REPORT ORDER INFORMATION

CASE FILE:	10051
ORDERED:	06-06-2012
ORDERED BY:	company
	REST Admin
CUSTOMER REFERENCE:	5.11
	Sandy Shores
	Chris Shores

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 5.0)
Standard, Principal Reduction Alternative (PRA) & Overrides
HAMP TIER 2 (NPV 5.0)
Standard, Principal Reduction Alternative (PRA) & Overrides
OTHER LOAN MODIFICATION ALTERNATIVES
FlexMod - Rate/Term
FlexMod - Term/Rate
SHORT SALE (HAFA)
FORECLOSURE

ADDITIONAL SERVICES:

3rd-Party Property Valuations (AVM's)

REPORT DESCRIPTIONS

These are brief descriptions of the various report sections contained in this analysis.
(Add-on reports are optional inclusion in reports is based on the specific order request.)

LOAN DISPOSITION ANALYSIS

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

OVERVIEW/APPROACH
Outlines the typical Investor/Servicer Loss Mitigation Strategies and Disposition Hierarchy. Describes the Loan Modification 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 Investor and submitter overrides

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).

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 MODIFICATION OPTIONS CONSIDERED
Evaluates the data using various non-HAMP modification options. These models provide additional loan restructuring alternatives. Can include proprietary or investor-specific models.

SHORT SALE ALTERNATIVE (HAFA)
The submitted information is evaluated for the Home Affordable Foreclosure Alternative (HAFA) Short Sale Option. This section provides an overview of the Short Sale Process and presents qualifying HAFA Short Sale Terms including Minimum Acceptable Net Proceeds, Allowable Transaction Costs, etc.

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 determines 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.

TITLE SEARCH (Add-on Report)

Provides a comprehensive Title Search on the Subject Property, identifying Chain of Title, Voluntary/Involuntary Liens, etc. This Add-On Report is primarily used for Short Sale or Litigation purposes.

LOAN DISPOSITION ANALYSIS

CASE FILE:	**10051**
CUSTOMER LOAN ID:	**5.11**
DATE OF ANALYSIS:	**06-05-2012 22:49:54**
REPORT GENERATED:	**06-06-2012 13:48:23**

PREPARED FOR:	**company**
	address
	Miami, FL 33131

ANALYSIS FOR BORROWER(s):	**Sandy Shores**
	Chris Shores

MORTGAGE OWNER:	**Portfolio**
SERVICER:	**HAMP Participating Servicer**

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

Real Estate Services and Technology's Loan Workout Options & Analytics v.1206a

Custom HAMP Eligibility & Net Present Value (NPV) Model version 5.0a

Report Version 5.0a Last Revision: 05/25/2012

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 the modified loan 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 mayalso have their own internal loan modification 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 Modification Alternatives for reasonable Loan Modification Terms and Rates
4. Presents a Short Sale Alternative (using HAFA guidelines)
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.

INFORMATION SUBMITTED FOR ANALYSIS

Data Collection Date: 3/6/2012

Submitted By: REST Admin

BORROWER INFORMATION

Borrower: Sandy Shores

Co-Borrower: Chris Shores

Borrower FICO: 775

Co-Borrower FICO: 812

SUBJECT PROPERTY INFORMATION

Address: 123 Main in AnyCity, WA 98028

Property Type: Single Family Residence

Property Usage: Primary Residence

Property Occupied: Yes

Monthly Gross Rental Income: $0.00

User Supplied Property Value: $161,563.32

Valuation Method: AVM - Other

Property Condition: Excellent

Monthly Real Estate Taxes: $371.00

Monthly Hazard & Flood Insurance: $129.00

Monthly HOA Dues: $48.00

1st LIEN LOAN INFORMATION

Investor: Portfolio

Servicer: HAMP Participating Servicer

Mortgage Type: Conventional wo PMI

Monthly MI Premium: $0.00 MI Coverage: 0%

Note Date (Origination Date): 5/9/2006

First Payment Date at Origination: 6/9/2006

Loan Product Before Modification: ARM

Original Term (in Months): 300

Next Rate Reset Date (if any): 11/14/2012

Note Reset Rate: 9.293%

Original Loan Amount: $210,000.00

LTV at Origination: 55.00%

Original Interest Rate: 5.899%

Current Monthly P&I Payment: $1,340.10

Current Unpaid Balance: $185,220.47

Current Interest Rate: 5.899%

INCOME and NON-SUBJECT PROPERTY EXPENSES

Monthly Gross Income: $5,222.08

Monthly Expenses (excluding target loan): $2,000.33

Residence Expense (if not Subject Loan): $0.00

DELINQUENCY STATUS, HARDSHIP & MOTIVATION

Delinquency Classification: Imminent Default

Reason for Default: Curtailment of income

Current Months Past Due: 1

Max Months Past Due (Last 12 Months): 1

Delinquent Interest: $1,458.51

Escrow/Advances: $1,615.63

Delinquent Fees:

