

Loan Modification Report



What you need to know about loan modification guidelines and structure:

- 1. Loan Modification 101**
- 2. The truth about Forensic Audits & filing suit against your lender**
- 3. Initial Paperwork for your Personal Loan Modification Report**
- 4. Sample Loan Modification Report**

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HELP Housing in conjunction with **First Choice Solutions** has created the “Know Your Options Campaign” to help homeowners navigate through the Loss Mitigation process. Our “360 Approach” has helped clients understand the principals behind loan modification.

UNDERSTANDING LOAN MODIFICATION AND PRINCIPAL REDUCTION

The most challenging issue confronting upside-down property owners is whether their lender will do **principal reduction** as a part of a loan modification. This Article is to give you 1) an overview of what to expect in a loan modification; and 2) identify the current status of efforts to get lenders to do principal reduction as part of a loan modification.

UNDERSTANDING LOAN MODIFICATION OPTIONS – as a starting point, it is important that you understand that a loan is a contract between the borrower and the lender in which the lender gives you money which you promise to pay back. If you breach that contract, the lender generally has the right to take your property by foreclosure and put you out. Since the recession started in 2007, many government and private programs have come into being to push lenders to “modify” the loan contracts to make them more affordable and enable borrowers to keep their homes. The best known of these programs is the **Home Affordable Modification Program**, commonly called **HAMP**, which deals with loans owned by FNMA and Freddie Mac (**HAMP has expanded to most Lenders**). Many other “proprietary” modification programs exist with lenders to deal with non-HAMP loans. Virtually all of them are based upon qualifying criteria that a borrower’s first **loan payment** should not be more than **31%** of their **GROSS** monthly income. * **A loan modification payment is not based on your ability to make other debt payments.**

Steps a Lender will take to modify your loan:

1st: Interest Rate Reduction – will reducing your loan's interest rate (2%) reduce your monthly payment to 31%? If so, this may be all you are offered. This is the most common modification.

2nd: Lengthen the Loan Term – will reducing interest *plus* also extending the term from a 30 year payback to 40 years reduce your monthly payment to 31%? If so, these two may be all you are offered.

3rd: Forbearance – the lender may offer to take a portion of your loan balance and move it to a “silent second” position. Now you only make payments on the remaining first loan. The second sits there, doesn't accrue interest and doesn't require monthly payment. But it never goes away. If you later want to sell or refinance the property, this second loan must also be paid in full. This option is less common but does occur, particularly with Bank of America modifications.

4th: Principal Reduction – the last option for modification and the least desirable option for lenders is Principal Reduction where they actually forgive, ie: extinguish, a portion of the principal balance. Unlike forbearance, with Principal Reduction the forgiven amount never is repaid, it's is gone.

UNDERSTANDING PRINCIPAL REDUCTION – Principal Reduction asks lenders (and their investors) to lose money they loaned so that an upside-down borrower can keep their home. Understandably, lenders' response to such requests has been: “why should we lose, we didn't breach the contract?” While many may disagree that lenders have no responsibility for the loss of property value, by and large the Federal and State governments have been unwilling to pass any law *compelling* lenders to do principal reduction. Arguably, governments have no legal right to do so even if they had the political will. So generally, principal reduction has been a “last-resort” option that is rarely offered. * The key to a principal reduction offer is that it will only occur if needed to bring the front end **DTI Ratio down to 31%**. Principal reduction is not offered just because the property is upside down or if there is a second lien.

1. Principal reduction will only be granted as a final solution to get your front end debt to income ratio to 31% and pass the NPV test. Best case is usually 115%-125% loan to value on the first lien only

2. Principal reduction will not be used just to get your loan balance closer to the actual property value.

3. Currently if your loan is owned by Fannie or Freddie there is NOT a Principal Reduction program in place.

New Fannie & Freddie Streamline program:

The Federal Housing Finance Agency will require mortgage servicers to offer a streamlined modification program to borrowers with loans owned or guaranteed by [Fannie Mae](#) and [Freddie Mac](#), starting in July of 2013. The offers will be sent to homeowners who are at least 90 days behind on their loans but **no more than two years behind**. To qualify, borrowers must owe at least 80 percent of the home's value.

