



## Home Affordable Foreclosure Alternative (HAFA) Matrix

- The U.S. Department of the Treasury (Treasury) requires that any servicer participating in the Home Affordable Modification Program (HAMP) must consider eligible borrower(s) who do not qualify for HAMP for other foreclosure prevention options. Other foreclosure options include the Home Affordable Foreclosure Alternatives (HAFA) Short Sale and Deed-in-Lieu of foreclosure. However, each servicer has some discretion in determining additional eligibility criteria and certain program rules. In order to assist borrower(s) and their representatives in understanding any unique components of a servicer's HAFA policy, Treasury has developed this HAFA Matrix (Matrix).
- The summary information in this Matrix is prepared solely by Ocwen and does not represent any determination by the Treasury as to the servicer's compliance with the Treasury's policies and guidance for HAFA. The Treasury does not endorse any language or policy described in this Matrix. Any questions regarding the information contained in this matrix should be directed solely to Ocwen.

### Eligibility Requirements for HAFA Short Sale or HAFA Deed-in-Lieu

#### Loan Requirements

- **1st Lien Loan** – Loan is secured by a first lien.
- **Pre- January 2009 Origination** – Loan was originated on or before January 1, 2009, including mortgages secured by:
  - Cooperative shares,
  - Condominium units, and
  - Manufactured housing (the first lien mortgage loan must be secured by the manufactured home and the land, both of which must be classified as real property under applicable state law).
- **Non-matured loan** – Loan has not reached the date of maturity.
- **Minimum 60 days prior to foreclosure sale date** – Projected or confirmed foreclosure sale date should be no less than 60 days from the date of determination of eligibility.
- **Investor and/or Mortgage Insurer-Allowed** – Investor (owner of the loan) and/or Mortgage Insurance Company must both permit a short sale/Deed-in-Lieu.
- **Maximum Unpaid Principal Balance (UPB)** – Current unpaid principal balance on the loan must be at or below the maximum amount (*shown in Table below*), based on the number of units in the property.

Number of Property Units	Unpaid Principal Balance (UPB)
1	\$729,750
2	\$934,200
3	\$1,129,150
4	\$1,403,400

#### Property Requirements

- **Number of Units** – Property must have no more than 4 units.
- **No condemned properties** – Property securing the mortgage loan should not be condemned.
- **No litigation, mediation, or active bankruptcy** – HAFA offer cannot be extended if the loan or subject property is the subject of litigation, mediation or active bankruptcy.
- **Market value > \$20,000** – The market value of the subject property should be greater than \$20,000.

#### Customer Requirements

- **No occupancy requirements** – There are no longer any occupancy requirements for HAFA eligibility.
- **Living sole borrower.** HAFA offer cannot be extended if the sole borrower on the account is deceased.
- **Documented Financial Hardship** – Borrower(s) must provide documentation of a financial hardship that prevents the borrower(s) from making the monthly mortgage payments.
- **The borrower must be a natural person** – Mortgage loans made to, or secured by properties owned by corporations, partnerships, limited liability companies or other business entities are not eligible for assistance under HAFA.
- **Foreseeable Default and/or Delinquency** – Mortgage loan is delinquent or default is reasonably foreseeable. Loans currently in foreclosure or bankruptcy are eligible.



## Eligibility Requirements for HAFA Short Sale or HAFA Deed-in-Lieu

### HAFA Program Cut-Off Date

#### HAFA Request – December 31, 2015

In order for a loan to be eligible for HAFA a written request (mail, fax or e-mail) requesting consideration for a Short Sale or Deed-in-Lieu must be submitted by the borrower to Ocwen on or before December 31, 2015.

#### HAFA Transaction Close – September 30, 2016

The HAFA Short Sale or Deed-in-Lieu transaction must close on or before September 30, 2016.

#### Ocwen will consider possible HAMP Modification-eligible borrowers who have a short sale offer for HAFA, within 30 calendar days of the date:

- The borrower does not qualify for a Trial Payment Plan (TPP), HAMP Tier 1 or Tier 2, or proprietary modification.
- The borrower does not successfully complete a TPP and is not being evaluated for another modification (i.e., HAMP Tier 2 or proprietary modification);
- If the borrower previously received a HAMP modification and missing at least two consecutive payments and is not being evaluated for another modification (i.e., HAMP Tier 2 or proprietary modification).