Borrower Intent: Undecided

PREVIOUS HAMP MODIFICATION INFORMATION

Modification Status: Did Not Qualify

Previous Modification P&I Payment: $0.00

USER, SERVICER or INVESTOR OVERRIDES

Use Overrides: NO

Market Rate (PMMS) Override: 3.900%

MI Partial Claim Amount: $0.00

Investor Risk Premium: 9.293%

Tier 2 Maximum Term: 480

Tier 2 Minimum Interest Rate: 2.000%

Tier 2 Max Forbearance Amount: $100,000.00

Tier 2 Max Forgiveness Amount: $100,000.00

NPV INPUT DATA FIELDS AND VALUES

Input Data Fields	Explanation	Value used in NPV calculation to determine the HAMP eligibility of your mortgage

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.	**775**
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.	**812**
3. Monthly Gross Income	This field identifies the monthly gross income of all borrowers on your loan before any payroll deductions or taxes.	**$5,222.08**
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).	**$0.00**

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.	**WA**
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.	**98028**
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.	**$161,563.32**
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.	**Primary Residence**
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

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.	**3/6/2012**
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	**Imminent Default**
13. Investor	This field identifies the owner of the mortgage for which you are applying for a HAMP modification.	**Portfolio**
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).	**$210,000.00**
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.	**6/9/2006**
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.	**11/14/2012**
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.	**9.293%**
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.	**$185,220.47**
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.	**5.899%**

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.*	**231**

Input Data Fields	Explanation	Value used in NPV calculation to determine the HAMP eligibility of your mortgage

III. Mortgage Information (continued)

22. Principal and Interest Payment Before Modification	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: 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. 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. 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. 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.	$1,340.10
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.	$371.00
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.	$129.00
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.	$48.00
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.	1
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

■ THE SUBMITTED INFORMATION

The information submitted for this analysis was not independently verified. If FICO score(s) were not supplied, the proxy credit score of 557 was utilized (per HAMP guidelines). To enhance data integrity, the Current Principal and Interest Payment was (re) calculated using the submitted loan terms (UPB, Interest Rate, Term, Reset Date and Reset Rate) and was used throughout this analysis instead of the provided Current Monthly Payment figure. (See the Affordable Payment Analysis Report for more info.)

■ PROPERTY VALUATION(s)

Third Party Property Value used in this Analysis: $0.00

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.)

■ OVERRIDES

User Supplied Property Value (Override): $161,563.32

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, the User-Supplied Value will over-ride the third-party valuation(s) obtained for this report.

Investor guidelines or applicable laws can place certain restrictions on loan modification parameters such as: a Minimum Interest Rate, a Maximum Term, Maximum Forbearance Amount and/or Maximum Forgiveness Amount. If selected, these override values will supercede the default program parameters used in these analytics. Please refer to the Overrides listed on the Information Submitted for Analysis section of this report for the specific override parameters and their corresponding values.

■ PMMS RATE

The PMMS rate used in this anlaysis was: 3.900%

Freddie Mac's Primary Mortgage Market Survey (PMMS) rate (as of this report's analysis date) was used for all 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.

■ HAMP MODELS

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.

■ 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			
			$185,220	231	5.899 %	$1,343.21			

LOAN MODIFICATION OPTIONS

QUALIFYING

Workout Option	Forgiven Principal	Forborne Principal	New UPB	New Term	New Rate	New Payment	NPV MOD	NPV NO MOD DEFAULT	NPV NO MOD
HAMP Tier 2 Standard	$1,500	$0	$185,179	480	4.500 %	$832.50	$169,093	$88,428	$113,305
HAMP Tier 1 Standard	$0	$0	$186,679	231	3.149 %	$1,078.70	$154,897	$88,428	$113,305
HAMP Tier 1 PRA	$881	$0	$185,798	231	3.149 %	$1,073.60	$155,027	$88,428	$113,305
FlexMod Rate/Term	$0	$0	$186,679	231	3.149 %	$1,078.70	$148,520	$88,428	$113,305
FlexMod Term/Rate	$0	$0	$186,679	396	5.899 %	$1,071.35	$168,592	$88,428	$113,305

INELIGIBLE

Workout Model	Workout Option	Failure Reasons
HAMP Tier 2	HAMP Tier 2 PRA	Tier 2 PRA not applicable for this investor

(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 OPTION

The following Short Sale Terms would be compliant with current HAFA Short Sale Guidelines and/or are indicative of Short Sale Pricing/Agreements commonly executed in the industry today:

- The Property's Estimated Current Market Value is **$161,563.32**
- The contracted Sales Price for the Short Sale should not be less than **$134,756**
- The Net Proceeds to the servicer at closing should not be less than **$125,167**

Short Sale Failure Reasons (if any)

FORECLOSURE

- The Projected Foreclosure Time and REO Hold Time is about: **22 months** (from Last Paid Date)
- The Projected Disposition Date is around: **December, 2013**
- The Projected Home Price on the Disposition Date is: **$153,598** (**95.07 %** of the Estimated Current Market Value)
- 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: **$113,304.86** (This is the NPV that HAMP typically compares to the NPV's of the Loan Modification Options.)
- 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: **$88,428.07**

HAMP TIER 1

ELIGIBILITY CHECKLIST FOR THE HOME AFFORDABLE MODIFICATION PROGRAM(S)

