chicago (“Ordinance”) and not currently required by the Guide
 - Requiring Servicers to make vacant property registration payments to the City of Chicago “under protest”
- Providing two new expense codes to claim reimbursement for fees and court costs that Servicers may incur as a result of pre-foreclosure mediation required by State or local law
- Eliminating the requirement for Servicers to obtain prior consent from Freddie Mac to decline an application for a Mortgage assumption
- Reinforcing the requirement that the Servicer, for itself and on behalf of Freddie Mac, must waive all rights to seek deficiencies for short payoffs and deed-in-lieu of foreclosure transactions on Freddie Mac Mortgages that have closed in accordance with the Guide

We are also:

- Reposting the version of Exhibit 83, *Freddie Mac State Foreclosure Time Lines – In Calendar Days*, that provides the State foreclosure time lines for Mortgages referred to foreclosure prior to October 1, 2011
- Retiring paper Forms 104SF, *Statement of Loan, Workout and REO Expenses and Income*, and 104DC, *Designated Counsel/Trustee*
- Updating Exhibit 51, *Credit Repositories and Information to Report*, to reflect current contact information

EFFECTIVE DATE

All of the changes announced in this Bulletin are effective immediately, unless otherwise noted.

CITY OF CHICAGO VACANT PROPERTY ORDINANCE

Ordinance expense submission process

Guide Chapters 64, *Delinquencies*, 65, *Loss Mitigation*, 66, *Foreclosure*, 67, *Adverse Matters*, 71, *Reimbursement of Expenses – Reimbursement System*, and Exhibit 57, *1- to 4- Unit Property Approved Expense Amounts*, require Servicers, prior to the completion of the foreclosure sale, to inspect and maintain Mortgaged Premises when they are vacant and the Mortgage related to the vacant property is in default. Servicers should already be familiar with these standards.

On December 12, 2011, Freddie Mac issued an Industry Letter informing Servicers that they must begin separately tracking expenses related to the Ordinance pursuant to a directive from the Federal Housing Finance Agency (FHFA). Servicers should familiarize themselves with the Industry Letter, the FHFA directive and the Ordinance.

Accordingly, Freddie Mac has created new Exhibit 59, which includes a new set of expense codes that Servicers must use for submitting expense reimbursement requests in the Reimbursement System for activities that are required by the Ordinance but not required by the Guide. Servicers must submit the new expense codes for inspection, maintenance, repair and legal expenses that have been incurred due to the Ordinance. Inspection, maintenance, repair and legal expenses that are incurred for activities that are already required by the Guide must be submitted using the current expense codes found in Exhibits 57 and 74, *Expense and Income Codes for Expense Reimbursement Claims*.

The Ordinance expense codes will become active in the Reimbursement System on **March 1, 2012**. Claims for reimbursement of Ordinance-related expenses incurred by Servicers from September 18, 2011 through February 29, 2012 (“Initial Period Expenses”), should be submitted through the Reimbursement System as soon as possible after February 29, 2012. Servicers must submit all claims for reimbursement of Initial Period Expenses no later than May 31, 2012.

For Ordinance-related expenses incurred on or after March 1, 2012, Servicers must submit a request for pre-approval (RPA) through the Reimbursement System for each expense.

Servicers must not submit a reimbursement claim that contains both Ordinance expense codes and non-Ordinance expense codes. A request for reimbursement for activities that require Ordinance expense codes must be submitted under a separate claim from a request for reimbursement for activities that require non-Ordinance expense codes. Similarly, if pre-approval of expenses is required, Servicers must submit a separate RPA that covers only expenses for Ordinance-related activities and a separate RPA that covers only expenses for non-Ordinance related activities.

Servicers must comply with the reimbursement requirements set forth in Chapters 65, 67, 71 and Exhibits 57 and 74 for any expenses that Servicers have held off from submitting, as directed by the December 12, 2011 Industry Letter, that do not fit the criteria of Ordinance expenses as described in Exhibit 59.

