



## REPORT ORDER INFORMATION

CASE FILE: 19963

ORDERED: 05-13-2014

ORDERED BY: Certified Forensic Loan Auditors

CUSTOMER REFERENCE: 0090489832

John Doe

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### REQUESTED REPORT(S):

LOAN DISPOSITION ANALYSIS  
AFFORDABLE MORTGAGE PAYMENT ANALYSIS (Add-on)  
EPV / NPV BREAK-EVEN ANALYSIS (Add-on)

### INCLUDED ANALYTICS/MODELS:

HAMP TIER 1 (NPV 5.04)  
Standard, Principal Reduction Alternative (PRA) & Overrides  
HAMP TIER 2 (NPV 5.04)  
Standard, Principal Reduction Alternative (PRA) & Overrides  
OTHER LOAN WORKOUT ALTERNATIVES  
FlexMod - Rate/Term & Overrides  
FlexMod - Term/Rate & Overrides  
SHORT SALE  
HAFA II & Overrides  
Generic Short Sale & Overrides  
FORECLOSURE  
BANKRUPTCY

### ADDITIONAL SERVICES:

3rd-Party Property Valuations (AVM's)

## REPORT SECTIONS

These are brief descriptions of the various report sections contained in this analysis.  
(Add-on reports are optional and may or may not be included, based on the specific analysis ordered.)

### LOAN DISPOSITION ANALYSIS

The Loan Disposition Analysis portrays how a bank or servicer would evaluate the Net Present Value (NPV) of potential loan workout options and compare them to a short sale or foreclosure alternative. The following sections are included in the report:

#### OVERVIEW/APPROACH

Outlines the typical Investor/Servicer Loss Mitigation Strategies and Disposition Hierarchy. Describes the various Loan Workout Options, Short Sale Alternatives and Foreclosure Analytics contained in the report.

#### INFORMATION SUBMITTED FOR ANALYSIS

Lists all of the Borrower, Property, Loan, Delinquency and Hardship Information submitted for analysis. Includes any user supplied Investor, Servicer or Submitter overrides. A list of the NPV Input Data Fields and Values in a format typically used by Servicers when reviewing loan workout submissions is also provided.

#### SUMMARY OF FINDINGS

Provides a recap of the report analytics, listing key data points and findings for all of the Eligible and Ineligible Loan Disposition Options considered.

#### VARIOUS CALCULATION ASSUMPTIONS & SUPPORTING INFORMATION

Provides information about some of the key factors used in the various analytical models including the Borrower's Financial Information, the HAMP NPV Model calculations, and sources for the Estimated Property Valuation(s).

#### PROPERTY VALUATIONS

Presents the source(s) of various Short Sale Valuation models as well as their corresponding values and confidence scores. Links to supporting AVM and/or appraisal reports are available in electronic format.

#### HAMP LOAN MODIFICATION ANALYSIS

Checks the eligibility of the submitted information for HAMP modifications. Applies HAMP Tier 1 and Tier 2 Standard Waterfall and Principal Reduction Alternative (PRA) models as applicable. Determines the proposed modification terms. Calculates all Net Present Values (NPV's) per model requirements.

#### ADDITIONAL LOAN DISPOSITION OPTIONS CONSIDERED

Depending on the specific report ordered, the information is submitted against additional loan restructuring options (proprietary or investor-specific) and may include Deed-In-Lieu, Rent to Own or Bankruptcy analysis.

#### SHORT SALE ALTERNATIVES

The submitted information is evaluated for the Home Affordable Foreclosure Alternative (HAFA II) as well as a Generic Short Sale version. This section provides an overview of the Short Sale Process and presents qualifying Short Sale Terms including Minimum Acceptable Net Proceeds, Allowable Transaction Costs, etc.

#### BANKRUPTCY INFORMATION

If the information submitted for analysis is insufficient to run a comprehensive Means Test for bankruptcy, basic Chapter 13 Bankruptcy information is presented in this section of the standard Loan Disposition Analysis report.

#### FORECLOSURE NPV COMPARISONS

Throughout the analysis, the Net Present Values (NPV) of the various Loan Disposition Options are compared to the projected NPV's of the loan not being modified, defaulting and proceeding into foreclosure. This section provides more insight into the Foreclosure projections and various NPV calculations.

### EPV / NPV BREAK-EVEN ANALYSIS (Add-on Report)

The EPV/NPV Break-Even Analysis collects multiple Estimated Property Values from various sources and then, using HAMP's Tier 1 Standard program guidelines and assumptions, runs iterative permutations to determine the Property Value (if any) at which the NPV of a HAMP-eligible Standard Loan Modification would swing from NPV Positive to NPV Negative when compared to the NPV without the proposed modification.

### AFFORDABLE MORTGAGE PAYMENT ANALYSIS (Add-on Report)

This report provides a high-level 'worksheet' that shows the borrower's pertinent income and expense information/ratios and derives various Unpaid Principal Balance (UPB), Interest Rate and Loan Term permutations that the borrower can afford.



## LOAN DISPOSITION ANALYSIS

CASE FILE: 19963

CUSTOMER LOAN ID: 0090489832

DATE/TIME OF ANALYSIS: 05-13-2014 16:00

REPORT GENERATED: 05-13-2014 16:00

PREPARED FOR: Certified Forensic Loan Auditors  
13101 West Washington Blvd., Ste. 140  
Los Angeles , CA 90066  
310-432-6304

ANALYSIS FOR BORROWER(s): John Doe

MORTGAGE OWNER:

SERVICER: Ocwen

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### GUIDELINE/ANALYTICAL MODELS & CODE VERSIONS APPLIED IN THIS REPORT/ANALYSIS

Real Estate Services and Technology's Loan Workout Options & Analytics v.1311a  
Custom HAMP Eligibility & Net Present Value (NPV) Model version 5.04a  
Report Version 5.04a Last Revision: 11/20/2013

## LOAN DISPOSITION ANALYSIS - OVERVIEW / APPROACH

### THE TYPICAL LOAN DISPOSITION HIERARCHY

Investors/Servicers usually attempt the following Loss Mitigation Strategies:

1. Collect All Funds if possible

Any resolution that achieves the collection of all funds and/or arrearages due provides the best possible outcome for the investor/servicer. A Loan Reinstatement is preferred over any Repay to Cure option since it brings the borrower current on the loan much faster.

2. Capture the Maximum Amount of Funds Due Over Time

There are various Repayment Plans, including Loan Modifications, Repayments to Disposition, Repayments to Defer and Repayments to Review to ultimately bring the borrower current.

3. Dispose of the Asset

If no Reinstatement, Loan Modification, Refinance or Repayment plans are possible, the remaining options might include a Short Sale, Deed-in-Lieu and/or a Recommendation to Foreclosure.

### LOAN DISPOSITION ANALYSIS - APPROACH

When evaluating the borrower(s)' situation and the potential loan disposition options listed above, it is important to strike a balance between what an Investor's/Servicer's interests might be (based on the anticipated Net Present Values) and the borrower(s)' projected capacity to afford and perform on any new loan workout terms.

The Treasury Department has developed standards/guidelines under its Home Affordable Modification Program (HAMP) that govern the way Investors/Servicers should evaluate and qualify borrowers whose loans are in default. Investors and Servicers may also have their own internal loan workout alternatives.

This Loan Disposition Analysis therefore takes the following approach:

1. Evaluates the data for HAMP Tier 1 and Tier 2 Standard Program and Principal Reduction Alternative
2. Provides the flexibility to review results using Investor, Servicer or User Overrides
3. Evaluates additional Loan Workout Alternatives (FlexMods) for reasonable and affordable terms
4. Presents Short Sale Alternatives(using HAFA and generic Short Sale models)
5. Provides the NPV projections and comparisons for all options considered (including foreclosure)

### DERIVING vs VALIDATING

The analytics used in this report do not just VALIDATE potential loan terms submitted by a user to see if they fall within acceptable program ranges. These analytics are very unique and powerful because they DERIVE the optimal qualifying scenario for each model, given the submitted data and specific program guidelines.

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#### DISCLAIMER

This report is for informational purposes only. The findings generated by this report are not evidence of, nor are they determinative of, a guarantee of participation in any federal, state, local, Fannie Mae, Freddie Mac or other mortgage loan modification program. Some investors/servicers may not be willing to consider any/all of the proposed options and/or terms presented in this analysis.

If this report is shared with borrowers it is highly recommended that it only be done in conjunction with professional counseling and/or legal advice to assist the borrower(s) in understanding these findings. Any accompanying services should always be performed in compliance with the Mortgage Assistance Relief Services (MARS) ruling.

Real Estate Services and Technology is an impartial third-party provider of these analytics. It is not responsible for any consultative or legal advice or services which might be offered or rendered in conjunction with the information contained in this report. It is not responsible for any claims, actions recommended to, or taken by, the

## INFORMATION SUBMITTED FOR ANALYSIS

Data Collection Date: 5/13/2014

Submitted By: Andrea Fiore

**BORROWER INFORMATION**Borrower: John Doe  
Borrower FICO: 0Co-Borrower:  
Co-Borrower FICO: 0**SUBJECT PROPERTY INFORMATION**Address: 11 Victory Lane, Los Angeles, CA 90066  
Property Usage: Investment Property  
Monthly Gross Rental Income: \$0.00  
User Supplied Property Value: \$0.00  
Property Condition: Good  
Monthly Hazard & Flood Insurance: \$80.00Property Type: Planned Unit Development  
Property Occupied: Yes  
Valuation Method: AVM - Other  
Monthly Real Estate Taxes: \$249.64  
Monthly HOA Dues: \$0.00**1st LIEN LOAN INFORMATION**Investor:  
Mortgage Type: Conventional wo PMI  
Note Date (Origination Date): 9/14/2006  
Loan Product Before Modification: ARM  
Next Rate Reset Date (if any): 5/25/2014  
Original Loan Amount: \$280,000.00  
Original Interest Rate: 7.750%  
Current Unpaid Balance: \$309,699.17Servicer: Ocwen  
Monthly MI Premium: \$0.00 MI Coverage: 0%  
First Payment Date at Origination: 11/1/2006  
Original Term (in Months): 360  
Next Reset Rate (if any): 3.125%  
LTV at Origination: 80.00%  
Current Monthly P&I Payment: \$1,502.13  
Current Interest Rate: 3.125%**INCOME and NON-SUBJECT PROPERTY EXPENSES**Monthly Gross Income: \$4,350.00  
Residence Expense (if not Subject Loan): \$1,800.00