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 QUALIFYING REQUIREMENTS

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

Origination Date Check	Loan must have been originated on or before 1/1/2009. This loan was originated on 05/09/2006.	***Pass***
First Payment Date Check	Loan First Payment Date must be on or before 03/01/2009. The First Payment Date is 06/09/2006.	***Pass***
Property Type Check	Property Type 'Single Family Residence' is eligible.	***Pass***
UPB Limit Check	UPB of $185,220.47 is within the UPB limit of $729,750.00 for the number of units (1) of the current property type 'Single Family Residence'.	***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 occupied and be the primary residence of the borrower. The property is Primary Residence and Occupied.	***Pass***
Property Condition Check	Condemned and/or Inaccessible properties are not eligible for HAMP. The property is 'Excellent'.	***Pass***
Debt to Income Ratio (DTI) Check	DTI before modification must be greater than the target DTI of 31.00 %. The DTI is 36.22 %.	***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 ConventionalwoPMI.	***Pass***
Investor Check	Loans with Investor FHLB not eligible for HAMP. The current Investor is Portfolio.	***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 10.49 % of the Monthly Gross Income.	***Pass***

HAMP TIER 1 STANDARD WATERFALL

3. CALCULATE THE TARGET MONTHLY MORTGAGE PAYMENT

In preparing the proposed modification terms we calculated the Target Monthly Mortgage Principal and Interest (P&I) Payment amount by:

- First, multiplying the borrower(s)' monthly gross income of **$5,222.08** by 31%, which results in an initial 'Target Amount' of **$1,618.84** to be made available for ALL monthly mortgage related expenses for the loan.
- Subtracting any Monthly Taxes, Borrower Paid Mortgage Insurance, Home Owner's Association or Condo Dues and Escrow Payments from this amount
- This results in a Final Target Monthly Mortgage Payment of: **$1,070.84**

4. DETERMINE A QUALIFYING RATE, TERM AND PAYMENT - STANDARD WATERFALL APPROACH

The necessary modification steps to achieve the Target Monthly Mortgage P&I Payment Amount were performed in the order listed below – only if needed, to reach the 31% Target Monthly Mortgage Payment without going below the 31% ratio threshhold:

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***	The delinquent interest of $1,458.51 is added to the current unpaid balance of $185,220.47 resulting in a modified balance of $186,678.98.
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 3.149 % resulting in a payment of $1,070.84 achieving the target DTI of 31.15 %. Further steps in the waterfall will be skipped.
Step 3 **Term Extension**	Extend the mortgage term up to 480 months (or greater if the existing loan terms are higher)	***N/A***	Target DTI of 31.15 % already achieved. Term Extension not required.
Step 4 **Principal Forbearance**	Forbear a portion of the principal (upto the greater of 30% of the capitalized UPB or an amount resulting in a modified interest-bearing balance equal to the estimated property value) into an interest free balloon amount to reach the target DTI.	***N/A***	Target DTI of 31.15 % already achieved through previous modification steps. Forbearance not needed.
Step 5 **Principal Forgiveness**	Forgive a portion of the principal (upto an amount resulting in a modified interest-bearing balance equal to the estimated property value) to reach the target DTI.	***N/A***	Target DTI of 31.15 % already achieved through previous modification steps. Forgiveness not needed.

HAMP TIER 1 STANDARD WATERFALL RESULTS

PROPOSED (QUALIFYING) MODIFICATION TERMS

The Modification Terms proposed below would qualify under the HAMP TIER 1 STANDARD Rate Reduction, Term Extension and Principal Forbearance guidelines listed above.

NEW LOAN BALANCE:	**$186,678.98**
NEW INTEREST RATE:	**3.149 %**
NEW PROPOSED TERM:	**231**
NEW PAYMENT:	**$1,078.70**

5. ADDITIONAL TESTS

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

► NPV TEST RESULT - 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: **$154,897.37**
- The projected NPV WITHOUT the proposed Loan Modification (NPV NO MOD) is: **$113,304.86**

► DE MINIMIS TEST RESULT - Pass

The De Minimis Test (primarily used for borrower & servicer performance incentives) indicates if the proposed modification results in at least a 6% reduction in monthly Principal, Interest, Taxes, Insurance & Association Dues.

- The CALCULATED CURRENT P&I monthly payment is: **$1,343.21** . The PITIA payment is: **$1,891.21**
- The PROPOSED P&I monthly payment would be: **$1,078.70** The PITIA payment would be: **$1,626.70**
- This results in a **19.69 %** reduction in the P&I payment and a **13.99 %** reduction in the PITIA payment.

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
Pass	$0	$0	$186,679	231	3.149 %	$1,078.70	$154,897	$88,428	$113,305
Failure Reasons (if any)									

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).

► CHECK FOR BASIC HAMP QUALIFYING REQUIREMENTS

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

► HAMP TIER 1 PRA THRESHOLD TEST (FOR MTMLTV of 115% OR GREATER)

The Estimated Property Value used for this analysis (either Third-Party or User-Supplied Override): **$161,563.32**

The pre-modification Unpaid Principal Balance (UPB), including any capitalized amounts, is: **$186,678.98**

The pre-modification mark-to-market LTV ratio is: **115.55 %**

The HAMP TIER 1 Principal Reduction Alternative evaluation is ***REQUIRED*** for this loan.

ANALYSIS USING THE HAMP TIER 1 PRA MODIFICATION WATERFALL

Under HAMP TIER 1's Alternative Waterfall, servicers need to use Principal Reduction between Step 1 (Capitalization) and Step 2 (Interest Rate Reduction) of the Standard Modification Waterfall.

