

HomeEq Servicing

Date:

Re Loan Number:

Property Address:

We understand that a recent hardship may be causing your inability to make your mortgage payments and to continue to reside in your home. You may have experienced reduced income or increased expenses.

HomeEq's Loss Mitigation Department may be able to assist you by approving a short sale on your home.

A short sale permits the sale of your home to a third party and the release of our lien on your property prior to foreclosure action when:

- The fair market value of your property is less than the total amount due to pay off the Mortgage/Deed of Trust, and
- You cannot pay the resulting shortage.

Please complete the following financial package and fax it along with all necessary documents to (866) 577-1227.

Your eligibility for a short sale will depend on a satisfactory analysis in compliance with HomeEq's internal guidelines. Please keep in mind that, after we receive your complete financial package, the standard processing time for a short sale review is (30) calendar days. While this matter is being reviewed, collection and/or foreclosure activities are not placed on hold.

HomeEq Servicing
Loss Mitigation Department

HomeEq Servicing is a debt collector. HomeEq is attempting to collect a debt and any information obtained will be used for that purpose.

HomeEq Servicing

LOSS MITIGATION—Short Sale Guidelines and Pre-Negotiation Agreement

Account Number: _____

Secured Property Address: _____

This document contains HomeEq Servicing's ("Servicer") Short Sale Guidelines and, when signed by all borrowers who are named on the account collectively Borrower, serves as a Pre-Negotiation Agreement and written consent for Servicer to commence review of a short sale request.

DEFINITIONS:

- Short sale: A short sale is the sale of a property whereby the net proceeds (sale price less the closing costs) are insufficient to pay off the outstanding mortgage or lien balance(s) at the time of closing. Borrower is obligated to pay any shortfall in full in order to release the lien on the secured property, unless the parties have agreed otherwise by written of agreement signed by Servicer.
- Hardship: A hardship is an event or series of events that are generally beyond the Borrower's control and that resulted in a reduction in income and/or increase in expenses.

PROPERTY MARKETING:

- The secured property should be formally listed with a licensed real estate agent/attorney as evidenced by a signed listing agreement.
- The listing real estate agent/attorney should have territory that includes the area in which the secured property is located.
- The listing real estate agent/attorney must hold a valid state license and be a member of the local Board of Realtors.
- The listing real estate agent/attorney should list the secured property with the local M.L.S. (Multiple Listing Service) to ensure that the secured property has fair exposure to all potential buyers/investors.
- Any sales contract/purchase agreement Sales Contract's entered into should state the purchase price may be contingent upon servicer's written approval of a short sale if there will not be sufficient funds to pay the lien on the secured property in full.
- Any sales contract entered into should allow for a minimum of thirty (30) days from the date of contract acceptance by all parties (investors/buyers and sellers) to closing date.
- Servicer is not a party to the Sales Contract or the seller in the transaction.

PROCESSING:

- If the above referenced account is in default, any and all collection activities, including foreclosure proceedings will continue until an approved short sale has closed, the account has been paid in full, or the default has otherwise been resolved.
- A delay in the foreclosure process, up to thirty (30) days, will be considered by Servicer and approved only on an exception basis. Such exception approval must be documented in writing and signed by Borrower and Servicer. Approval of a delay will require evidence that all Sales Contract conditions and contingencies have been met. In no case will a delay greater than thirty (30) days be approved.
- The processing time for a short sale review is thirty (30) calendar days from the date of receipt of the completed financial package.
- Servicer requires a valuation of the property based on an interior and exterior inspection. Servicer reserves the right to terminate review of the short sale request if the Borrower fails to provide Servicer's appraiser or realtor with such access to the property as deemed necessary by Servicer, or the designated appraiser or realtor. The cost of the valuation will be the sole responsibility of the Borrower.