Monthly Expenses (excluding target loan): \$2,647.87

**DELINQUENCY STATUS, HARDSHIP & MOTIVATION**Delinquency Classification: Notice of Default (NOD)  
Current Months Past Due: 13  
Delinq. Interest (Capitalized): \$19,527.69Reason for Default: Curtailment of income  
Max Months Past Due (Last 12 Months): 12  
Delinq. Taxes/Insurances/Dues (Capitalized): \$0.00**PREVIOUS HAMP MODIFICATION INFORMATION**Modification Status (HAMP):  
Modification Status (Non-HAMP):Previous Modification P&I Payment: \$0.00  
Modification Date:**REQUESTED OVERRIDES****SERVICER/INVESTOR PARAMETERS**Investor Risk Premium: 0.000%  
MI Partial Claim Amount: \$0.00  
Escrow/Advances (Capitalized): \$0.00PMMS Rate Used/Override: 4.210%  
GSE Allowed Fees (Capitalized): \$0.00  
Investor Paid Mod Fees: \$0.00**HAMP TIER 2 OVERRIDES**Tier 2 Minimum Interest Rate: 0.000%  
Tier 2 Low DTI: 25.000%  
Tier 2 Max Forbearance Amount: \$0.00Tier 2 Maximum Term: 0  
Tier 2 High DTI: 42.000%  
Tier 2 Max Forgiveness Amount: \$0.00**FLEXMOD OVERRIDES**FlexMod Minimum Interest Rate: 0.000%  
FlexMod Max Forbearance Amount:FlexMod Max Term:  
Max Acceptable Post MOD DTI: 0.000%**SHORT SALE OVERRIDES**Monthly Partial Payment:  
Subordinate Lien Release Amount:

Relocation Assistance:

## NPV INPUT DATA FIELDS AND VALUES

Input Data Fields	Explanation	Value used in NPV calculation to determine the HAMP eligibility of your mortgage
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### I. Borrower Information

1. Current Borrower Credit Score	This field identifies your credit score as provided by one or more of the three national credit reporting agencies.	0
2. Current Co-borrower Credit Score	If a co-borrower is listed on the mortgage, this field identifies the co-borrower's credit score as provided by one or more of the three national credit reporting agencies.	0
3. Monthly Gross Income	This field identifies the monthly gross income of all borrowers on your loan before any payroll deductions or taxes.	\$4,350.00
4. Principal Residence Total Housing Expense	This field only applies if your application for a HAMP modification is for a property that is not your principal residence.  This field identifies the amount of the total monthly housing expense (i.e., principal, interest, taxes, insurance and association fees, if any) for your principal residence, and the principal residence(s) of any co-borrower(s).	\$1,800.00

### II. Property Information

5. Property - State	This field identifies the two letter state code of the property securing the mortgage for which you are applying for a HAMP modification.	OR
6. Property - Zip Code	This field identifies the zip code of the property securing the mortgage for which you are applying for a HAMP modification.	97439
7. Property Value	This field identifies the estimated fair market value of the property for which you are applying for a HAMP modification that was used for this analysis.	\$196,000.00
8. Property Valuation Type	This field identifies the method by which the property for which you are applying for a HAMP modification was valued (as noted in Field 7, Property Value) 1 - Automated Valuation Model (AVM) 2 - Exterior Broker Price Opinion (BPO) / Appraisal (as is value) 3 - Interior BPO / Appraisal (as is value)	AVM - Other
9. Occupancy	This field uses codes to identify the occupancy of the property for which you are applying for a HAMP modification.  The servicer will for owner-occupied properties use a code of 1, 3 or 4 and for non-owner-occupied properties will use a code of 2.	Investment Property
10. Property - Monthly Gross Rental Income	This field only applies if your application for a HAMP modification is for a property that is not your principal residence.  This field identifies the monthly gross rental income from the property for which you are applying for a HAMP modification.	\$0.00

Input Data Fields	Explanation	Value used in NPV calculation to determine the HAMP eligibility of your mortgage
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### III. Mortgage Information

11. Data Collection Date	This field identifies the date on which the Unpaid Principal Balance and other data used in the NPV analysis was collected by us.	5/13/2014
12. Imminent Default Flag	This field indicates your default status as of the Data Collection Date. If you have not missed any payments or less than two payments are due and unpaid by the end of the month in which they are due, you are considered to be in imminent default	Notice of Default (NOD)
13. Investor	This field identifies the owner of the mortgage for which you are applying for a HAMP modification.	
14. Unpaid Principal Balance at Origination	This field identifies the amount of the mortgage for which you are applying for a HAMP modification at the time it was originated (i.e., the amount you borrowed).	\$280,000.00
15. First Payment Date at Origination	This field identifies the date the first payment on the mortgage for which you are applying for a HAMP modification was due after it was originated.	11/1/2006
16. Product Before Modification	This field identifies the type of mortgage you held prior to your most recent application for a HAMP modification:	ARM
17. Adjustable Rate Mortgage (ARM) Reset Date	This field applies only if the type of mortgage you held prior to your most recent application for a HAMP modification is an Adjustable Rate Mortgage (ARM) loan.  This field identifies the date on which the next Adjustable Rate Mortgage (ARM) reset was due to occur, as of the Data Collection Date.	5/25/2014
18. Next Adjustable Rate Mortgage (ARM) Reset Rate	This field identifies the rate at which your mortgage was expected to change based on when the next Reset Date is scheduled to occur. Please look to your mortgage loan documentation for information on how your mortgage's rate is recalculated at its reset date.	3.125%
19. Unpaid Principal Balance Before Modification	This field identifies the unpaid amount of principal (money you borrowed) on the mortgage for which you are applying for a HAMP modification as of the Data Collection Date. It does not include any unpaid interest or other amounts that you may owe.	\$309,699.17
20. Interest Rate Before Modification	This field identifies the interest rate on the mortgage for which you are applying for a HAMP modification as of the Data Collection Date. Please look to your mortgage loan documentation (including any permanent modification documentation if previously modified) for information on the interest rate of you mortgage.	3.125%
21. Remaining Term (# of Payment Months Remaining)	(This is actually a calculated field which uses the entered Original Loan Terms and the Data Collection Date.) It identifies the remaining number of months you have left to pay under the original term of the mortgage for which you are applying for a HAMP modification as of the Data Collection Date.	269



Input Data Fields	Explanation	Value used in NPV calculation to determine the HAMP eligibility of your mortgage
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### III. Mortgage Information (continued)

22. Principal and Interest Payment Before Modification	<p>This field is the amount of principal and interest you were scheduled to pay each month as of the Data Collection Date. (If you had a prior HAMP trial period plan or HAMP permanent modification, the value in this field is the HAMP payment.) Otherwise:</p> <p>A. If your loan had an adjustable rate scheduled to reset within 120 days, this field will reflect the principal and interest payment associated with the new interest rate.</p> <p>B. If your loan had an adjustable rate scheduled to reset after 120 days, this field will reflect the current scheduled monthly mortgage payment and the note interest rate in effect at the time of evaluation.</p> <p>C. If your mortgage is an Interest Only loan and your loan was in the interest only period, the value in this field is the interest payment that was due each month.</p> <p>D. If your mortgage is a negative-amortization loan, the value in this field is the greater of: (a) the principal and interest payment you sent on the most recent payment date; or (b) the minimum payment required on your loan.</p>	\$1,502.13
23. Monthly Real Estate Taxes	This field identifies the monthly cost of your real estate taxes. If your taxes are paid annually this amount will be 1/12th of the annual cost.	\$249.64
24. Monthly Hazard and Flood Insurance	This field identifies the monthly cost of your hazard and flood insurance coverage. If your insurance is paid annually this amount will be 1/12th of the annual cost.	\$80.00
25. Homeowners Association Dues/Fees	This field identifies your monthly homeowner's or condominium association fee payments, if any, and/or any future monthly escrow shortages. If your homeowner's or condominium association fee payments are paid annually, this will be 1/12th of the annual cost. If your property has no association fee payments and/or any future monthly escrow shortages, this field is blank.	\$0.00
26. Months Past Due	This field identifies the number of mortgage payments you would have had to make in order to make your mortgage current, as of the Data Collection Date.	13
27. Mortgage Insurance Coverage Percent	This field identifies the percentage of private mortgage insurance coverage on the mortgage for which you are applying for a HAMP modification. If you do not have private mortgage insurance this field is blank.	0%



## VARIOUS CALCULATION ASSUMPTIONS & SUPPORTING INFORMATION

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The information submitted for this analysis was not independently verified. All user-supplied terms for the loan (including First Paid Date, Original Loan Term, Current UPB, Interest Rate, Monthly P&I Payment, etc.) were used for the various models in this analysis. If a particular model required a credit score for a borrower and/or a co-borrower and one was not provided, a proxy credit score of 557 was used as appropriate in the analytics.

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**Third Party Property Value used in this Analysis: \$196,000.00**

The Estimated Property Value is a key component used in all of the models and analytics contained in this report. Independent, third-party Automated Valuation(s) are obtained from industry-recognized sources to determine the property's current estimated market value. (A copy of a corresponding AVM Report, Broker Price Opinion, or an Estimated Property Value / NPV Break-Even Report which analyzes the impact of using various property valuations, should accompany this analysis.)

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**User Supplied Property Value (Override): \$0.00**

Certain values in the models used in this analysis can be overridden by user-supplied information. For example, users may submit their own Estimated Property Value for decisioning or use a servicer's Estimated Property Value. If provided, these User-Supplied Values will over-ride any third-party valuation(s) automatically obtained for this report.

Investor guidelines or applicable laws can also place certain restrictions on loan workout parameters such as: Minimum Interest Rate allowed, Maximum Term, Maximum Forbearance or Forgiveness Amounts, or Minimum or Maximum Debt to Income limits. If supplied, these override values will supercede the default program parameters used in these analytics. Please refer to the Parameters and Overrides listed on the Information Submitted for Analysis section of this report for any supplied override values.

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**The PMMS rate used in this analysis was: 4.210%**

Freddie Mac's Primary Mortgage Market Survey (PMMS) rate (as of this report's analysis date) was used in many of the models and calculations in this report unless a user supplied PMMS override value was provided.

Servicers can also specify a discount rate risk premium greater than the PMMS rate for non-GSE loans. If an investor discount rate risk premium is provided it is also factored in with the appropriate PMMS rate or the user-supplied PMMS override value.