Step 1 of the STANDARD MODIFICATION WATERFALL – CAPITALIZATION

Take the Current Unpaid Principal Balance (UPB) prior to the modification and add in any interest arrearage, taxes, insurance, HOA amounts, and other capitalized costs. (Servicers may also include escrow advances, out-of-pocket services expenses, but no late fees.)

Based on the information submitted for analysis, the pre-modification UPB (including any capitalized amounts) is: **$186,678.98**

► PRA WATERFALL - Step 1

Reduce the UPB by an amount necessary to either achieve the target monthly mortgage payment ratio of 31% or a MTMLTV ratio equal to 115% - whichever results in the lesser amount of principal reduction. (Servicers *are* allowed to reduce the principal below a 31% Debt to Income (DTI) ratio or below the 115% mark-to-market loan to value (MTMLTV) ratio, however they will not be eligible for any government incentives for principal reductions they offer that bring the MTMLTV below 105%.)

Note: In this Principal Reduction Alternative (PRA) Analysis the principal reduction IS limited to a 31% Debt to Income (DTI) ratio and the strict 115% mark-to-market loan to value (MTMLTV) ratio. Please refer to Real Estate Services and Technology's AFFORDABLE MORTGAGE PAYMENT ANALYSIS for a broader range of Principal Reduction Alternatives (e.g. MTMLTV limits below 115%) and a more detailed presentation of the borrower(s)' target Affordable Mortgage Payment options.

31% DTI CALCULATION
The Borrower(s)' Affordable Mortgage Payment using the 31% DTI ratio calculations is: **$1,070.84**

At the loan's Current Interest Rate of **5.899 %** and the Remaining Term of **231** months, the Principal would have to be lowered by **$39,016.31** to **$147,662.67** to achieve the 31% Affordable Mortgage Payment.

MARK-TO-MARKET LOAN TO VALUE (MTMLTV) CALCULATION (115%)
The Estimated Property Value used for this analysis is: **$161,563.32**

To reach a mark-to-market loan to value (MTMLTV) ratio of 115% with this Estimated Property Value, the principal would have to be reduced by **$881.16** to **$185,797.82**

► HAMP TIER1 PRA WATERFALL - Step 1 RESULT:

The principal reduction required to achieve the MTMLTV ratio of 115% is less than the principal reduction required to achieve the DTI ratio of 31%, so the principal reduction considered for this loan will be: **$881.16**

ANALYSIS USING THE HAMP TIER 1 PRA MODIFICATION WATERFALL (continued)

► **PRA WATERFALL (continued)**

If the UPB is reduced to create a mark-to-market LTV ratio of 115% and the target monthly mortgage payment ratio has not been achieved (based on a fully amortizing principal and interest payment over the remainder of the current loan term and using the current mortgage interest rate), continue with the standard HAMP modification waterfall steps of interest rate reduction, term extension and principal forbearance, each as necessary, until the target monthly mortgage payment ratio of 31% is achieved.

HAMP TIER 1 PRA WATERFALL VARIATIONS

If principal is forgiven in an amount equal to or greater than five percent (5%) of the pre-modification UPB (including any capitalized amounts) servicers will have flexibility in the application of subsequent steps in the alternative modification waterfall to either:

- Elect not to reduce the interest rate all the way down to the two percent interest rate floor before applying a term extension, provided that the servicer must fix the reduced interest rate and treat it as the modified rate for purposes of the Interest Rate Cap;
- Apply term extension before interest rate reduction, provided that, if the interest rate is not reduced, the servicer must fix the existing interest rate and treat it as the modified rate for purposes of the Interest Rate Cap.

Up front principal forgiveness may be granted on a standalone basis or before any step in the standard waterfall process. If principal is forgiven up front, subsequent steps in the standard waterfall may not be skipped. If principal is forgiven either up front or on a deferred basis under PRA and the interest rate is not reduced, the existing rate will be fixed and treated as the modified rate for the purposes of the Interest Rate Cap.

NOTE: In this HAMP TIER 1 PRA Analysis all variations are not considered. Please refer to HAMP Tier 2, Other Loan Modification Options and the use of Investor/Servicer overrides to explore additional viable foreclosure alternatives.

HAMP TIER 1 PRA 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***	The delinquent interest of $1,458.51 is added to the current unpaid balance of $185,220.47 resulting in a modified balance of $186,678.98.
Step 2 **PRA Principal Reduction**	Reduce the UPB by an amount necessary to either achieve the target monthly mortgage payment ratio of 31% or a MTMLTV ratio equal to 115% - whichever results in the lesser amount of principal reduction.	***Performed***	Principal reduced to $186,678.98 by forgiving $881.16 to achieve 115 % Mark-to-Market LTV. The resulting payment will be $1,353.79 and DTI will be 36.42 %. Further modification steps needed to achieve the target DTI of 31 %.
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 3.149 % resulting in a payment of $1,070.84 achieving the target DTI of 31.05 %. Further steps in the waterfall will be skipped.
Step 4 **Term Extension**	Extend the mortgage term up to 480 months (or greater if the existing loan terms are higher)	***N/A***	Target DTI of 31.05 % already achieved. Term Extension not required.
Step 5 **Principal Forbearance**	Forbear a portion of the principal (upto the greater of 30% of the capitalized UPB or an amount resulting in a modified interest-bearing balance equal to the estimated property value) into an interest free balloon amount to reach the target DTI.	***N/A***	Target DTI of 31.05 % already achieved. Principal Forbearance not required.