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LOSS MITIGATION—Short Sale Guidelines and Pre-Negotiation Agreement Page Two

Account Number: _____

Secured Property Address: _____

- A complete financial package includes all documents Servicer has requested from the Borrower and the listing real estate agent/attorney, including, but not limited to:
 - Complete financial information from Borrower.
 - A signed copy of the listing agreement with all addenda and attachments.
 - A signed copy of the Sales Contract with all addenda and attachments.
 - A written, signed hardship letter from Borrower outlining his/her financial situation and the events that caused the financial hardship.
 - Borrower's last two bank statements, checking and savings all pages.
 - Borrower's last two paycheck stubs.
 - A commitment letter from the investor/buyer's lender.
 - A Settlement Statement (HUD – 1 or Sellers Net Sheet) indicating the allocation of all the proceeds of the sale.
 - A payoff demands statement from the senior lienholders, if applicable.
 - Borrower's two most recent state and federal tax returns with all schedules.
 - Borrower's most recent summary statements for any 401k, retirement, or investment accounts.
 - Servicer reserves the right to request additional documentation as may be necessary to verify a change in Borrower's financial situation and/or hardship or the status of the secured property prior to close of the short sale. Such documentation may include re-verification of Borrower's financial status at the time of loan origination.
 - Borrower's execution of a quitclaim deed will not automatically release him/her of liability under the referenced loan. A quitclaim deed only releases an ownership interest in the property. Likewise, the attempt to execute a short sale without Servicer's consent will not automatically release Borrower from liability.
 - Servicer expressly reserves the right to not accept the transfer of title to any secured property unless it has entered into a prior written agreement to accept the transfer of title.
 - Borrower must contract all subordinate lien holders prior to closing to secure a written release of each lien in recordable form.
 - Servicer reserves the right to terminate review of a short sale request if Borrower fails to provide all requested documentation.

COMMUNICATIONS:

- Servicer's communications regarding activities and the decision status of a short sale request is limited to Borrower and/or Borrower's representative (i.e. attorney).
- Servicer's communications regarding account status, payment history, Borrower's financial status, or ability to contribute to a shortfall is restricted to Borrower and/or Borrower's representative.
- Servicer's communication with the listing real estate agent/attorney is limited to marketing activities for the subject property and the terms and conditions of the Sales Contract, unless prior written authorization has been received from the Borrower.
- Servicer's communications with any third party other than Borrower, Borrower's representative or the listing real estate agent/attorney is not permitted. The listing real estate agent/attorney is responsible for informing the selling real estate agent/attorney and investor/buyer of Servicer's processing status and decision.

HomeEq Servicing

LOSS MITIGATION—Short Sale Guidelines and Pre-Negotiation Agreement

Page Three

Account Number: _____

Secured Property Address: _____

SHORT SALE TERMS AND CONDITIONS:

- Servicer is not obligated to accept or approve a short sale.
- Servicer's short sale terms and conditions are based on the requirements of Servicer, investor, private mortgage insurance company and/or lienholder, if applicable.
- Servicer's communications and negotiations do not constitute short sale approval.
- Short sale approval must be in the form of a written short sale agreement signed by Servicer.
- Servicer's short sale terms and conditions must be accepted by Borrower in writing.
- If Borrower requests any changes to Servicer's terms and conditions, such changes must be requested in writing with supporting reasons and, likewise, must be approved in writing by Servicer.
- If the written short sale agreement is not accepted by all parties within the designated time frame, the written approval becomes null and void.
- Must be an ARMS length transaction.

PAYMENT HISTORY REPORTING:

Servicer will not change the historical payment record to reflect a payment history other than the actual payment history. You are hereby notified that a negative credit report reflecting on your credit record may be submitted to credit reporting agencies. This information may include the historical actual payment history and account status.

IRS REPORTING:

- Servicer will report any short sale transaction to the IRS as may be required by IRS regulations.
- It is Borrower's responsibility to consult with his/her tax advisor regarding any tax implications of a short sale transaction.

HomeEq Servicing

LOSS MITIGATION—Short Sale Guidelines and Pre-Negotiation Agreement Page Four

Account Number: _____

Secured Property Address: _____

BORROWER'S ACKNOWLEDGMENT AND AGREEMENT:

I am requesting consideration of a short sale based on financial hardship. The financial statement that I will submit in connection with a proposed short sale of the secured property accurately describes my financial condition. All documentation I present is true, accurate and correct to the best of my knowledge. I agree that if it is determined that the financial information presented has been misrepresented by me, I shall be liable for any and all losses or damages suffered by the lienholder, servicer, investor, and/or private mortgage insurance company.