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The Treasury's most recent exact HAMP NPV Models are currently only to be made available to participating/certified HAMP servicers. For this reason, the models used in this analysis include proprietary variations. Although these analytics are therefore proprietary models, based on the input provided, the HAMP Loan Modification Terms proposed in this report for the various HAMP models still adhere to the publicly available HAMP guidelines and NPV calculations.

The following variables delineate some of the back-end factors/values that were used, or may have been adjusted, for the proprietary calculations in this specific analysis: The AVM Model/Valuation used (GSE vs. Third-Party Sourced or User-Supplied), REO Discounts that are applied to the AVM Values, FHFA Historical and Projected Home Price Index, Projected Foreclosure and REO Disposition Timelines and Costs, Home Price Decline Protection Incentives and certain aspects of HAMP's estimated Probabilities of Default.

### ÿ NO MOD DEFAULT NPV FOR FORECLOSURE PROJECTIONS

According to the HAMP models, one typically compares the NPV of the Loan Modification (MOD NPV) to the NPV of the loan not being modified (NO MOD NPV). The NO MOD NPV is a combination of the loan curing (NO MOD CURE NPV) and the loan defaulting and/or proceeding into foreclosure (NO MOD DEFAULT NPV). This is most applicable when the servicer is evaluating the loan for potential loan MOD and NO MOD scenarios.

However, if the borrower is already seriously delinquent and has a sustained financial hardship that prevents him/her from making the required payments that would enable the loan to cure, it is almost certain that the loan will proceed into foreclosure. The NO MOD DEFAULT NPV is therefore a much more valid projection of the foreclosure scenario and is presented alongside the typical NO MOD NPV throughout this analysis. Please refer to the Foreclosure section in this report for more information.

ANALYSIS  
SUMMARY

SUMMARY OF FINDINGS

CURRENT LOAN TERMS

			UPB	Term	Rate	Monthly Payment			
			\$309,699	269	3.125 %	\$1,551.76			

LOAN WORKOUT OPTIONS

QUALIFYING

Workout Option	Forgiven Principal	Forborne Principal	New New UPB	Term	New Rate	New Payment	NPV MOD	NPV NO MOD DEFAULT	NPV NO MOD
FlexMod Rate/Term	\$0	\$0	\$329,227	464	2.000 %	\$1,019.47	\$166,126	\$124,198	\$131,161
FlexMod Term/Rate	\$0	\$0	\$329,227	480	2.250 %	\$1,040.83	\$166,321	\$124,198	\$131,161

INELIGIBLE

Workout Option	Loan Workout Failure Reason
HAMP Tier 1 PRA	Loan failed one or more HAMP eligibility checks.
HAMP Tier 1 Standard	Loan failed one or more HAMP eligibility checks.
HAMP Tier 2 PRA	The post modification DTI should be in the range 25.00 % to 42.00 %.The DTI achieved through various modification steps is 74.00 %.
HAMP Tier 2 Standard	The post modification DTI should be in the range 25.00 % to 42.00 %.The DTI achieved through various modification steps is 74.00 %.

(Since loan disposition alternatives can fail for a variety of often interdependent reasons, not ALL of the failure reasons may be listed above.)

SHORT SALE ALTERNATIVE(S)

Short Sale Model	Analysis Result	Minimum Required Sale Price	Max Allowable Closing Costs	Minimum Required Net Proceeds	Partial Monthly Payment	Borrower Relocation Assistance	Subordinate Lien Release Reimbursement	NPV of Short Sale
HAFA Short Sale	Pass	\$176,400	\$14,112	\$162,288	\$1,019	\$3,000	\$8,500	\$164,292
Generic Short Sale	Pass	\$176,400	\$14,112	\$162,288	\$1,019	\$0	\$0	\$165,590

Short Sale Failure Reasons

FORECLOSURE

- Ž The Projected Foreclosure Time and REO Hold Time is about: **25 months** (from Last Paid Date) Ž  
The Projected Disposition Date is around: **May, 2015**
- Ž The Projected Home Price on the Disposition Date is: **\$199,179** (101.62 % of the Estimated Current Market Value)
- Ž The projected NPV of the loan Not being Modified (NO MOD), taking into consideration both the probabilities of Curing (becoming current on the loan) and Defaulting (proceeding to Foreclosure) is: **\$131,161.01** (This is the NPV that HAMP typically compares to the NPV's of the Loan Modification Options.)
- Ž If one assumes that if the loan is not modified that it will definitely result in a Foreclosure (Probability of Foreclosure is 100% and the Probability of Cure is 0%), the more accurate NPV to use for the Foreclosure NPV is the NO MOD DEFAULT scenario: **\$124,197.56**

## VALUATIONS USED IN THIS REPORT

### PROPERTY'S CURRENT MARKET VALUE:

The Supplied Current Market Value Estimate for the subject property, provided by the Home Owner, Real Estate Agent, Appraiser or Financial Institution is **\$196,000**. Based only on this valuation and the supplied Current Unpaid Principal Balance of **\$309,699** the amount of equity estimated to be in the home is **(\$113,699)**. (This is not taking into account any other subordinate financing.)

*Please Note: The Supplied Current Market Value Estimate overrides any other valuations that were automatically obtained as part of this report and it is used for all of the applicable calculations in this analysis. (Please utilize a comprehensive REST Loan Disposition Analysis Report to understand how various property valuations impact the eligibility and financial viability of different foreclosure alternatives.)*

In addition to any user-supplied Estimated Property Value, the following valuations (models) were considered in this analysis/report.

Model Name	Estimated Value	Confidence Score	Low Value	High Value
<a href="#">CMV Express</a>	\$196,000	87	\$179,000	\$213,000
REST Composite	\$208,400			
<a href="#">iVal Express</a>	\$222,000	79	\$204,000	\$240,000

(Clicking on the Model Name hyperlink in the table above will open a copy of the model's valuation report, if available.)

The Automated Valuation Models (AVM) selected for the subject property in this analysis use some of the most advanced AVM metrics for hit rate and accuracy. (These are provided by independent third-party Automated Property Valuation providers.)

Various AVM models are considered for specific types of analytics and include valuations from providers and models such as:

Provider	Model	Definition
LPS	ValueSure	ValueSure™ utilizes more than 20 years of historical property data and sales information resulting in superior geographic coverage and data depth. ValueSure™ information is updated continuously, giving very current data at all times.
LPS	SiteXValue	SiteX Value Reports are based on a database compiled from tax assessor, deed and mortgage data from over 1,200 counties, representing more than 80 percent of the nation's property ownership records. SiteXValue incorporates a dynamic multi-discipline hybrid that uses five different models in its calculations. It also features built-in review algorithms to help assure accurate estimates.
Fiserv	CASA	CASA leverages multiple, market-specific analytic approaches to quickly deliver objective and reliable home values in real time.
Real-Info	i-Val	The i-Val Report takes advantage of the Real-Info database through a rules-based, expert systems model to instantly arrive at a predicted market value for a particular residential property using indexed and hedonic methodologies.
Real-Info	realAssessment	The realAssessment™ Report provides estimated values based on assessed values and computer analyzed and calculated equalization rates.
Veros	VeroValue	VeroVALUE is a state-of-the-art AVM used for residential property valuation. Veros has combined the reliability of real estate fundamentals with the power of proprietary advanced predictive technologies resulting in highly accurate valuations.
Relar	RELAR	The Real Estate Liquidity Analysis Report is designed to determine the likely selling price and the amount of time required to sell an individual piece of residential real estate.
Dataquick	CMV	Collateral Market Value applies cutting-edge analytics, geo-statistical formulas, and advanced algorithms combined with multiple data sources to provide fast, accurate property valuations nationwide.

HAMP TIER 1

## ELIGIBILITY CHECK FOR HAMP TIER 1

The Checklist for Getting Started and Participating in HAMP for Non-GSE loans (as outlined in the Fannie Making Home Affordable Program) outlines the steps to be followed when considering the borrower(s) as potential candidates for HAMP and other government programs.

An Initial Review of the Borrower(s)' Financial Condition has been conducted and their eligibility for a Home Affordable Modification Program (HAMP) has been evaluated based on the information provided. The checklist and analysis results are outlined below.

### 1. CHECK THE BORROWER(S)' DEFAULT SITUATION

Borrowers can qualify for HAMP if they are already in default or if they are current on their mortgage obligations and claim an eligible financial hardship. 'Current' Borrowers who wish to apply for HAMP should be screened for imminent default using industry standards. Some eligible financial hardships include:

- Insufficient income
- An increase in living expenses
- Excessive monthly debt obligations/payments and/or overextension with creditors
- Changes in overall household financial circumstances
- Lack of sufficient cash reserves to make mortgage payments & pay for basic living expenses

### 2. CHECK BASIC HAMP TIER 1 QUALIFYING REQUIREMENTS

The submitted information was analyzed to determine whether the loan and borrower(s)' information met additional HAMP qualifying requirements:

Data Collection Date Check	Analysis Date (05/13/2014) must be within 90 days from the Data Collection Date (05/13/2014). Analysis Date is 0 days from Data Collection Date.	Pass
Origination Date Check	Loan must have been originated between 1/1/1960 and 1/1/2009. This loan was originated on 09/14/2006.	Pass
First Payment Date Check	Loan First Payment Date must be between 1/1/1960 and 03/01/2009. The First Payment Date is 11/01/2006.	Pass
Property Type Check	Property Type 'Planned Unit Development' is eligible.	Pass
UPB Limit Check	UPB of \$309,699.17 is within the UPB limit of \$729,750.00 for the number of units (1) of the current property type 'Planned Unit Development'.	Pass
Previous HAMP Modification Check	The loan must not have been modified under HAMP previously. This loan has not been previously modified under HAMP.	Pass
Residence Check	The property must be the primary residence of the borrower. The property is Investment Property.	Fail
Property Condition Check	Condemned and/or Uninhabitable properties are not eligible for HAMP. The property is 'Good'.	Pass
Debt to Income Ratio (DTI) Check	DTI before modification must be greater than the target DTI of 31.00 %. The DTI is 42.11 %.	Pass
Borrower Intent Check	Not eligible for HAMP modification if the Borrower Intent is Short Sale or Deed-in-Lieu. The Borrower Intent is 'Undecided'.	Pass
Mortgage Type Check	Rural mortgage type not eligible for HAMP. The current mortgage type is Conventional wo PMI.	Pass
Investor Check	Loans with Investor FHLB not eligible for HAMP. The current Investor is .	Pass
PI Affordability Check	The monthly Taxes, Insurances and Association Dues (TIA) must be less than 31% of the Monthly Gross Income. The TIA is 7.58 % of the Monthly Gross Income.	Pass

HAMP TIER 1 STANDARD WATERFALL

This loan does not pass the Basic Hamp Qualifying Requirements, and is not eligible for the HAMP Standard Modification.