**Pre-determined Hardship** – Borrower(s) who request HAFA consideration and are ninety (90) days or more delinquent and have a FICO score that is less than 620 (as verified by Ocwen), will be deemed to have a “pre-determined” hardship. Borrowers with a pre-determined hardship will not be required to provide documentation of their hardship, other than a signed and completed Hardship Affidavit.

## Document Requirements

### All borrowers must sign documents

#### For Deed-in-Lieu and Short Sale

- ☐ **Request for Mortgage Assistance (RMA) / Hardship Affidavit application** - fully completed and signed by all borrowers
- ☐ **Consent for Release of Information Form** (to authorize a third party to discuss your account)

Documents required for payment of relocation assistance:

- ☐ **If Owner Occupied, Occupancy letter, plus** a copy of one of the following:
  - Utility bill showing pre-printed name and property address, or
  - Bank statement, or
  - Credit card statement with the property address as the mailing address from the past 60 days.
- ☐ **If Non-Owner Occupied, Non-Owner Occupant Certification**, if property was occupied by:
  - Tenant as the rental property as a principal residence, or
  - The borrowers' legal dependent, parent or grandparent, who occupies the rental property as a principal residence with no rent charged or collected.
- ☐ **If Tenant Occupied, Lease/ Rental Agreement**

### Additional Documents Required

#### For Short Sale Only

- ☐ **Contract of Sale, Purchase Agreement and all its addenda** – copies fully completed and signed by all parties
- ☐ **Listing Agreement and all its addenda** signed by all parties; **AND** copy of **Printed ML Listing**
- ☐ **Preliminary HUD-1 Settlement Statement** copy
- ☐ **Junior Lien Payoff / Commitment letter** copy (if applicable)
- ☐ **Buyer(s) Proof of Funds and/or Financing Approval** letter
- ☐ **HAFA Affidavit** form - fully completed and signed by both the seller(s) and buyer(s)



## Property Valuation Requirements

### For Deed-in-Lieu

At the time of reviewing a loan for a HAFA Deed-in-Lieu, Ocwen requires an updated Interior Valuation to proceed. Borrower(s) will need to provide contact details and access to the property for the interior valuation to be carried out. The property's market value must exceed \$20,000.

### For Short Sale

At the time of reviewing a loan for a HAFA Short Sale, Ocwen requires a recent assessment of the market value of the subject property by Brokers Price Opinion (BPO). The assessment should be within 150 days of the review (to be obtained by Ocwen). The property's market value must exceed \$20,000.

**Disputed Valuations** – If the borrower(s) or realtor(s) wish to dispute the value they must submit a copy of the Comparative Market Analysis (CMA) form to Ocwen. The estimated evaluation timeline will be approximately 10 business days.

## Policy / Special Program Requirements

### For Deed-in-Lieu

With a Deed-in-Lieu you transfer ownership and the property deed to us, and cancel your debt. In many cases we can also provide **cash** to assist with relocation. A Deed-in-Lieu allows you to avoid the stress of foreclosure, without the added hassle of selling the property.

### For Short Sale

#### Short Sale Program— Customary Terms and Conditions are as follows:

1. **Allowable Costs** that may be deducted from Gross Sale Price include:
  - **Closing Costs** – The closing costs paid by borrower(s) or on borrower(s) behalf as seller must be reasonable and customary for the market. Acceptable closing costs, including the commission, which may be deducted from the gross sale proceeds, may not exceed 10% of the list price. Closing costs that may be deducted from the gross sale proceeds are limited to title search and escrow expenses usually paid by the seller.
  - **Subordinate Liens** – Ocwen will allow a total of up to \$8500 to pay subordinate mortgage lien holders to release their mortgage liens. We require each subordinate lien holder to release you from personal liability for the loans in order for the sale to qualify for this program, but we do not take any responsibility for ensuring that the lien holders do not seek to enforce personal liability against you. Therefore, we recommend that you take steps to satisfy yourself that the subordinate lien holders release you from personal liability.
  - **Real Estate Commissions** – Ocwen will allow real estate commissions as stated in the listing agreement between borrower(s) and borrower(s) broker, not to exceed six percent (6%) of the contract sales price, to be paid to the listing and selling brokers involved in the transaction from sale proceeds. Neither borrower(s) nor the buyer may receive a commission.
  - **Borrower Relocation Assistance** – A borrower who occupies the property as a principal residence, and is required to vacate as a condition of the HAFA short sale or Deed-in-Lieu, may be eligible to receive \$3,000 in relocation assistance at closing. In addition, a borrower requesting a HAFA short sale or Deed-in-Lieu with respect to a rental property may be able to claim relocation assistance for a tenant who occupies the rental property as a principal residence, or the borrower's legal dependent, parent or grandparent who occupies the rental property as a principal residence with no rent charged or collected, if such parties are required to vacate as a condition of the HAFA Short Sale or Deed-in-Lieu. **NO** relocation assistance will be paid if no parties are displaced from the subject property.