The modification reduces the loan's interest rate and extends the loan term to 40 years.

Minimal paperwork: Borrowers won't be required to submit any financial documentation to the lender to get approval. The loan modification becomes permanent after three payments are made during the three-month trial period.

What is the NPV (Net Present Value) test?

Loan Modification NPV Calculation: This approval trigger tells the lender which option is most cost effective for them-modifying the loan or taking the home back in a foreclosure proceeding. Net Present Value uses certain values in the calculation-such as: (There are actually about 20 calculations)

1. Current Market Value of property as opposed to current loan balance
2. Homeowners financial situation-monthly income, monthly expenses and current bank balances
3. Borrowers credit score
4. Ability to modify the current loan using the Waterfall Method of Modification - lower interest rate, lengthen loan term, lower principal balance
5. Back end Debt to income Ratio (Hopefully below 55%)

You either PASS or FAIL the NPV test:

Each Lender has their own “Least Loss Analysis” to determine whether you pass or fail. Loan modifications are only granted when it makes more sense than a short sale or foreclosure. There is always a determination to see if the seller can actually keep the modification 30+ years.

Who Gets a Trial Modification under HAMP

Trial modifications are granted to homeowners who meet minimum eligibility criteria:

- **The borrower is in default or at imminent risk of foreclosure;**
- **The property is a primary residence;**
- **The loan balance does not exceed \$729,750 (for a 1-unit home); and**
- **The mortgage was originated before January 1, 2009.**

Once you have been granted a trial loan modification, any foreclosure action must be suspended until your Home Affordable Modification Program (HAMP) qualification has been determined. **If you receive a Notice Of Default (NOD) Or Notice Of Trustee's Sale (NOTS), your permanent modification was rejected and your loan servicer is foreclosing on your home.**

* Note: New Ca Homeowner Bill of rights, basically states any modification under review; foreclosure process must not continue.

Who Gets a Permanent Modification?

Being granted a trial modification does not mean you qualify for a permanent one. Here is what the official HAMP Trial Modification Agreement says:

Congratulations! You are approved to enter into a trial period plan under the Home Affordable Modification Program. This is the first step toward qualifying for more affordable mortgage payments.

As it says, trial modifications are only the *first* step in a long and involved process. The letter goes on to list the documents that need to be provided and when they must be received to complete step two.

Borrowers who do not turn in all required documents or who do not make their trial payments by the specified due dates are deemed ineligible for HAMP. If you have sent all required documents to your mortgage servicer and they claim they did not receive, and they want all information resubmitted for another trial period, this is a good sign that you were denied the permanent modification and your lender has started the foreclosure process. **If you continue to make the trial loan payments, your loan servicer will drag out the foreclosure as long as possible.**

Qualifying for a HAMP Modification

Step three is called the **waterfall test**. The lender conducts this test to see if it is possible to modify your loan (under the HAMP guidelines) to get your monthly payment down to 31% of your gross income.

Under the guidelines, lenders first must lower your interest rate to as low as 2% if necessary. If the resulting principal, interest, taxes, insurance and HOA dues combined is still above 31% of your gross monthly income, **they can then extend the term of your mortgage -- a month at a time -- to as long as 40 years.** Finally, if your monthly payment is still higher than 31% of your gross income, **they may forbear your principal balance -- but the balance can't be dropped to less than the value of your property, and that amount must be repaid when you sell the home.**

Here's an example under HAMP

- Your monthly income is \$4,000.
- You owe \$350,000 on a home worth \$275,000, and your current monthly payment is \$2,248 plus \$250 a month for taxes and insurance.
- Your payment must drop to 31% of your income, or \$1,240 a month. Your taxes and insurance can't be changed, so your mortgage payment will have to be \$990 a month.

Can this \$990 payment be done under HAMP? We can use the HAMP mortgage amortization calculator to determine monthly payments on the \$350,000 with various loan modifications:

- A 2% interest rate gets the monthly payment down to \$1,294.
- That 2% rate over a 40-year term makes the monthly payment \$1,060.
- Forbearing principal of \$23,100 finally yields a payment of \$990 and a balance of \$326,900, which is higher than the property's value. The borrower passes the waterfall test.