HAMP TIER 1 STANDARD - RESULTS

Result	Forgiven Principal	Forborne Principal	New Balance	New Term	New Rate	New Payment	NPV MOD	NPV NO MOD DEFAULT	NPV NOMOD
Fail	\$0	\$0	\$0	0	0.000 %	\$0.00			

Failure Reasons (if any)

Loan failed one or more HAMP eligibility checks.



## HAMP TIER 1 PRINCIPAL REDUCTION ALTERNATIVE (PRA) WATERFALL

### ABOUT THE HAMP TIER 1 PRINCIPAL REDUCTION ALTERNATIVE (PRA)

The Principal Reduction Alternative (PRA) of the Making Home Affordable (MHA) program provides additional flexibility to offer relief to borrowers whose homes are worth significantly less than the remaining amounts owed on their first lien mortgage.

Servicers are required to simultaneously evaluate the Net Present Values (NPV) of loans with mark-to-market loan to value (MTMLTV) ratios of greater than 115% using both the HAMP TIER 1 STANDARD waterfall and a HAMP TIER 1 Principal Reduction Alternative (PRA) waterfall.

The primary purpose of the Principal Reduction Alternative (PRA) modification waterfall analysis is to determine whether reducing the principal on a mortgage loan with a mark-to-market LTV ratio greater than 115 percent will produce a positive NPV result (where the NPV of the Loan Modification is greater than the NPV of the loan going into Foreclosure).

Although servicers are only required to evaluate loans that are being considered for HAMP TIER 1 with a mark-to-market LTV ratio greater than 115 percent for PRA, servicers may also evaluate loans with a lower mark-to-market LTV ratio using the HAMP TIER 1 Principal Reduction Alternative (PRA) modification waterfall.

If the NPV result for the proposed modification generated by applying the Standard Waterfall is positive, servicers must modify the loan. If the NPV result for the proposed modification generated by applying the Alternative Waterfall is positive, at the present time, servicers are only encouraged but are not required, to perform a HAMP loan modification utilizing principal reduction, even in instances where the NPV result from the Standard Waterfall is negative or is less than the NPV result generated by application of the Alternative Waterfall.

Although servicers may, forgive principal either up front or on a deferred basis under the Principal Reduction Alternative to achieve the borrower's affordable monthly mortgage payment ratio, there is no requirement for them to forgive any principal under current HAMP guidelines.

**NOTE: The HAMP TIER 1 Principal Reduction Alternative (PRA) model used in this analysis will evaluate all loans with initial mark-to-market LTV (MTMLTV) ratios of 115% or greater (with Positive OR Negative Standard Waterfall NPV results).**

### Ž CHECK FOR BASIC HAMP QUALIFYING REQUIREMENTS

The submitted information was analyzed to determine whether the loan and borrower(s)' information met HAMP Tier 1 qualifying requirements and additional PRA qualifying requirements:

HAMP Eligibility Check	Loan failed one or more HAMP eligibility checks.	Fail
Investor Eligibility Check	Loans owned or guaranteed by GSE's are not eligible for PRA. This loan is owned by	Pass

HAMP TIER 1 PRA RESULTS

HAMP TIER 1 PRA - RESULTS

Result	Forgiven Principal	Forborne Principal	New Balance	New Term	New Rate	New Payment	NPV MOD	NPV NO MOD DEFAULT	NPV NOMOD
Fail	\$0	\$0	\$0	0	0.000 %	\$0.00			

Failure Reasons (if any)

Loan failed one or more HAMP eligibility checks.

HAMP TIER 2

## HAMP TIER 2

### ABOUT HAMP TIER 2

In 2012, the Making Home Affordable (MHA) Program announced the Making Home Affordable Program - MHA Extension and Expansion. (See Supplemental Directives 12-02 from March 9th, 2012 and 12-03 from April 17th, 2012 for more information.)

The HAMP Program was updated to include a new "HAMP Tier 2" which expanded the eligibility criteria. Additional homeowners/loans may now be eligible for loan modifications:

- Rental properties occupied by a tenant or available for rent on a year-round basis
- The borrower was evaluated for HAMP Tier 1 but initially did not meet the minimum eligibility criteria. Since that time, the borrower's circumstances have changed such that eligibility criteria may now be met
- Loans that were denied a HAMP Tier 1 modification because they had excessive forbearance or resulted in borrowers having a front-end debt-to-income (DTI) under 31%
- Loans that were denied a HAMP Tier 1 modification because the results were NPV negative
- Homeowners who did not successfully complete a HAMP trial or maintain a HAMP permanent modification

In addition:

- As of February 1, 2013, the borrower's post-modification DTI must be between 10% and 55% (Expanded Acceptable DTI Range). Servicers also have the flexibility to select a DTI range suitable for their portfolio. (See Supplemental Directive 12-09 for more information). If any Servicer DTI overrides were supplied, they were used in these analytics.
- For Fixed loans, the modified monthly P&I payment must represent a reduction of at least 10 percent compared to the pre-modification monthly P&I payment in effect at the time of consideration for HAMP Tier 2.
- If the loan previously received a HAMP Tier 1 trial period plan but there was a default thereunder, the servicer must verify that the borrower's HAMP Tier 2 post-modification P&I payment is at least 10 percent less than the monthly P&I payment that was payable under the HAMP Tier 1 trial period plan.

Please note: The guidance applies to all servicers participating in the HAMP program. It does not apply to mortgage loans that are owned or guaranteed by Fannie Mae or Freddie Mac, insured or guaranteed by the Veterans Administration or insured or guaranteed by the Department of Agriculture's Rural Housing Service (RHS) or the Federal Housing Administration (FHA). Some investors may also not be participating in HAMP or have other restrictions such as a total prohibition on modification of rental properties or a prohibition on converting the loan to a fixed interest rate.

### EVALUATING FOR HAMP TIER 1 AND TIER 2

According to the Supplemental Directives referenced above and subject to investor guidance:

- If the loan is NPV positive for HAMP Tier 1 under the standard modification waterfall, a HAMP Tier 1 trial period plan must be offered to the borrower regardless of the HAMP Tier 2 NPV Result
- If the loan is NPV negative for HAMP Tier 1 under the standard modification waterfall and the investor has authorized a different threshold, the servicer may offer the borrower a HAMP Tier 1 trial period plan.
- If the borrower is not offered a HAMP Tier 1 trial period plan and is NPV positive under the HAMP Tier 2 standard modification waterfall, the borrower must be offered a HAMP Tier 2 trial period plan
- If the borrower is NPV negative for the HAMP Tier 2 standard modification waterfall, the servicer may, based on investor guidance, offer a HAMP Tier 2 trial period plan or must consider the borrower for other available loss mitigation options including HAFA.

### CALCULATING MONTHLY GROSS INCOME & HOUSING EXPENSES FOR RENTAL PROPERTIES

With respect to a loan secured by a rental property, the servicer will add net income from the subject rental property to the borrower's gross income from all other sources (including rental income from other rental properties) to calculate gross monthly income. Positive net cash flow from the property under evaluation must be added to the borrower's gross monthly income for purposes of calculating the post modification housing expense-to-income ratio. Negative net cash flow from the property under evaluation must be added to the borrower's primary residency expense.

Note: The net cash flow for the property under evaluation will be calculated as 75% of the monthly gross rental income, reduced by the monthly housing expense of the property under evaluation. The 75% factor is to account for vacancy loss and maintenance expenses.

## ELIGIBILITY CHECK FOR HAMP TIER 2

The submitted information was analyzed to determine whether the loan and borrower(s) information met the basic HAMP Tier 2 qualifying requirements:

Data Collection Date Check	Analysis Date (05/13/2014) must be within 90 days from the Data Collection Date (05/13/2014). Analysis Date is 0 days from Data Collection Date.	Pass
Origination Date Check	Loan must have been originated between 1/1/1960 and 1/1/2009. This loan was originated on 09/14/2006.	Pass
Investor Eligibility Check	Loans owned or guaranteed by GSE's are not eligible for Tier 2. This loan is owned by	Pass
Pre-Modification DTI Check	The Current DTI (prior to modification) must not be less than the Acceptable Post-Mod DTI Lower Limit. The DTI prior to modification of this loan is 83.49 % which is not less than the Acceptable Post-Mod DTI Lower Limit of 25.00 %	Pass
First Payment Date Check	Loan First Payment Date must be between 1/1/1960 and 03/01/2009. The First Payment Date is 11/01/2006.	Pass
Property Type Check	Property Type 'Planned Unit Development' is eligible.	Pass
UPB Limit Check	UPB of \$309,699.17 is within the UPB limit of \$729,750.00 for the number of units (1) of the current property type 'Planned Unit Development'.	Pass
Rental/Delinquency Check	For rental property, the borrower must be 2+ months delinquent. The property is Investment Property and the delinquency status is Notice of Default (NOD).	Pass
Property Condition Check	Condemned and/or Uninhabitable properties are not eligible for HAMP. The property is 'Good'.	Pass
Borrower Intent Check	Not eligible for HAMP modification if the Borrower Intent is Short Sale or Deed-in-Lieu. The Borrower Intent is 'Undecided'.	Pass
Mortgage Type Check	Rural mortgage type not eligible for HAMP. The current mortgage type is Conventional wo PMI.	Pass

**HAMP TIER 2 STANDARD WATERFALL**

The following modification steps were performed to determine a qualifying HAMP Tier 2 Standard Target Monthly Mortgage P&I Payment:

**1. CAPITALIZATION**

Accrued interest, out-of-pocket escrow advances to third parties, and any required escrow advances that will be paid to third parties by the servicer during the trial period plan as well those servicing advances that are made for costs and expenses incurred in performing servicing obligations are capitalized

**2. INTEREST RATE ADJUSTMENT**

Using the NPV 5.0 model, the interest rate is adjusted to the current "Tier 2 Rate", which is a fixed-rate based on the weekly Freddie Mac Primary Mortgage Market Survey (PMMS) Rate for 30-year fixed rate conforming loans, rounded up to the nearest 0.125 percent plus a risk adjustment expressed in basis points (currently 50 basis points).