Guide Section 71.11, *Expense Amounts Requiring a Servicer Request for Pre-Approval (RPA)*, and Exhibits 57 and 59, have been updated to reflect these changes.

Payments for Ordinance registration fees to the City of Chicago made “under protest”

All payments made by a Servicer to the City of Chicago for registration of a Mortgaged Premises pursuant to the Ordinance must be made under protest. The Servicer must send the City of Chicago a letter or other written communication noting that FHFA has determined the registration fee does not apply to Freddie Mac and that payment of the registration fee is therefore made under protest. The written communication should be sent with each registration payment or, if the payment is made electronically or it is otherwise impractical to send the communication with the registration payment, it should be sent contemporaneously with the payment.

MEDIATION FEE CODES

We have updated the Guide and the Reimbursement System to provide two new expense codes that Servicers may use to claim reimbursement for fees and court costs that they may incur as a result of pre-foreclosure mediation required by State or local law:

- Expense code 010004 for mediation fees charged by a mediation manager
- Expense code 010005 for attorney fees and court costs resulting from the mediation process

Servicers must obtain Freddie Mac's written pre-approval through the Reimbursement System for pre-foreclosure mediation expenses in order to obtain reimbursement.

Section 71.19, *Reimbursement of Fees and Costs Incurred during Legal Proceedings*, and Exhibit 74 have been updated to reflect these changes.

DECLINING APPLICATIONS FOR MORTGAGE ASSUMPTIONS

We have eliminated the requirement for Servicers to obtain prior consent from Freddie Mac to decline an application for a Mortgage assumption. If the application for a Mortgage assumption is declined, the Servicer must continue to provide an adverse action notice to all applicable parties, or any other notice or disclosure required under the Equal Credit Opportunity Act, Fair Credit Reporting Act, Truth in Lending Act and any other applicable federal, State or local law.

Section 60.10, *Declination of the Application*, and Directory 5 have been updated to reflect this change.

DEFICIENCY FROM SHORT PAYOFFS AND DEEDS-IN-LIEU OF FORECLOSURE

We have updated the Guide to reinforce the requirement that the Servicer, for itself and on behalf of Freddie Mac, must waive all rights to pursue payment of the remaining balance owed by the Borrower under a Freddie Mac-owned Mortgage for all approved short payoffs and deed-in-lieu of foreclosure transactions that have closed in accordance with the Guide and applicable law.

Sections B65.41, *Closing, Reporting and Remittance Requirements*, and B65.48, *Closing, Reporting and Remittance Requirements*, have been updated to reflect this additional information.

GUIDE UPDATES

Exhibit 83, *Freddie Mac State Foreclosure Time Lines – In Calendar Days*

Based on Servicer feedback, we have reposted the version of Exhibit 83 that provides the State foreclosure time lines for Mortgages referred to foreclosure prior to October 1, 2011.

We have also updated the current version of Exhibit 83 to specify that it provides the State foreclosure time lines for Mortgages referred to foreclosure on or after October 1, 2011.

Retirement of Forms 104SF and 104DC

Due to the retirement of the Online Reimbursement System previously communicated in Bulletin 2011-1, we have retired the following forms, effective immediately:

- Form 104SF, *Statement of Loan, Workout and REO Expenses and Income*
- Form 104DC, *Designated Counsel/Trustee*

Servicers are reminded that all reimbursement claims must be submitted through the Reimbursement System through a 104SF claim or a 104DC claim.

Section 70.16, *Property Insurance*, has been updated to reflect this change.

Exhibit 51 update

We have updated Exhibit 51, *Credit Repositories and Information to Report*, to reflect current contact information for Innovis.

REVISIONS TO THE GUIDE

The revisions included in this Bulletin impact the following:

- Chapters 60, B65, 70 and 71
- Form 104SF
- Exhibits 51, 57, 59, 74 and 83
- Directory 5

CONCLUSION

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call (800) FREDDIE and select “Servicing.”

Sincerely,

A handwritten signature in cursive script that reads "Tracy Hagen Mooney".

Tracy Hagen Mooney
Senior Vice President
Single-Family Servicing and REO