Finally, your data is input into a program designed to estimate the cash flow the lender is likely to derive from modifying your loan and compare it to what the lender would most likely earn if it does not modify your loan. **This is step four and it's called a Net Present Value (NPV) test.** HAMP administration says:

Each loan has a probability of default and cure in both the no-modification and modification scenarios. The default model of the base NPV model predicts four probabilities of default and cure:

1. *Probability of cure for a loan that is not modified.*
2. *Probability of default for a loan that is not modified.*
3. *Probability of cure for a modified loan.*
4. *Probability of default for a modified loan.*

A lot goes into this analysis, including credit scores, property value, income and an interest rate used to discount future cash flows and value your loan in today's dollars. They look at the likelihood of default or re-default, what the property would fetch in a foreclosure sale and the cost of reducing the payment to 31% of your gross monthly income. **The result of the NPV test is either positive (meaning the lender is better off modifying your loan) or negative (meaning the lender is better off not modifying your loan, or perhaps even foreclosing).** **If the result is negative, the lender is not required to offer you a permanent modification.**

Debt to Income Calculations and how it effects your modification:

1. Your current **front end DTI must exceed 31%** or you will be turned down in most cases

*NOTE: The Tier 2 HAMP program has changed the DTI Ratio to a range of 25%-42%.

Back end DTI ratio includes all household expenses that would show up on a credit report. This type of DTI ratio is used more commonly in qualifying for a mortgage. Lenders like to see 55 % or less.

2. Front end DTI is based on Housing expense which include the total of: mortgage payment, monthly property taxes, insurance and in some cases HOA dues.
3. Total housing expense is divided by **gross income** (not net income) equals your DTI ratio.

First Choice Solutions can actually run your loan modification scenario through the HAMP program to see how you may or may not qualify for either the Tier 1 or Tier 2 programs. It really helps to understand how your payment will be calculated and how the loan modification will be structured.

We should also have a discussion about "Trial Loan Modification".

I can go over how to handle any second liens or mortgages on the property.

*** Note: The biggest mistake many people make is that they voluntarily fall out of their current modification in hopes of a better deal or that the banks will just modify again. To play this game has about a 5% success ratio.**

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The Truth About Loan Modification Approvals

Why is it so hard and take so long to get approved for a loan modification? Because it is by design! Your loan servicer is financially rewarded to delay and complicate the modification process for as long as possible. In fact your loan servicer is paid thousands of dollars per loan modification application every time you apply which is why you probably have or will end up applying for a loan modification multiple times!

What are my chances of being approved for a loan modification on my own? According to the Federal Housing and Urban Development (HUD) office, homeowners applying for a loan modification on their own OR using a HUD certified counselor have less than a 15% chance of being approved for any loan modification.

Is my loan servicer supposed to help me get approved for a loan modification? NO! This is the biggest lie told to homeowners! Your loan servicer is a debt collector which is why they have to legally tell you: "we are a debt collector attempting to collect a debt and any information will be used for that purpose." They are putting you on notice that you are the DEBTOR and they are the COLLECTOR. They do not represent you or your best interests and they are not required to help you get approved for a loan modification. If they think more money will be made off of you by delaying your loan modification approval and then foreclosing on your home that is what they will do unless you seek immediate FREE professional help from me.

How do I know if my loan modification application is NOT in an active review status?

- If you receive a Notice of Intent to Accelerate Foreclosure, Notice of Default or Notice of Trustee Sale after you have submitted your loan modification application, **your modification application is NOT in active review!**
- If your account representative is requesting additional documents such as bank statements, pay stubs, updated forms, applications, letters of explanation, etc., **your modification application is NOT in active review!**
- If your loan modification has not been approved within 30 days of application submission, **your modification application is NOT in active review!**
- If you have not been approved for a trial payment plan within 45 days of application submission, **your modification application is NOT in active review!**
- If your account representative is not returning your telephone messages within 2 business days, **your modification application is NOT in active review!**
- If you do not receive a confirmation of documents sent within 5 days, **your modification application is NOT in active review!**

If you are behind in your mortgage payments and if your home loan is not in an active review status, your home loan is in active foreclosure and is subject to sale WITHOUT FURTHER NOTICE.