**3. TERM EXTENSION**

Using the NPV 5.0 model, the term is extended and the mortgage is re-amortized over 480 months

**4. PRINCIPAL FORBEARANCE**

If the loan's pre-modification mark-to-market loan to value (MTMLTV) ratio is greater than 115 percent, NPV 5.0 calculates principal forbearance in an amount equal to the lesser of

- an amount that would create a post-modification mark-to-market LTV ratio of 115 percent using the interest bearing principal balance or
- an amount equal to 30% of the post-modified UPB of the mortgage loan (inclusive of capitalized arrearages)

**\* APPLY ANY USER, INVESTOR, or SERVICER OVERRIDES**

Any submitted Tier 2 specific overrides were applied as appropriate in the HAMP TIER 2 Waterfalls and Models:

Tier 2 Minimum Interest Rate: 0.000%	Tier 2 Maximum Term: 0
Tier 2 Max Forbearance Amount: \$0.00	Tier 2 Max Forgiveness Amount: \$0.00
Tier 2 Minimum DTI: 25.00%	Tier 2 Maximum DTI: 42.00%

**HAMP TIER 2 STANDARD WATERFALL STEPS PERFORMED**

Step 1 Capitalization	First, capitalize any reported accrued arrearages, interest, escrow advances and acceptable servicing advances to third parties, adding them in to obtain a new starting loan balance.	Performed	Delinquent interest \$19,527.69, Delinquent TIA \$0.00, GSE Allowed Mod Fees \$0.00 and Escrow Advances \$0.00 added to the current unpaid balance of \$309,699.17 resulting in a modified balance of \$329,226.86.
Step 2 Rate Adjustment	Set the interest rate to the current Tier 2 Rate by rounding the PMMS rate up to the nearest 0.125% and adding any Risk Adjustment.	Performed	Interest rate adjusted to the current Tier 2 Rate (4.750 %) by rounding the PMMS rate (4.210 %) up to the nearest 0.125% and adding the Risk Adjustment (0.500 %).
Step 3 Term Extension	Set the mortgage term to the current Tier 2 term extension limit.	Performed	Remaining term of 269 months is extended to Term extension limit of 480.
Step 4 Principal Forbearance	Forbear a portion of the principal (equal to the lesser of 30% of the capitalized UPB or an amount needed to achieve 115% MTMLTV) into an interest free balloon amount.	Performed	Interest bearing principal balance reduced to \$230,458.80 by forbearing \$98,768.06 (equal to the lesser of 30% UPB (\$98,768.06) and an amount (\$103,826.86) that would create a 115% MTMLTV).

HAMP TIER 2 STANDARD RESULTS

PROPOSED (QUALIFYING) MODIFICATION TERMS

The Modification Terms proposed below would qualify under the HAMP TIER 2 STANDARD Rate Reduction, Term Extension and Principal Forbearance guidelines listed above.

NEW LOAN BALANCE:	\$230,458.80
NEW INTEREST RATE:	4.750 %
NEW PROPOSED TERM:	480
NEW PAYMENT:	\$1,073.38

ADDITIONAL TESTS

In addition to performing the Tier 2 Standard Waterfall Steps listed above, the following tests were also conducted:

Ž 139 7(67 5(68/7 POSITIVE

The loan was evaluated using a Net Present Value (NPV) test that compared the expected economic outcome of the loan WITH the proposed loan modification terms to the NPV of the loan WITHOUT the proposed loan modification terms. This is an additional and critical step to determining whether the borrower is eligible under the Home Affordable Modification Program (HAMP).

A Positive NPV Test Result means the economic results are expected to be greater WITH a modification than without, in which case the Home Affordable Modification Program (HAMP) must be pursued. When WaterFall Passes and NPV Results are Negative, the servicer needs to seek approval from the Investor before proceeding.

- The projected NPV WITH the proposed Loan Modification (NPV MOD) is:
- The projected NPV WITHOUT the proposed Loan Modification (NPV NO MOD) is:

HAMP TIER 2 STANDARD - RESULTS

Result	Forgiven Principal	Forborne Principal	New Balance	New Term	New Rate	New Payment	NPV MOD	NPV NO MOD DEFAULT	NPV NOMOD
Fail	\$0	\$98,768	\$230,459	480	4.750 %	\$1,073.38			
Failure Reasons (if any)									
The post modification DTI should be in the range 25.00 % to 42.00 %.The DTI achieved through various modification steps is 74.00 %.									



HAMP TIER 2 PRA ELIGIBILITY CHECK

The submitted information was analyzed to determine whether the loan and borrower(s) information met the basic HAMP Tier 2 qualifying requirements and additional PRA qualifying requirements:

<b>Investor Eligibility Check</b>	Loans owned or guaranteed by GSE's are not eligible for PRA. This loan is owned by	<b>Pass</b>
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Ž HAMP TIER 2 PRA THRESHOLD TEST (FOR MTMLTV of 115% OR GREATER)

The Estimated Property Value used for this analysis (either Third-Party or User-Supplied Override): **\$196,000.00**  
 The pre-modification Unpaid Principal Balance (UPB), including any capitalized amounts, is: **\$329,226.86**  
 The pre-modification mark-to-market LTV ratio is: **167.97 %**  
 The HAMP TIER 2 Principal Reduction Alternative evaluation is **REQUIRED** for this loan.

HAMP TIER 2 PRA WATERFALL

TIER 2 PRA WATERFALL STEPS (if eligible)

Under HAMP Tier 2, the NPV model will evaluate any mortgage loan with a pre-modification mark-to-market LTV ratio greater than 115 percent using both the HAMP Tier 2 STANDARD modification waterfall and the HAMP Tier 2 ALTERNATIVE (PRA) modification waterfall that includes a principal reduction down to the lesser of:

- an amount that would create a post modification mark-to-market LTV ratio of 115 percent using the interest bearing principal balance or
- 30 percent of the post-modified UPB (inclusive of arrearages)

\* APPLY ANY USER, INVESTOR, or SERVICER OVERRIDES

In addition to any general User, Servicer or Investor supplied parameters (please refer to the Information Submitted for Analysis for more detail), the following Tier 2 specific overrides were submitted and applied as appropriate in the HAMP TIER 2 Waterfalls and Models:

Tier 2 Minimum Interest Rate: 0.000%	Tier 2 Maximum Term: 0
Tier 2 Max Forbearance Amount: \$0.00	Tier 2 Max Forgiveness Amount: \$0.00
Tier 2 Minimum DTI: 25.00%	Tier 2 Maximum DTI: 42.00%

HAMP TIER 2 PRA WATERFALL STEPS PERFORMED

<b>Step 1 Capitalization</b>	First, capitalize any reported accrued arrearages, interest, escrow advances and acceptable servicing advances to third parties, adding them in to obtain a new starting loan balance.	<b>Performed</b>	Delinquent interest \$19,527.69, Delinquent TIA \$0.00, GSE Allowed Mod Fees \$0.00 and Escrow Advances \$0.00 added to the current unpaid balance of \$309,699.17 resulting in a modified balance of \$329,226.86.
<b>Step 2 Rate Adjustment</b>	Set the interest rate to the current Tier 2 Rate by rounding the PMMS rate up to the nearest 0.125% and adding any Risk Adjustment.	<b>Performed</b>	Interest rate adjusted to the current Tier 2 Rate (4.750 % by rounding the PMMS rate (4.210 %) up to the nearest 0.125% and adding the Risk Adjustment (0.500 %).
<b>Step 3 Term Extension</b>	Set the mortgage term to the current Tier 2 term extension limit.	<b>Performed</b>	Remaining term of 269 months is extended to Term extension limit of 480.
<b>Step 4 Principal Reduction</b>	Forgive a portion of the principal (equal to the lesser of 30% of the capitalized UPB or an amount needed to achieve 115% MTMLTV) into an interest free balloon amount.	<b>Performed</b>	Interest bearing principal balance reduced to \$230,458.80 by forgiving \$98,768.06 (equal to the lesser of 30% UPB (\$98,768.06 and an amount (\$103,826.86) that would create a 115% MTMLTV.

HAMP TIER 2 PRA RESULTS

PROPOSED (QUALIFYING) MODIFICATION TERMS

The Modification Terms proposed below would qualify under the HAMP TIER 2 PRA Waterfall Steps for Rate Reduction, Term Extension and Principal Forbearance listed above.

NEW LOAN BALANCE:	\$230,458.80
NEW INTEREST RATE:	4.750 %
NEW PROPOSED TERM:	480
NEW PAYMENT:	\$1,073.38

ADDITIONAL TESTS

In addition to performing the Tier 2 PRA Waterfall Steps listed above, the following tests were also conducted:

Ž 139 7(67 5(68/7 POSITIVE

The loan was evaluated using a Net Present Value (NPV) test that compared the expected economic outcome of the loan WITH the proposed loan modification terms to the NPV of the loan WITHOUT the proposed loan modification terms. This is an additional and critical step to determining whether the borrower is eligible under the Home Affordable Modification Program (HAMP)

A Positive NPV Test Result means the economic results are expected to be greater WITH a modification than without, in which case the Home Affordable Modification Program (HAMP) must be pursued. When WaterFall Passes and NPV Results are Negative, the servicer needs to seek approval from the Investor before proceeding.

- The projected NPV WITH the proposed Loan Modification (NPV MOD) is:
- The projected NPV WITHOUT the proposed Loan Modification (NPV NO MOD) is:

HAMP TIER 2 PRA - RESULTS

Result	Forgiven Principal	Forborne Principal	New Balance	New Term	New Rate	New Payment	NPV MOD	NPV NO MOD DEFAULT	NPV NOMOD
Fail	\$98,768	\$0	\$230,459	480	4.750 %	\$1,073.38			

Failure Reasons (if any)

The post modification DTI should be in the range 25.00 % to 42.00 %.The DTI achieved through various modification steps is 74.00 %.

ADDITIONAL  
LOAN WORKOUTS

**ADDITIONAL LOAN WORKOUTS CONSIDERED**

In addition to evaluating the submitted borrower/loan information for the Treasury's Home Affordable Modification Program (HAMP) and the Home Affordable Foreclosure Alternative (HAFA) Short Sale, additional loan disposition option(s) were considered as part of this analysis.

The HAMP loan modification options are already one of the most lenient and affordable programs currently available in the industry today, but they do have certain eligibility restrictions. Rather than analyzing/presenting additional loan modification alternatives that are either less affordable for borrowers than HAMP, or presenting 'unrealistic' terms that are unlikely to even be considered and/or granted by loan servicers, the option(s) evaluated below were designed to present viable loan modification alternatives for borrowers and/or servicers looking to negotiate/establish mutually beneficial loan workouts.