I UNDERSTAND AND AGREE THAT THIS DOCUMENT DOES NOT CONSTITUTE APPROVAL OF A SHORT SALE OR IN ANY WAY OBLIGATE SERVICER, ANY INVESTOR, LIEN HOLDER OR PRIVATE MORTGAGE INSURANCE COMPANY TO ACCEPT A SHORT SALE OF THE SECURED PROPERTY. NEITHER I, NOR ANY THIRD PARTY, INCLUDING, BUT NOT LIMITED TO, A POTENTIAL PURCHASER/INVESTOR OR ANY REAL ESTATE AGENT/ATTORNEY INVOLVED WITH THE LISTING OR SALE OF THE SECURED PROPERTY, MAY RELY UPON THIS DOCUMENT AS APPROVAL OF A SHORT SALE OR AN OBLIGATION UPON SERVICER, ANY INVESTOR, LIEN HOLDER OR PRIVATE MORTGAGE INSURANCE COMPANY TO APPROVE A SHORT SALE OF THE SECURED PROPERTY.

I FURTHER UNDERSTAND AND AGREE THAT THE REQUIREMENTS STATED HEREIN ARE SUBJECT TO CHANGE AT THE SOLE DISCRETION OF SERVICER.

Furthermore, I acknowledge and agree to Servicer's Short Sale Guidelines as described above.

By: _____

Signature of Borrower

Date

By: _____

Signature of Borrower

Date

Printed Name of Borrower

Printed Name of Borrower

HOMEQ SERVICING

Loss Mitigation Department

HomeEq Servicing

IMPORTANT DISCLOSURES

IMPORTANT: You are hereby notified that we may report information about your account to credit reporting agencies. Late payments, missed payments, or other defaults on your account may also be reflected on your credit report.

NORTH CAROLINA Collection Agency Permits: 4408 – North Highlands, CA (Main Office); 4406 – Raleigh, NC (Branch); 4407 – Roseville, CA (Branch); 4409 – Boone, NC (Branch); 4410 – New York City, NY (Branch)

HomeEq Servicing

**HOMEQ SERVICING
LOSS MITIGATION DEPARTMENT
OCCUPANCY AFFIDAVIT**

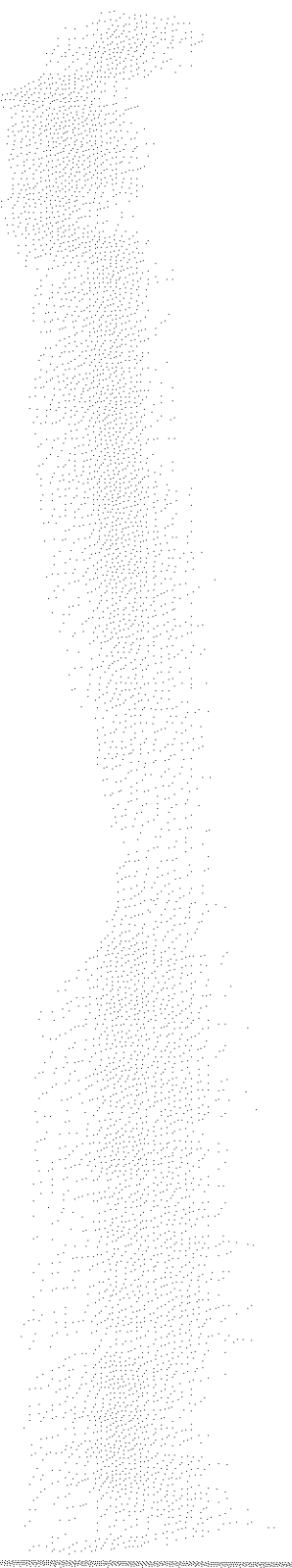
Account Number: _____
Secured Property Address: _____

_____ I / We currently occupy the above-referenced property.
_____ I / We do not currently occupy the above-referenced property.

The foregoing statement is true and correct.