HAMP TIER 1 PRA WATERFALL RESULTS

PROPOSED (QUALIFYING) MODIFICATION TERMS

The Modification Terms proposed below would qualify under the PRA Waterfall guidelines listed above.

NEW LOAN BALANCE:	**$185,797.82**
NEW INTEREST RATE:	**3.149 %**
NEW PROPOSED TERM:	**231**
NEW PAYMENT:	**$1,073.60**

5. ADDITIONAL TESTS

In addition to performing the HAMP TIER 1 PRA Waterfall Steps listed above, the following tests were also conducted:

► NPV TEST RESULT - 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 is: **$155,027.50**
- The projected NPV WITHOUT the proposed Loan Modification is: **$113,304.86**

► DE MINIMIS TEST RESULT - Pass

The De Minimis Test (primarily used for borrower & servicer performance incentives) indicates if the proposed modification results in at least a 6% reduction in monthly Principal, Interest, Taxes, Insurance & Association Dues.

- The CALCULATED CURRENT P&I monthly payment is: **$1,343.21** . The PITIA payment is: **$1,891.21**
- The PROPOSED P&I monthly payment would be: **$1,073.60** The PITIA payment would be: **$1,621.60**
- This results in a **20.07 %** reduction in the P&I payment and a **14.26 %** reduction in the PITIA payment.

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
Pass	$881	$0	$185,798	231	3.149 %	$1,073.60	$155,027	$88,428	$113,305

Failure Reasons (if any)

HAMP TIER 2

HAMP TIER 2

ABOUT HAMP TIER 2

The Making Home Affordable (MHA) Program recently announced the Making Home Affordable Program – MHA Extension and Expansion. (*See Supplemental Directives 12-02 from March 9th, 2012 and Supplemental Directive 12-03 from April 17th, 2012 for more information about the new program.*)

The HAMP Program has been updated to include a new "HAMP Tier 2" which expands 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:

- The borrower's post-modification DTI must not be less than 25 percent or greater than 42 percent (Acceptable DTI Range); and
- 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 new 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.

EVALUATION FOR HAMP TIER 2 STANDARD

Borrowers that do not qualify for HAMP TIER 1 are evaluated for Tier 2 as follows:

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

? APPLYING ANY USER, INVESTOR, or SERVICER OVERRIDES

The following investor overrides were submitted for analysis and applied as appropriate in the HAMP TIER 2 STANDARD and HAMP TIER 2 PRA Models:

Use Overrides: NO

MI Partial Claim Amount: $0.00

Tier 2 Maximum Term: 480

Tier 2 Max Forbearance Amount: $100,000.00

Market Rate (PMMS) Override: 3.900%

Investor Risk Premium: 9.293%

Tier 2 Minimum Interest Rate: 2.000%

Tier 2 Max Forgiveness Amount: $100,000.00

HAMP TIER 2 STANDARD WATERFALL 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:	**$185,178.98**
NEW INTEREST RATE:	**4.50%**
NEW PROPOSED TERM:	**480**
NEW PAYMENT:	**$832.50**

► NPV TEST RESULT - 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: **$169,093.24**
- The projected NPV WITHOUT the proposed Loan Modification (NPV NO MOD) is: **$113,304.86**

HAMP TIER 2 STANDARD - RESULTS

Result	Forgiven Principal	Forborne Principal	New Balance	New Term	New Rate	New Payment	NPV MOD	NPV NO MOD
PASS	$1,500	$0	$185,178.98	480	4.50%	$832.50	$169,093.24	$113,304.86

Failure Reasons (if any)

HAMP TIER 2 PRA WATERFALL

WATERFALL STEPS

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), essentially replacing the required forbearance with principal forgiveness in the model

As in HAMP Tier 1, principal forgiveness in HAMP Tier 2 is optional; however investors who offer deferred principal forgiveness in accordance with the Principal Reduction Alternative (PRA) in HAMP Tier 2 are eligible for increased investor incentives. Servicers may elect to forgive principal below 115 percent but will only be entitled to investor PRA incentives for amounts of forgiveness that result in a mark-to-market LTV ratio equal to or greater than 105 percent.

NOTE: In this model, the principal is only forgiven down to 115% of the MTMLTV ratio.

HAMP TIER 2 PRA WATERFALL RESULTS

PROPOSED (QUALIFYING) MODIFICATION TERMS

Failure Reasons (if any)
TIER 2 PRA NOT APPLICABLE FOR THIS INVESTOR.