**FLEX MOD OPTIONS**

The Flex Mod Options (not program names that a servicer would necessarily recognize) are designed to utilize HAMP's basic back-end rate, term and NPV calculations while allowing for more flexible eligibility criteria, tolerances and variances.

- There is no restriction on when the loan was originated
- The property securing the loan does not have to be the borrower(s)' primary residence and/or be currently occupied
- The Unpaid Principal Balance (UPB) of the loan can be more than the usual limit set for the Property Type (e.g. \$729,750 limit for a Single Family Residence)
- The current monthly payment CAN be lower than 31% of the borrower(s)' gross income
- The new loan terms do not need to result in at least a 6% reduction in the borrower(s)' monthly payment
- The resulting Loan to Value (LTV) ratio of the new interest bearing balance compared to the new Estimated Market Value of the subject property can be as low as 80%
- Since the Flex Mod Options may not be HAMP eligible, the models exclude any Servicer Incentives

**REQUESTED FLEXMOD OVERRIDES**

FlexMod Minimum Interest Rate: 0.000%  
 FlexMod Max Forbearance Amount:

FlexMod Max Term:  
 Max Acceptable Post MOD DTI: 0.000%

**FLEX MOD WORKOUT OPTIONS - RESULTS**

Option	Result	Forgiven Principal	Forborne Principal	New Balance	New Term	New Rate	New Payment	NPV MOD	NPV NO MOD DEFAULT	NPV NOMOD
FlexMod Rate/Term	Pass	\$0	\$0	\$329,227	464	2.000 %	\$1,019.47	\$166,126	\$124,198	\$131,161
FlexMod Term/Rate	Pass	\$0	\$0	\$329,227	480	2.250 %	\$1,040.83	\$166,321	\$124,198	\$131,161

Option	Failure Reasons (if any)

### ADDITIONAL LOAN WORKOUTS CONSIDERED (continued)

#### The FLEX MOD RATE/TERM Model

- The FLEX MOD RATE/TERM Model follows HAMP's Standard Waterfall process. The Current Interest Rate of the loan is first decreased to not less than 2% (while the existing remaining loan term remains unchanged).
- If needed, the term is extended to 480 months (or more if the existing loan term is already longer)
- If needed, principal is forbore until the target DTI of 31% is achieved. The forbearance amount is added as a balloon payment to the end of the loan and no interest is collected on the forbearance amount.

Step 1 Capitalization	Capitalize any accrued arrearages, interest, and escrow advances, adding them in to obtain a new starting loan balance.	Performed	Delinquent interest \$19,527.69, Delinquent TIA \$0.00, GSE Allowed Mod Fees \$0.00 and Escrow Advances \$0.00 added to the current unpaid balance of \$309,699.17 resulting in a modified balance of \$329,226.86.
Step 2 Rate Reduction	Reduce the current interest rate in steps of .125% to not less than 2% while using the existing remaining loan term.	Performed	The rate is reduced to 2.000 % resulting in a payment of \$1,519.68, reducing the DTI to 42.51 %. Further steps in the waterfall are needed to achieve the target DTI of 31%.
Step 3 Term Extension	Extend the mortgage term up to 480 months (or greater if the existing loan terms are higher)	Performed	Loan Term extended to 464 months resulting in a monthly payment of \$1,019.47 and a DTI of 31.01 %. No further steps needed.
Step 4 Principal Forbearance	Forbear a portion of the principal (up to an amount reducing the interest bearing balance to the estimated property value) into an interest free balloon amount to reach the target DTI	N/A	Target DTI of 31.01 % already achieved through previous modification steps. Forbearance not needed.

#### The FLEX MOD TERM/RATE Model

- The FLEX MOD TERM/RATE Model follows the same guidelines but explores the option of extending the term first before lowering the interest rate of the loan. Many times, this can result in a higher NPV to the investor/servicer while still keeping the monthly payment at an affordable level for the borrower.

Step 1 Capitalization	Capitalize any accrued arrearages, interest, and escrow advances, adding them in to obtain a new starting loan balance.	Performed	Delinquent interest \$19,527.69, Delinquent TIA \$0.00, GSE Allowed Mod Fees \$0.00 and Escrow Advances \$0.00 added to the current unpaid balance of \$309,699.17 resulting in a modified balance of \$329,226.86.
Step 2 Term Extension	Extend the mortgage term up to 480 months (or greater if the existing loan terms are higher)	Performed	Loan Term extended to 480 months resulting in a monthly payment of \$1,202.42 and a DTI of 35.22 %. Further steps are needed to achieve the target DTI of 31.00 %.
Step 3 Rate Reduction	Reduce the current interest rate in steps of .125% to not less than 2% while using the existing remaining loan term.	Performed	The rate is reduced to 2.250 % resulting in a payment of \$1,018.86 achieving the target DTI of 31.51 %. Further steps in the waterfall will be skipped.
Step 4 Principal Forbearance	Forbear a portion of the principal (up to an amount reducing the interest bearing balance to the estimated property value) into an interest free balloon amount to reach the target DTI	N/A	Target DTI of 31.51 % already achieved through previous modification steps. Forbearance not needed.

SHORT SALE

## FORECLOSURE AVOIDANCE - THE SHORT SALE ALTERNATIVE

### Short Sale Overview

While HAMP and other Loan Modification program guidelines are intended to assist a broad range of at-risk borrowers, it is expected that in certain situations borrowers may wish to, or need to, consider other foreclosure prevention options (for example, if the borrower was unable to be approved for a HAMP modification request, or a HAMP modification is offered, but not acceptable to the borrower, or if the borrower falls out of a prior HAMP loan modification arrangement.)

In these instances, the borrower may benefit from a Short Sale option which enables the borrower to transition to more affordable housing and avoid the negative impacts of a foreclosure.

In a short sale, the servicer will allow the borrower to list and sell the mortgaged property with the understanding that the net proceeds from the sale may be less than the total amount due on the mortgage. The servicer will accept the short payoff as full satisfaction of the total amount due on the mortgage.

### Pre-Sale

The servicer will typically start by approving a list price for the home, or provide an acceptable sales proceeds amount (the minimum amount, after costs, that the servicer will accept) from the sale of the home. They will also usually identify the sales costs (broker commissions, closing costs etc.) that may be deducted from the final sales price.

### Minimum Acceptable Net Proceeds

In a short sale, the servicer will allow the borrower to list and sell the mortgaged property with the understanding that the net proceeds from the sale may be less than the total amount due on the mortgage. The servicer will accept the short payoff as full satisfaction of the total amount due on the mortgage.

### Transaction Costs

In determining the minimum net, the servicer will also consider reasonable and customary real estate transaction costs for the community in which the property is located and determine which of these costs the servicer or investor is willing to pay from sale proceeds. (Any additional fees/costs associated with the sale must be negotiated among and paid for by the Seller, buyer, and /or Real Estate Agent.)

### Offer

Once the borrower receives an offer on the home, they submit the required documentation to the servicer.

### Closing

Once the sale closes, the borrower is released from all responsibilities of paying their mortgage. In many situations, they may also receive some funds to help pay for their moving expenses.



## HOME AFFORDABLE FORECLOSURE ALTERNATIVE (HAFA) SHORT SALE - PROGRAM HIGHLIGHTS

### Eligibility/Consideration for the HAFA Short Sale Program

Under the Government's Home Affordable Modification Program, servicers must consider eligible borrowers for a HAFA Short Sale within 30 calendar days of the date the borrower:

- Does not qualify for a HAMP Trial Period Plan
- Does not successfully complete a Trial Period Plan
- Is delinquent on a HAMP modification by missing at least two consecutive payments, or
- Requests a Short Sale

In the event that a borrower has an executed sales contract and requests the servicer to approve a short sale, the servicer 'must' evaluate the borrower for HAFA. The servicer must determine the basic eligibility of the borrower. If the servicer approves the short sale, then the loan qualifies for the HAFA program.

If the borrower appears to be eligible and was not previously considered for a Trial Period Plan, the servicer must also notify the borrower verbally or in writing of the availability of a HAMP loan modification and allow the borrower up to 14 calendar days from the date of the notification to contact the servicer by verbal or written communication and request consideration for a HAMP modification.

### Release of First Mortgage Lien

The servicer must release its first mortgage lien within ten business days (or earlier if required by state or local laws) after receipt of sale proceeds from a short sale. Additionally, the investor must waive all rights to seek a deficiency judgment and may not require the borrower to sign a promissory note for the deficiency.

### Release of Subordinate Liens

It is the responsibility of the borrower to deliver clear marketable title to the purchaser or investor and to work with the listing broker, settlement agent and/or lien holders to clear title impediments. The servicer may, but is not required to, negotiate with subordinate lien holders on behalf of the borrower. The servicer, on behalf of the investor, can authorize the settlement agent to allow up to an aggregate of \$3,000 of the gross sale proceeds as payment(s) to subordinate mortgage/lien holder(s) in exchange for a lien release and full release of borrower liability.

### Suspension of Foreclosure

At the servicer's discretion, the servicer may still initiate foreclosure or continue with an existing foreclosure proceeding during the HAFA process, but may not complete a foreclosure sale:

- While determining the borrower's eligibility and qualification for HAMP or HAFA
- While awaiting the timely return of a fully executed Short Sale Agreement (SSA)
- During the term of a fully executed Short Sale Agreement (SSA)
- Pending transfer of property ownership based on an approved sales contract per the RASS or ARASS

### Partial Mortgage Payment

The servicer may require partial mortgage payment (which they may determine, - but not to exceed 31% of the borrower's gross income) until the house is sold and title is transferred. While the borrower is selling their home, they still legally owe the full amount of the mortgage payment. This reduced payment, though not considered a modification to the mortgage, would be made until the house is sold or the Short Sale Agreement expires.

### Borrower Fees

Servicers may not charge the borrower any administrative processing fees in connection with HAFA. The servicer must pay all out-of-pocket expenses, including but not limited to notary fees, recordation fees, release fees, title costs, property valuation fees, credit Supplemental Directive, report fees or other allowable and documented expenses. (The servicer may add these costs to the outstanding debt in accordance with borrower's mortgage documents and applicable laws in the event the short sale is not completed.)