**To receive relocation assistance**, the occupant must be required to vacate as a condition of the sale. In addition, you must provide: (i) evidence that the property is your/their principal residence, which in the case of a Tenant may include information concerning the tenant, a copy of the lease agreement or other evidence of occupancy; and (ii) a certification signed by each occupant who will receive relocation assistance attesting to the occupant's compliance with Section 1481 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, (Dodd-Frank Certification). We will provide you with the Dodd-Frank Certification form. If you fail to deliver the Dodd-Frank Certification prior to the closing of the property sale, the relocation assistance will not be paid. Upon your compliance with the conditions of the sale, we will



instruct the settlement agent to pay the occupant from the sale proceeds at the same time that all other payments, including the payoff of our first mortgage, are disbursed by the settlement agent. Only one payment per household is provided for the relocation assistance, regardless of the number of occupants.

## For Short Sale (continued)

2. **Property Maintenance and Expenses.** Homeowner(s) are responsible for all property maintenance and expenses of the property until the closing of an approved short sale, including utilities, assessments, association dues, and costs for interior and exterior maintenance. Additionally, the homeowner must report any and all property damage to us and file a hazard insurance claim for covered damage. Unless insurance proceeds are used to pay for repairs or personal property losses, we may require that they be applied to reduce the mortgage debt.
3. **HABA Affidavit.** At closing the buyer and seller will be required to execute an affidavit certifying that the sale is an “arm’s length” transaction and that the seller and buyer are unrelated to each other by family, marriage or commercial enterprise. The affidavit will also include an agreement by the buyer not to sell the property within 30 days of closing of the sale, or between 31 and 90 calendar days of the sale for a price greater than 120 percent of the gross sales price.
4. **Foreclosure Sale Suspension.** If approved for HABA Short Sale or Deed-in-Lieu, Ocwen will not schedule a foreclosure sale or will postpone foreclosure until after the approval expiration date. Please note that we may still initiate foreclosure or continue with existing foreclosure proceedings as permitted by the mortgage documents during this period, subject to state or federal regulations. **Satisfaction and Release of Liability.** If all of the terms and conditions are met, upon sale and settlement of the property, Ocwen will prepare and send to the settlement agent for recording, a lien release in full satisfaction of the mortgage, foregoing all rights to pursue a deficiency judgment. Ocwen will not transfer any obligations or pursue deficiencies through a third party debt-collector.
5. **Termination of short sale request. Unless otherwise agreed by the parties,** the request will be terminated on a specified date, but may be terminated earlier if:
  - a. Borrower(s) fail to authorize us to discuss your personal financial information with your broker or others involved in the sale;
  - b. Borrower(s) financial situation improves significantly, you qualify for a modification, you bring the account current or you pay off the mortgage in full;
  - c. Borrower(s) or borrower(s) broker fails to act in good faith in closing on the sale of the property or otherwise fails to abide by the terms of the HABA approval letter;
  - d. A significant change occurs to the property’s condition or value;
  - e. There is evidence of fraud or misrepresentation;
  - f. Borrower(s) file for bankruptcy and the Bankruptcy Court declines to approve the short sale transaction;
  - g. Litigation is initiated or threatened that could affect title to the property or interfere with a valid conveyance;
  - h. Borrower(s) fail to sign and return the Hardship Affidavit form.
6. **Settlement of a Debt.** The proposed transaction represents our attempt to reach a settlement of the delinquent mortgage. There is no guarantee that the Contract will be approved or, if approved, the transaction will be successful. In the event the Contract is not approved, or, if approved, the transaction is unsuccessful, the Servicer may exercise all remedies under the mortgage, including foreclosure.
7. **Possible Income Tax Considerations.** We will report the difference between the remaining amount of principal you owe and the amount that we receive from the sale to the Internal Revenue Service (IRS) on Form 1099C, as debt forgiveness. In some cases, debt forgiveness could be taxed as income. The amount, if any, we pay you or your Tenant for moving expenses may also be reported as income. We suggest that you contact the IRS or your tax preparer to determine if you may have any tax liability.
8. **Credit Bureau Reporting.** We will follow standard industry practice and report to the major credit reporting agencies that your mortgage was settled for less than the full payment. We have no control over, or responsibility for, the impact of this report on your credit score. To learn more about the potential impact of a short sale on your credit, you may want to go to <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>.