ADDITIONAL
LOAN MODIFICATIONS

ADDITIONAL LOAN MODIFICATION(S) 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 model excludes any Servicer Incentives

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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	$186,679	231	3.149 %	$1,078.70	$148,520	$88,428	$113,305
FlexMod Term/Rate	Pass	$0	$0	$186,679	396	5.899 %	$1,071.35	$168,592	$88,428	$113,305

Option	Failure Reasons (if any)

ADDITIONAL LOAN DISPOSITIONS/MODIFICATION(S) CONSIDERED

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 forborne 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*	The delinquent interest of $1,458.51 is added to the current unpaid balance of $185,220.47 resulting in a modified balance of $186,678.98.
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 3.149 % resulting in a payment of $1,070.84 achieving the target DTI of 31.15 %. Further steps in the waterfall will be skipped.
Step 3 **Term Extension**	Extend the mortgage term up to 480 months (or greater if the existing loan terms are higher)	*N/A*	Target DTI of 31.15 % already achieved. Term Extension not required.
Step 4 **Principal Forbearance**	Forbear a portion of the principal (upto 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 31.15 % 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*	The delinquent interest of $1,458.51 is added to the current unpaid balance of $185,220.47 resulting in a modified balance of $186,678.98.
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 396 months resulting in a monthly payment of $1,071.35 and a target DTI of 31.01 %. Further modification steps will be skipped.
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.	*N/A*	Target DTI of 31.01 % already achieved. Rate Reduction not required.
Step 4 **Principal Forbearance**	Forbear a portion of the principal (upto 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. Principal Forbearance not required.

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.

How a Short Sale Works

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.

Allowable 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.

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

Borrower-Initiated Approval for a HAFA 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 borrower needs to submit the request to the servicer in the form of an Alternative Request for Approval of Short Sale (Alternative RASS). Upon receipt of the Alternative RASS, 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 LienSaleProgram
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 SalesProgram
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.)

SHORT SALE - ELIGIBILITY CHECK

Origination Date Check	Loan must have been originated on or before 1/1/2009. This loan was originated on 05/09/2006.	*Pass*
Property Type Check	Property Type 'Single Family Residence' is eligible.	*Pass*
UPB Limit Check	UPB of $185,220.47 is within the UPB limit of $729,750.00 for the number of units (1) of the current property type 'Single Family Residence'.	*Pass*
Residence Check	The property must be the primary residence of the borrower and must be occupied or have been occupied in the past 12 months. The property is Primary Residence and is currently Occupied.	*Pass*
Property Condition Check	Condemned and/or Inaccessible properties are not eligible for HAFA Short Sale. The property is 'Excellent'.	*Pass*
Debt to Income Ratio (DTI) Check	DTI before modification must be greater than 31%. The DTI is 36.22 %.	*Pass*
Investor Check	Loans with GSE's not eligible for HAFA Short Sale. The current Investor is Portfolio.	*Pass*

PROPOSED SHORT SALE TERMS

PROPOSED SHORT SALE AGREEMENT/TERMS
Short Sale Terms and Conditions will vary from Servicer to Servicer. In their final form, they will be more comprehensive and detailed than the ones outlined below, 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 Short Sale Agreements commonly executed in the industry today:

- The closing date should be no less than 120 calendar days from the Short Sale Agreement effective date.
- The contracted sales price is not less than **$134,756**
- The Real Estate Agent’s Commission Amount is not greater than **$9,589**
- The Settlement/Escrow Attorney charges to be withheld from the net proceeds check are not greater than **$3,085**. (Any additional fees/costs associated with the sale must be negotiated among and paid for by the Seller, buyer, and /or Real Estate Agent.)
- The Net Proceeds (Short Sale Pay Off) to the servicer at closing are not less than **$125,167**
- Within 24 hours (one business day) after closing, the closing agent/attorney are to forward to the servicer:
  - A copy of the fully executed sales contract.
  - A copy of the fully executed HUD-1 Settlement.
  - Good Funds (Net Proceeds) made payable to the servicer in an amount of not less than **$125,167**
- Upon successful closing of an acceptable Short Sale, the borrower would be entitled to a relocation incentive of **$3,000**
- A monthly mortgage payment of **$1,070.84** may be required from the borrower during the term of the Short Sale Agreement.

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.

- The estimated probability of the loan Not being Modified and Curing is: **37.92 %**.
- The projected NPV of the loan Not being Modified and Curing is: **$186,073.10**

- The estimated probability of the loan Not being Modified and Defaulting/Foreclosing is: **62.08 %**.
- The projected NPV of the loan Not being Modified and Defaulting/Foreclosing is: **$88,428.07**

- The combined projected NPV of the loan Not being Modified, taking into consideration both the probabilities of Cure and Default is: **$113,304.86**. This is the NPV that HAMP typically compares to the NPV's of the Loan Modification Option(s)

- 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: **$88,428.07**

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

- REO/Foreclosure Expenses were estimated to be: **$6,649.41**
- The Projected Foreclosure Time and REO Hold Time is about: **22** months (from Last Paid Date)
- The Projected Disposition Date is around : **December, 2013**
- The Projected Home Price at Disposition is: **$153,598** (**95.07 %** 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 Modifcation Default scenarios.

EPV/NPV BREAK-EVEN

Report Generated: 06-06-2012 13:48:23

REFERENCE IDs:	Case File: 10051	Loan ID: 5.11
BORROWER(s):	Sandy Shores Chris Shores	
SUBJECT PROPERTY:	123 Main AnyCity, WA 98028	

ABOUT THE EPV/NPV BREAK-EVEN ANALYSIS

Estimated Property Values and NPV Break-Even

The Estimated Property Value (EPV) is a very key component when determining the current and future NPVs of any Loan Modification, Property Foreclosure and/or Short Sale. It is the starting point for many of the calculations that are used to compare the projected outcomes of the various loan disposition alternatives.