### PROPOSED HAFA SHORT SALE TERMS

Based on the supplied inputs and the model's parameters and guidelines, the following proposed HAFA SHORT SALE terms were generated and then submitted against eligibility checks for the model. Short Sale Terms and Conditions will vary from institution to institution, but based on the submitted information, the following Short Sale Terms would be compliant with current HAFA Short Sale Guidelines and/or are indicative of HAFA Short Sale Agreements commonly executed in the industry today:

The expected (maximum) timeframe to Propose the Short Sale, Reach Acceptable Terms, Review Offers and Complete the Short Sale transaction	<b>8 months</b>
The Projected Fair Market Value of the Property at the time of the Short Sale	<b>\$196,000</b>
<b>The Minimum Required Sale Price (Short Sale Purchase Offer)</b>	<b>\$176,400</b>
Maximum Allowable Closing Costs (Seller Closing Costs)	<b>\$14,112</b>
(Which includes a Maximum 6 % Real Estate Commission)	<b>\$ 10,584</b>
<b>The Minimum Net Required (MNR) Proceeds to the Lender</b>	<b>\$162,288</b>
Amount Available for Subordinate Lien Release Reimbursement	<b>\$8,500</b>
Borrower Relocation Assistance	<b>\$3,000</b>
An expected Monthly Partial Payment due during the Short Sale Process	<b>\$1,019</b>
The Lender's anticipated Short Sale NPV, realized from the Net Sales Proceeds + any Monthly Partial Payments received during the process - all Applicable Expenses	<b>\$164,292</b>

### HAFA SHORT SALE ELIGIBILITY CHECK

Origination Date Check	Loan must have been originated on or before 1/1/2009. This loan was originated on 09/14/2006.	Pass
Property Type Check	Property Type 'Planned Unit Development' is eligible.	Pass
UPB Limit Check	UPB of \$309,699.17 is within the UPB limit of \$729,750.00 for the number of units (1) of the current property type 'Planned Unit Development'.	Pass
Property Condition Check	Condemned and/or Inaccessible properties are not eligible for HAFA Short Sale. The property is 'Good'.	Pass
Debt to Income Ratio (DTI) Check	DTI before modification must be greater than 31%. The DTI is 42.11 %.	Pass
Investor Check	Loans with GSE's not eligible for HAFA Short Sale. The current Investor is .	Pass

## GENERIC SHORT SALE MODEL

In addition to the industry-standard HAFA Short Sale guidelines, the information supplied for this analysis was also evaluated against a GENERIC Short Sale model.

At a very high level, the GENERIC Short Sale model differs from the HAFA Short Sale model in the following ways:

### REMOVES THE FOLLOWING HAMP QUALIFYING/ELIGIBILITY CHECKS:

- ↳ NO ORIGATION DATE CHECK
- ↳ NO INVESTOR CHECK - WORKS FOR LOANS WITH GSE OR NOT

### THE MODEL DOES CHECK FOR:

- ↳ INDUSTRY-STANDARD ACCEPTABLE PROPERTY CONDITION
- ↳ APPLIES STANDARD UPB LIMITS FOR THE VARIOUS PROPERTY TYPES
- ↳ DOESN'T EVALUATE MOBILE HOMES - SINCE THERE IS NO 'STANDARD' SHORT SALE APPROACH
- ↳ STILL HAS INITIAL DTI CHECK FOR > 31%

### FACTORS AFFECTING PROPOSED SALES PRICE AND NPV

- ↳ PROJECTS PROPERTY VALUE AT PROJECTED TIME OF SHORT SALE (USING INDUSTRY METRICS)
- ↳ USES DEFAULT ACCOUNT RELOCATION ASSISTANCE (\$3000) BUT CAN BE OVERRIDDEN (NO LIMIT)
- ↳ SUBORDINATE LIEN RELEASE (\$8500) BUT CAN BE OVERRIDDEN (NO LIMIT)

### SHORT SALE OVERRIDE CAPABILITY

- ↳ PROPERTY VALUE
- ↳ MONTHLY PAYMENT OVERRIDE
- ↳ RELOCATION ASSISTANCE
- ↳ SUBORDINATE LIEN RELEASE PAYMENTS

(Overrides are also submitted to the HAFA Short Sale model, but are then restricted by HAFA Program limits)

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### REQUESTED SHORT SALE OVERRIDES

Monthly Partial Payment:

Relocation Assistance:

Subordinate Lien Release Amount:

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**PROPOSED GENERIC SHORT SALE TERMS**

Based on the supplied inputs and the model's parameters and guidelines, the following proposed GENERIC SHORT SALE terms were generated and then submitted against eligibility checks for the model. Short Sale Terms and Conditions will vary from institution to institution, but based on the submitted information, the following Short Sale Terms are indicative of Short Sale Agreements commonly executed in the industry today:

The expected (maximum) timeframe to Propose the Short Sale, Reach Acceptable Terms, Review Offers and Complete the Short Sale transaction	<b>8 months</b>
The Projected Fair Market Value of the Property at the time of the Short Sale	<b>\$196,000</b>
<b>The Minimum Required Sale Price (Short Sale Purchase Offer)</b>	<b>\$176,400</b>
Maximum Allowable Closing Costs (Seller Closing Costs)	<b>\$14,112</b>
(Which includes a Maximum <b>6 %</b> Real Estate Commission)	<b>\$ 10,584</b>
<b>The Minimum Net Required (MNR) Proceeds to the Lender</b>	<b>\$162,288</b>
Amount Available for Subordinate Lien Release Reimbursement	<b>\$0</b>
Borrower Relocation Assistance	<b>\$0</b>
An expected Monthly Partial Payment due during the Short Sale Process	<b>\$1,019</b>
The Lender's anticipated Short Sale NPV, realized from the Net Sales Proceeds + any Monthly Partial Payments received during the process - all Applicable Expenses	<b>\$165,590</b>

**GENERIC SHORT SALE ELIGIBILITY CHECK**

<b>Property Type Check</b>	Property Type 'Planned Unit Development' is eligible.	<b>Pass</b>
<b>Property Condition Check</b>	Condemned and/or Inaccessible properties are not eligible for HAFA Short Sale. The property is 'Good'.	<b>Pass</b>
<b>Debt to Income Ratio (DTI) Check</b>	DTI before modification must be greater than 31%. The DTI is 42.11 %.	<b>Pass</b>

## THE BANKRUPTCY ALTERNATIVE

### FILING BANKRUPTCY

Filing Bankruptcy is another option available to borrowers desiring to avoid foreclosure and retain ownership of their home.

A 'Means Test' is the standard analysis that is performed to evaluate the homeowner's prospects for qualifying for the more common Chapter 7 or Chapter 13 bankruptcies. Performing a comprehensive Means Test requires more detailed borrower financial information than what has been submitted to run this specific analysis. (The official [Mean Test Form](#) (B 22A) details the information required for a comprehensive Bankruptcy Means Test.)

*The following sections are therefore presented for informational purposes only and should not be considered comprehensive, financial or legal advice. It is highly recommended that any borrower considering bankruptcy be directed to seek professional legal advice and financial assistance from a qualified bankruptcy attorney.*

### CHAPTER 13 BANKRUPTCY

A Chapter 13 Bankruptcy is used most often used to assist borrowers attempting to avoid a foreclosure and keep their home.

A Chapter 13 Bankruptcy (also called a Debt Reorganization Bankruptcy or a Wage Earner's Plan) offers debt consolidation for homeowners that earn a steady income but are facing a large debt burden.

It enables individuals or married couples to develop a plan to repay all or part of their debts. The debtor(s) propose a repayment plan to make installment payments to creditors over three to five years. The payments are made to an assigned trustee in the bankruptcy case and the trustee distributes the funds to all of the creditors.

### BENEFITS

There are numerous benefits to a Chapter 13 Bankruptcy:

- All foreclosure procedures stop and an automatic stay is issued against all collection efforts;
- The debtor is given time to develop a manageable payment schedule;
- The borrower can have 3-5 years to catch up on delinquent accounts, - according to a schedule that the borrower and the bankruptcy trustee agree are workable for the borrower
- The borrower can make one monthly payment to the bankruptcy trustee for distribution. (The borrower won't have any direct contact with creditors during the protection period of 3-5 years.)
- The borrower can usually keep most of their property (exempt and non-exempt property is protected) while spreading out the time to pay their past due accounts.
- Under certain circumstances, a debtor may not be required to pay the full amount of certain debts such as medical bills, credit cards, past due utility bills, and judgments and upon completion, significant debt may also be discharged

**THE BANKRUPTCY ALTERNATIVE (continued)****QUALIFYING FOR A CHAPTER 13**

In order to file for a Chapter 13 the borrower must:

- Be an individual debtor whose unsecured debts are below \$360,475 and whose secured debts are less than \$1,081,400.
- Not be a corporation, partnership, stockbroker, or commodity broker. (Individuals with ownership interests in these entities can still file for bankruptcy.)
- Complete a credit counseling class before filing
- Have sufficient regular income to meet monthly living expenses and a plan payment allowed by the Chapter 13
- Not have received a discharge in a Chapter 7, 11 or 12 in the previous four years, or another Chapter 13 in the previous two years.
- Show that the Chapter 13 payment plan must give unsecured creditors at least as much on their claim as they would have received if the debtor filed Chapter 7
- Pay all disposable income (the amount left after payment of allowed expenses) into the plan for the “applicable commitment period” which could be 3 to 5 years, or more.

**SOME CONSEQUENCES OF A CHAPTER 13 BANKRUPTCY**

- Bankruptcy will have a negative impact on a borrower’s credit score. It varies based on how much debt has been discharged.
- The Bankruptcy will also be visible on the borrower’s credit report for seven years after the bankruptcy filing.
- Borrowers may also not be able to get the best car loan or mortgage rates if a bankruptcy appears on their record and credit card companies will also probably not extend a high credit limit.

***Again, it is highly recommended that any borrower considering bankruptcy be directed to seek professional legal advice and financial assistance from a qualified bankruptcy attorney regarding this loan disposition option.***

FORECLOSURE

## FORECLOSURE

According to the HAMP models, one typically compares the NPV of the Loan Modification (MOD NPV) to the NPV of the loan not being modified (NO MOD NPV). The NO MOD NPV is a combination of the loan curing (NO MOD CURE NPV) and the loan defaulting and proceeding into foreclosure (NO MOD DEFAULT NPV). This is most applicable when the servicer is evaluating the loan for potential loan MOD and NO MOD scenarios.