By: _____ By: _____
Signature of Borrower Date Signature of Borrower Date

Printed Name of Borrower Printed Name of Borrower



HomeEq Servicing

HOMEQ SERVICING
LOSS MITIGATION DEPARTMENT
PROPERTY ACCESS FOR APPRAISAL INFORMATION

Date: _____

Re Loan Number: _____

Secured Property Address: _____

To be completed by Borrower:

1) Borrower: _____
Home Phone # _____

Work Phone # _____

Any special instructions: _____

2) Borrower: _____
Home Phone # _____

Work Phone # _____

Any special instructions: _____

To be completed by HomeEq:

1) Type of Transaction: _____

2) Type of Appraisal: _____

- Fannie Mae 219/Freddie Mac (drive-by)
- Fannie Mae 1004/Freddie Mac 70
- Fannie Mae 1025/Freddie Mac 72
- 2 units
- 3 units
- 4 units

Order date: _____ By: _____

HomeEq Servicing

BORROWER & PROPERTY INFORMATION:

Property Address:	Account #:	Is property listed for sale?	No	Yes
How long has property been on the market?	Listing Price:	Relationship to Seller:		
Buyer Name:	Agent Name:	Agent Phone:		

Is property insured? If, yes please provide the following:

Insurance Company:	Policy Number:	No	Yes
Agent Name:	Agent: Phone:		

Borrower Name: _____ Phone: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Co-Borrower Name: _____ Phone: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Total number of persons at residence: _____ Number of Dependents: _____ Ages: _____

Asset Type	Estimated Value	Asset Type	Estimated Value	Asset Type	Estimated Value
Home	\$	401K/Keogh	\$		\$
Checking Acct	\$	IRA	\$		\$
Savings Acct	\$	Stocks	\$		\$

Liability	Monthly Payment	Liability	Monthly Payment	Liability	Monthly Payment
HomeEq Mortgage	\$	Auto Insurance	\$	Water/Sewer	\$
Other Mortgages	\$	Electric	\$	Health Insurance	\$
Property Insurance	\$	Gas	\$	Internet Service	\$
Property Taxes	\$	Telephone	\$	Auto Maintenance	\$
Child Support	\$	Cable/Satellite	\$	Medical Premiums	\$
Child Care	\$	Credit Cards			
Tuition	\$	Department Stores	\$	Food	\$
Alimony	\$	Visa MasterCard	\$	Clothing	\$
Auto Loan(s)	\$	Other Credit Card	\$	Other	\$
Church/Club Dues	\$	Entertainment	\$	Other	\$

If you any mortgage other than HomeEq, please provide the following information:

Lien Holder 1:	Phone: ()	Account #:	Balance: \$
Lien Holder 2:	Phone: ()	Account #:	Balance: \$
Lien Holder 3:	Phone: ()	Account #:	Balance: \$
Auto1 - Make:	Model:	Year:	Est. Value: \$
Auto2 - Make:	Model:	Year:	Est. Value: \$
Other Vehicles:	Model:	Year:	Est. Value: \$

Borrower Net Monthly Income	\$	Employer:	Phone: ()
Co-Borrower Net Monthly Income	\$	Employer:	Phone: ()
Additional/Other Income:	\$	Type: child support, alimony, pensions, interest, rental, other:	Amount:

I (we) agree that the financial information provided is an accurate statement of my (our) financial status, I (we) understand and acknowledge that any action taken by the lender of my (our) mortgage loan on my (our) behalf will be made in strict reliance on it financial information provided. My (Our) signature(s) below grants the holder of my (our) mortgage the authority to confirm information I (we) have disclosed in this financial statement, to verify that it is accurate by ordering a credit report, and to contact my real estate agent, attorney, broker and/or credit counseling service representative. This is an attempt to collect a debt and any information obtained will be used for that purpose.

Submitted this _____ day of _____, 20__

By: _____ Signature of Borrower
 _____ Signature of Co-Borrower
 _____ Date: _____

Incomplete information may delay the processing of your request

Acknowledgment and Declaration of Purchaser

As a precondition to the purchase of the property located at _____
(the "Property"), the undersigned
hereby acknowledges that it is prohibited by policy for employees, and members
of their immediate family, of HomeEq Servicing ("HomeEq"), and any of its affiliates,
including those associates on assignment at HomeEq or any of its affiliates
through a provider of temporary employment (collectively, "Employees"), to
purchase any distressed property serviced by HomeEq. The undersigned
declares that he/she/they is/are not an Employee and is/are therefore not
precluded from purchasing the Property for this reason.

Employees may refer to the **Code of Conduct – Property Transactions with
HomeEq** for more information.

Buyer

Buyer

Date: _____

Re Loan Number: _____