Valuations obtained by the Servicer from Appraisers, Broker Price Opinions (BPOs) and/or Automated Valuation Models (AVM) can vary greatly. Using only one Estimated Property Value may lead to a skewed perspective of the all-important Positive or Negative NPV comparison results.

This EPV/NPV Break-Even Analysis takes valuations from various sources (Third Party valuations, if ordered; Servicer and/or User-Supplied values) and then, using HAMP's TIER 1 STANDARD program guidelines and assumptions, runs various permutations and determines the Property Value (if any) at which the NPV of a HAMP-eligible Loan Modification (Mod) would swing from Positive to Negative when compared to the NPV of No Modification (No Mod).

Using this Report

The results of this analysis can be used pro-actively when submitting or negotiating a loan modification. It has also proven very useful for mediation purposes and/or submitting new Estimated Property Values for NPV re-evaluation if one has previously been denied a HAMP modification due to a negative NPV result. (Please refer to the Reference section at the end of this report for additional information.)

This analysis has been designed to be used in conjunction with REST's Loan Disposition Analysis Report, specifically for the Case File (Loan) referenced above. HAMP's TIER 1 STANDARD modification waterfall steps of interest rate reduction, term extension and principal forbearance were used. The resulting HAMP TIER 1 STANDARD Loan Modification details (New Unpaid Principal Balance, Interest Rate, Loan Term, etc. - whether NPV Positive or Negative result) are also key factors utilized in this report.

ANALYTICAL MODELS & CODE VERSIONS APPLIED IN THIS REPORT/ANALYSIS

Report used in conjunction with REST Analytics v.1206a - Report Version 5.0a Last Revision: 05/25/2012

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.

VALUATIONS USED IN THIS REPORT

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
User Supplied	$161,563			

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

Any AVM models selected for this analysis were chosen based on performance metrics for AVM providers for the subject property's geographic location. (These performance metrics were provided by an independent firm, National Real Estate Information Services.)

Provider	Model	Definition
Fidelity	ValueSure	ValueSure™ utilizes more than 20 years of historical property data and sales information from more than 1,100 U. S. Counties, and data from 85 percent of property ownership records nationwide, resulting in superior geographic coverage and data depth. Data, including appraisal information from Lender's Service, INC (LSI), and public record information from FIS Data Services property database, is used to develop ValueSure™ estimates. ValueSure™ information is updated continuously, giving you the most up-to-date data at all times.
Fidelity	SiteXValue	SiteX Value Reports are based on information from the FNIS/LexisNexis database. The database is 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	This report uses user-supplied dates in the past and provides estimated values as of that date.
TransUnion	CMV (Collateral Market Value)	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.
RJ Peters	AVMax	AVMax uses specific formulation and calibration techniques, which screen data for missing or out-of-range occurrences and inconsistencies, further improving data accuracy and stability.

EPV/NPV BREAK-EVEN TEST & RESULTS

► TEST CRITERIA/RANGE AND NPV RESULTS

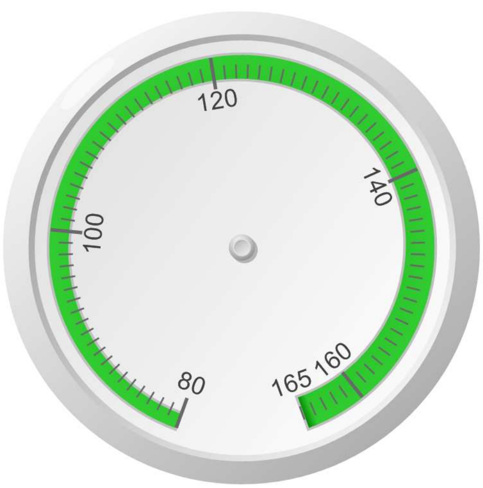
- The lowest Estimated Property Value (EPV) provided was $161,563
- The highest Estimated Property Value (EPV) provided was $161,563
- The Property Value Range for this Analysis was expanded to test from $80,000 to $165,000
- Of the Property Values considered for Analysis, the Property Values from $80,000 to $165,000 resulted in possible modification (whether NPV POSITIVE or NEGATIVE)

Model Name	Property Value	Mod Possible	NPV MOD	NPV NO MOD	Difference	
NPV Break-even Value	N/A	N/A				
Lowest Value Tested	$80,000	Yes	$80,080	$50,279	$29,802	
User Supplied	$161,563	Yes	$154,897	$125,459	$29,438	
Highest Value Tested	$165,000	Yes	$157,180	$128,435	$28,745	

► NO BREAK-EVEN FOUND

- The NPV of the proposed TIER 1 STANDARD Loan Modification (MOD) is always GREATER than the NPV of No Modification (NO MOD) for all of the Property Values for which Loan Modification is possible.

Estimated Property Values (in 1,000s)



(Needle indicates the NPV Break-Even Point)

The gauge on the left shows the range of Property Values tested for a possible HAMP TIER 1 STANDARD MOD, given the data provided, irrespective of whether the proposed modification results in a POSITIVE or NEGATIVE NPV.

If a needle appears on the gauge it points to the approximate Property Value which would correspond to an NPV Break-Even Point, where the NPV of the Proposed HAMP TIER 1 STANDARD Modification (MOD) would equal that of the No Modification (NO MOD) alternative.