However, if the borrower is already delinquent and has a financial hardship that prevents him from making the required payments that would enable the loan to cure, it is almost certain that the loan will proceed into foreclosure. The NO MOD DEFAULT NPV is therefore a much more valid projection of the foreclosure scenario.

This is described in greater detail, below, along with other contributing factors:

### FORECLOSURE NPV PROJECTIONS

If the loan is Not Modified, it can either Cure (be brought current) or it can Default and proceed to Foreclosure.

- ξ The estimated probability of the loan Not being Modified and Curing is: **3.58 %**.
- ξ The projected NPV of the loan Not being Modified and Curing is: **\$318,925.62**
- ξ The estimated probability of the loan Not being Modified and Defaulting/Foreclosing is: **96.42 %**.
- ξ The projected NPV of the loan Not being Modified and Defaulting/Foreclosing is: **\$124,197.56**
- ξ The combined projected NPV of the loan Not being Modified, taking into consideration both the probabilities of Cure and Default is: **\$131,161.01**. This is the NPV that HAMP typically compares to the NPV's of the Loan Modification Option(s)
- ξ For the NPV of this Foreclosure Option, we assume that if the loan is not modified it will definitely result in a Foreclosure (Probability of Foreclosure is 100 % and the Probability of Cure is 0 %). **The NPV for this Foreclosure option, therefore, is the same as the NPV of the No Mod Default scenario: \$124,197.56**

Some additional factors that were included in this Foreclosure Option analysis:

- REO/Foreclosure Expenses were estimated to be: **\$12,418.94**
- The Projected Foreclosure Time and REO Hold Time is about: **25 months** (from Last Paid Date)
- The Projected Disposition Date is around : **May, 2015**
- The Projected Home Price at Disposition is: **\$199,179** (101.62 % of Property's Current Estimated Value)

**Note: These factors/calculations are based on HAMP's methods for determining the Probabilities of No Modification (Cure and Default), Hold Times and the NPV's of the various No Modification Cure and No Modification Default scenarios.**



This loan does not meet HAMP Tier 1 STANDARD eligibility requirements and therefore the EPV/NPV Break-Even Analysis is not applicable.

## VALUATIONS USED IN THIS REPORT

### PROPERTY'S CURRENT MARKET VALUE:

The Supplied Current Market Value Estimate for the subject property, provided by the Home Owner, Real Estate Agent, Appraiser or Financial Institution is **\$196,000**. Based only on this valuation and the supplied Current Unpaid Principal Balance of **\$309,699** the amount of equity estimated to be in the home is **(\$113,699)**. (This is not taking into account any other subordinate financing.)

*Please Note: The Supplied Current Market Value Estimate overrides any other valuations that were automatically obtained as part of this report and it is used for all of the applicable calculations in this analysis. (Please utilize a comprehensive REST Loan Disposition Analysis Report to understand how various property valuations impact the eligibility and financial viability of different foreclosure alternatives.)*

In addition to any user-supplied Estimated Property Value, the following valuations (models) were considered in this analysis/report.

Model Name	Estimated Value	Confidence Score	Low Value	High Value
<a href="#">CMV Express</a>	\$196,000	87	\$179,000	\$213,000
REST Composite	\$208,400			
<a href="#">iVal Express</a>	\$222,000	79	\$204,000	\$240,000

(Clicking on the Model Name hyperlink in the table above will open a copy of the model's valuation report, if available.)

The Automated Valuation Models (AVM) selected for the subject property in this analysis use some of the most advanced AVM metrics for hit rate and accuracy. (These are provided by independent third-party Automated Property Valuation providers.)

Various AVM models are considered for specific types of analytics and include valuations from providers and models such as:

Provider	Model	Definition
LPS	ValueSure	ValueSure™ utilizes more than 20 years of historical property data and sales information resulting in superior geographic coverage and data depth. ValueSure™ information is updated continuously, giving very current data at all times.
LPS	SiteXValue	SiteX Value Reports are based on a database compiled from tax assessor, deed and mortgage data from over 1,200 counties, representing more than 80 percent of the nation's property ownership records. SiteXValue incorporates a dynamic multi-discipline hybrid that uses five different models in its calculations. It also features built-in review algorithms to help assure accurate estimates.
Fiserv	CASA	CASA leverages multiple, market-specific analytic approaches to quickly deliver objective and reliable home values in real time.
Real-Info	i-Val	The i-Val Report takes advantage of the Real-Info database through a rules-based, expert systems model to instantly arrive at a predicted market value for a particular residential property using indexed and hedonic methodologies.
Real-Info	realAssessment	The realAssessment™ Report provides estimated values based on assessed values and computer analyzed and calculated equalization rates.
Veros	VeroValue	VeroVALUE is a state-of-the-art AVM used for residential property valuation. Veros has combined the reliability of real estate fundamentals with the power of proprietary advanced predictive technologies resulting in highly accurate valuations.
Relar	RELAR	The Real Estate Liquidity Analysis Report is designed to determine the likely selling price and the amount of time required to sell an individual piece of residential real estate.
Dataquick	CMV	Collateral Market Value applies cutting-edge analytics, geo-statistical formulas, and advanced algorithms combined with multiple data sources to provide fast, accurate property valuations nationwide.



## AFFORDABLE MORTGAGE PAYMENT ANALYSIS

Report Generated: 05-13-2014 16:00:24

CASE FILE: 19963

LOAN/REFERENCE ID: 0090489832

BORROWER(s): John Doe

SUBJECT PROPERTY: 11 Victory Lane, Los Angeles, CA 90066

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### REPORT OVERVIEW

This Affordable Mortgage Payment Analysis was designed to accompany REST's Loan Disposition Analysis Report, specifically the report that corresponds to the Case File listed above. Although the Loan Disposition Analysis Report provides very detailed eligibility and qualification analytics for HAMP Loan Modifications, HAFA Short Sales and other loan modification options, individuals often cannot understand why certain levels of income and expenses did not qualify for various loan modification options.

This report fulfills that need, providing an Affordable Mortgage Payment Analysis, which uses the borrower's pertinent income and expense information and analyzes it using various Unpaid Principal Balance (UPB), Interest Rate and Loan Term permutations.

The assumptions in these analytics use the base factors contained in the latest HAMP Tier 1 STANDARD Loan Modification guidelines (v. 5.x) where the Allowable Housing Expenses can be lowered to 31% of the borrower's income, the Interest Rate can be lowered to 2% and the Loan Term can be extended up to 40 years (or the current loan term). This analysis does not perform all of the HAMP eligibility calculations. It does not limit the amount of Principal Reduction that can be applied or restrict the amount of reduction allowed due to any resulting Loan to Property Value ratios. It is just meant to provide a broader overview of Affordable Mortgage Payment options to the reader.

If any Delinquent Interest Payments were submitted as part of the associated Loan Disposition Analysis Report, they have also been added to the Current Unpaid Principal Balance (UPB) in this report. No PMI coverage obligations were assumed.

This report also uses the data that was submitted for analysis as of the Data Collection date (e.g. to calculate remaining loan term). It does not validate any incorrect entries. For these reasons, the results may vary from the more accurate calculations produced by the more comprehensive Loan Disposition Analysis Report.

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### ANALYTICAL MODELS & CODE VERSIONS APPLIED IN THIS REPORT/ANALYSIS

To be used in conjunction with REST's Loan Workout Options & Analytics v.1311a  
Report Version 5.0a Last Updated: 11/20/2013

REST is an impartial third-party provider of these analytics. The findings generated by this report are not evidence of, nor are they determinative of, participation in any federal, state, local, Fannie Mae, Freddie Mac or other mortgage loan modification program.

## INCOME AND EXPENSES

Ž Monthly Gross Income	\$4,350.00
<b>Expenses</b>	
Total of Other Monthly Obligations (non-target loan/housing expenses)	\$2,647.87
Housing-Related Expenses	
Monthly Real Estate Taxes	\$249.64
Monthly Hazard & Flood Insurance	\$80.00
Monthly Homeowner's Association (HOA)	\$0.00
"Actual" Amount Left for Mortgage Payment	\$1,372.49

## CURRENT LOAN INFO &amp; INCOME RATIOS

Current Unpaid Principal Balance (UPB) (Which includes any Delinquent Interest Payments)	\$329,226.86
Current Interest Rate	3.125 %
Remaining Original Loan Term (in Months)	269
Supplied Current Mortgage Payment	\$1,502.13
The Current CALCULATED Mortgage Payment using these loan terms	\$1,551.76
The Ratio of the Current CALCULATED Mortgage Payment (PI) to Income	35.67 %
The Ratio of the Current CALCULATED Mortgage Payment WITH Housing Expenses (PITIA) to Income	42.11 %

## AFFORDABILITY CHECK USING A STRICT 31% DEBT-TO-INCOME RATIO

Starting off with 31% of the Gross Monthly Income	\$1,348.50
Subtracting all of the Non-Mortgage Housing-Related Expenses for this Loan/Property	\$329.64
Ž The 'Affordable Mortgage Payment' (Based on a strict 31% Housing to Income Ratio)	\$1,018.86
Is the Supplied Current Mortgage Payment already affordable (less than this)?	NO

## AFFORDABILITY CHECK AT OFFERED INTEREST RATES &amp; LOAN TERMS

Ž Affordability at the Remaining Term (from Data Collection Date)	
First Paid Date at Origination: 11/01/2006      Data Collection Date: 05/13/2014      Remaining Loan Term (Months): 269	
The Interest Rate for an 'Affordable Mortgage Payment' (with the Current UPB & Remaining Term)	Not possible
Ž Affordability at a 2% Interest Rate	
The Monthly Payment for the Current UPB at a 2% Interest rate for a Term of 40 years would be	\$996.98
The difference between the 'Affordable Mortgage Payment' and this payment is	\$21.88
The borrower would need this much in verified monthly income to qualify	\$4,279.43
An 'Affordable Mortgage Payment' IS possible with the Current UPB, a 2.000% Interest Rate and a Term of 465 months	

## AFFORDABILITY CHECK USING PRINCIPAL REDUCTION

Ž Affordability at a 2% Interest Rate, a Loan Term of 40 years AND Principal Reduction	
An 'Affordable' Unpaid Principal Balance (UPB) is	\$329,226.86
This would require a Principal Reduction of	\$0.00
With the provided Estimated Property Value of	\$196,000.00
The LTV Ratio for the Current Unpaid Principal Balance (UPB) is	167.97 %
The LTV Ratio for the Current Unpaid Principal Balance (UPB) with this Principal Reduction would be	167.97 %