## HAFA Timelines

### Ocwen Contact Timelines

#### For Deed-in-Lieu and Short Sale

##### **Application Acknowledgement – 10 days**

Within 10 days of receiving your HAFA request, Ocwen will notify you or your authorized party to: confirm receipt of your application, or request missing information, or provide an approval or denial decision.

##### **Application Review – 30 days**

You can expect to hear from Ocwen within 30 days of receiving your complete application for HAFA, including all supporting documents. If our review takes longer than 30 days, we notify you of the delay and will continue to update you or your authorized party at least every 15 days.

##### **Interior Property Access to Conduct a Property Valuation – 10 days**

Ocwen's vendor will contact you to request and schedule an interior property inspection. An interior inspection must be completed within 10 days of the request date otherwise the file will be closed.

### Deadlines for Providing Information to Ocwen

**Important:** If the requested information is not received within the required timeframe(s), your HAFA request will be closed.

#### For Deed-in-Lieu and Short Sale

##### **Missing or Incomplete Documents – 14 calendar days**

Ocwen will send a letter requesting missing documents needed to review your request. The requested information must be returned within 14 calendar days of the letter date.

#### For Deed-in-Lieu Only

##### **HAFA Deed-in-Lieu Agreement – signed AND notarized – 14 calendar days**

Ocwen's attorney will send a final Deed-in-Lieu Agreement and postage-paid return envelope. To accept the offer, you must return the agreement – fully completed, signed by all borrowers and notarized – within 14 calendar days of the Agreement date.

#### For Short Sale Only

Fax: (407) 737-5071 or Email: [HAFA@Ocwen.com](mailto:HAFA@Ocwen.com)

##### **HAFA Short Sale Closing & Request for Extension – expires 45 days from approval**

If your Short Sale is approved, Ocwen will send a HAFA Short Sale approval and HAFA Affidavit letter. The property sale must close within 45 days of the approval letter date. To request an extension, you must submit a written request for extension before the HAFA approval expire



## Contact Information

For general account questions:

We're happy to help you with any questions or concerns. Call us toll-free at **1-800-746-2936**. We are available Monday through Friday 8:00 am to 9:00 pm, Saturday 8:00 am to 5:00 pm and Sunday 9:00 am to 9:00 pm ET.

Call to schedule an appointment with your relationship manager – your relationship manager is your dedicated resource handling your HAFA request.

For Deed-in-Lieu	For Short Sale	For Complaints or Disputes
<p>Fax: <b>(407) 737-5136</b></p> <p>Email Documents to: <a href="mailto:HAFA@ocwen.com">HAFA@ocwen.com</a>* or <a href="mailto:ss@ocwen.com">ss@ocwen.com</a>*</p> <p><small>*this email automatically scans and uploads your documents ONLY. Please call us with any questions or concerns at 800-746-2936</small></p> <p>Mail: Ocwen Loan Servicing, LLC 1661 Worthington Road, Suite 100 West Palm Beach, Florida 33409</p>	<p>Fax: <b>(407) 737-5071</b></p> <p>Email Documents to: <a href="mailto:HAFA@Ocwen.com">HAFA@Ocwen.com</a>*</p> <p><small>*this email automatically scans and uploads your documents ONLY. Please call us with any questions or concerns at 800-746-2936</small></p> <p>Mail: Ocwen Loan Servicing, LLC 1661 Worthington Road, Suite 100 West Palm Beach, Florida 33409</p>	<p>Fax: <b>(407) 737-5171</b></p> <p>Email: <a href="mailto:HAMPNPVCases@ocwen.com">HAMPNPVCases@ocwen.com</a></p> <p>Mail: Ocwen Loan Servicing LLC <b>P.O. Box 785061</b> Orlando, FL 32878</p> <p>For any complaints or disputes, you can contact our Escalations Department by mail, email or fax (listed below). You will be asked to provide evidence documenting the complaint/dispute, as well as loan number and contact information.</p> <p>If you are concerned regarding the handling of your case <b>after</b> receiving a response from our Escalation Department you may contact one of the agencies below for further review and assistance: <b>HOPE Hotline Number:</b> 1-888-995-4673 <b>HAMP Solution Center:</b> 866-939-4469 (Select Option 3)</p>