All Estimated Property Values below this Break-Even Point would result in a Positive NPV, where the NPV of the proposed Loan Modification (MOD) is higher than that of No Modification (NO MOD). These values are depicted in green in the gauge, as well as the table up above.

Red indicators identify Estimated Property Values that would result in a negative NPV, where the NPV of NO MOD is higher than the NPV of the Proposed Loan Modification (MOD).

ADDITIONAL INFORMATION: SUBMITTING NEW PROPERTY VALUES FOR HAMP NPV RE-EVALUTION

The Departments of the Treasury & Housing and Urban Development in their consolidated resource for the Making Home Affordable (MHA) Program provide guidance about Property Valuations and submitting new Property Values for NPV re-evaluation if one has been denied a HAMP modification due to a negative NPV results. The following excerpts are from the Making Home Affordable Program Handbook for Servicers of Non-GSE Mortgages (version 3.4)

Chapter II, section 6.8 – Property Valuation
Servicers may use either an automated valuation model (AVM), provided that the AVM renders a reliable confidence score, a broker's price opinion (BPO) or an appraisal.

Chapter II, section 2.3.4 - Disputed Property Value Input
When a borrower is not approved for a Trial Period Plan (TPP) or permanent modification because the transaction is NPV negative and the borrower believes that the property value input used by the servicer in the NPV evaluation differs from the fair market value of the property as of the NPV Date, the borrower may request an NPV re-evaluation.

The borrower must, within 30 calendar days from the date of the Non-Approval Notice, provide the servicer with a recent estimate of the property value and a reasonable basis for that estimate at the same time that the borrower provides evidence of all other disputed NPV value inputs. Upon receipt of the written request, the servicer must perform a preliminary NPV re-evaluation using the borrower's estimate of property value (along with any other material disputed inputs).

As long as the borrower provides any publicly available evidence supporting the borrower's estimate of property value (e.g., sales prices from newspaper for sales of comparable homes, estimates from internet valuation sources, etc.), the servicer must utilize the borrower's evidence and perform the preliminary NPV re-evaluation required, notwithstanding the servicer's disagreement with the borrower's estimate.

AFFORDABLE MORTGAGE PAYMENT ANALYSIS

Report Generated: 06-06-2012 13:48:23

CASE FILE: 10051

LOAN/REFERENCE ID: 5.11

BORROWER(s): Sandy Shores
Chris Shores

SUBJECT PROPERTY: 123 Main in AnyCity, WA 98028

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.

ANALYTICAL MODELS & CODE VERSIONS APPLIED IN THIS REPORT/ANALYSIS

To be used in conjunction with REST's Loan Workout Options & Analytics v.1206a
Report Version 5.0a Last Updated: 05/25/2012

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

► **Monthly Gross Income**	$5,222.08
Expenses	
Total of Other Monthly Obligations (non-target loan/housing expenses)	$2,000.33
Housing-Related Expenses	
Monthly Real Estate Taxes	$371.00
Monthly Hazard & Flood Insurance	$129.00
Monthly Homeowner's Association (HOA)	$48.00
"Actual" Amount Left for Mortgage Payment	$2,673.75

CURRENT LOAN INFO & INCOME RATIOS

Current Unpaid Principal Balance (UPB) (Which includes any Delinquent Interest Payments)	$186,678.98
Current Interest Rate	5.899 %
Remaining Original Loan Term (in Months)	231
Supplied Current Mortgage Payment	$1,340.10
The Current CALCULATED Mortgage Payment using these loan terms	$1,343.21
The Ratio of the Current CALCULATED Mortgage Payment (PI) to Income	25.72 %
The Ratio of the Current CALCULATED Mortgage Payment WITH Housing Expenses (PITIA) to Income	36.22 %

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

Starting off with 31% of the Gross Monthly Income	$1,618.84
Subtracting all of the Non-Mortgage Housing-Related Expenses for this Loan/Property	$548.00
► **The 'Affordable Mortgage Payment' (Based on a strict 31% Housing to Income Ratio)**	**$1,070.84**
Is the Supplied Current Mortgage Payment already affordable (less than this)?	**NO**

AFFORDABILITY CHECK AT OFFERED INTEREST RATES & LOAN TERMS

► **Affordability at the Remaining Term (from Data Collection Date)**

First Paid Date at Origination: 06/09/2006 Data Collection Date: 03/06/2012 Remaining Loan Term (Months): 231

The Interest Rate for an 'Affordable Mortgage Payment' (with the Current UPB & Remaining Term)	3.065 %

► **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	$565.31
The difference between the 'Affordable Mortgage Payment' and this payment is	$505.53
The borrower would need this much in verified monthly income to qualify	$3,591.33

An 'Affordable Mortgage Payment' IS possible with the Current UPB, a 2.000% Interest Rate and a Term of 207 months

AFFORDABILITY CHECK USING PRINCIPAL REDUCTION

► **Affordability at a 2% Interest Rate, a Loan Term of 40 years AND Principal Reduction**

An 'Affordable' Unpaid Principal Balance (UPB) is	$186,678.98
This would require a Principal Reduction of	$0.00
With the provided Estimated Property Value of	$161,563.32
The LTV Ratio for the Current Unpaid Principal Balance (UPB) is	115.55 %
The LTV Ratio for the Current Unpaid Principal Balance (UPB) with this Principal Reduction would be	115.55 %