What are the signs of a foreclosure rescue or loan modification scam?

Anyone (**including attorneys**) who:

- Requires an up-front fee to work with your lender/loan servicer to modify, refinance or reinstate your mortgage
- Guarantees they can stop your foreclosure or modify your mortgage for an up-front fee
- Advises you to stop paying your mortgage payment and pay them instead
- Pressures you to sign over the deed to your home or sign any paperwork you don't understand
- Claims to offer "government approved" or "official government" loan modifications
- Asks you to release personal financial information online or even over the telephone
- Claims a bankruptcy filing will stop your foreclosure and eliminate your 2nd mortgage
- Claims filing a lawsuit against your loan servicer will force them to modify your mortgage
- Claims a REST Report or forensic loan audit will force your loan servicer to modify your mortgage

DON'T GET SCAMMED!

Contact me today for FREE HELP and FREE INFORMATION to save your home from foreclosure and to lower your house payment (even if you have been declined)

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Homeowner Assistance Scams

Lender/Loan Servicer Scam: Lenders/Loan Servicers are debt collectors and they do not represent the best interests of the homeowner. Lenders/Loan Servicers are financially incentivized to delay the modification process for months and require homeowners to re-apply for loan modifications multiple times. Homeowners attempting to modify a mortgage on their own without legitimate professional help have less than a 15% chance of being approved for any type of loan modification.

Up-Front Fee Scam: It is ILLEGAL for anyone including attorneys to charge an up-front fee for loan modification help, loan modification document preparation, forensic loan audit, REST Report, mass joinder law suits and class action law suit. **THERE ARE NO EXCEPTIONS!**

Lawsuit Scam: Beware of attorneys claiming a lawsuit against the Lender/Loan Servicer will stop a foreclosure or force them to modify the mortgage. It is a complete scam! Most California lawsuits against Lenders/Loan Servicers are dismissed when borrowers are behind on their mortgage payments. Additionally, judges cannot modify or alter a mortgage contract.

HUD Non-Profit COUNSELOR Scam: These organizations are mostly funded by the BANKS and therefore they do not represent the best interests of homeowners. According to the Housing and Urban Development Office, these non-profit organizations are successful less than 15% of the time at helping homeowners get approved for a loan modification.

Bankruptcy Filing Scam: A bankruptcy filing does not stop foreclosure, it only delays it! Furthermore, a bankruptcy filing does not modify existing mortgage(s) either. Lenders/Loan Servicers can foreclose on a property without further notice once the bankruptcy is dismissed or discharged if a Notice of Trustee Sale was issued prior to the bankruptcy filing and a loan modification or payment plan is not approved. **NOTE: A chapter 13 filing does not eliminate 2nd mortgages until all court payments are paid over 5 years.** Additionally over 75% of chapter 13 filings fail within 12 months. A bankruptcy should only be considered as a very last option. In most cases, there are much better and more effective ways to handle delinquent debts.

Forensic Loan Audit Scam: Most actionable RESPA and TILA violations expire after one year of loan origination. A forensic loan audit does not provide a homeowner with any leverage whatsoever in making the Lender/Loan Servicer modify a mortgage. The California Attorney General has stated that forensic loan audits are a complete scam.

Other Common Scams: If anyone tells you: “stop paying your mortgage and we will buy your house and sell it back to you at present value”, or “I can keep you in your home for months” (for a fee) it’s a scam! Beware of anyone who guarantees to lower the principal balance or house payment.

If it sounds too good to be true, IT IS!

Short Sale Listing Warning: Most homeowners trying to avoid foreclosure by short selling their home end up in foreclosure because of realtor inexperience. A short sale should only be considered if all attempts to modify the mortgage fail.

DON'T GET SCAMMED!

Contact me today for FREE HELP and FREE INFORMATION to save your home from foreclosure and to lower your house payment (even if you have been declined)

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FEDERAL TRADE COMMISSION
CONSUMER INFORMATION

Forensic Loan Audits

Fraudulent foreclosure “rescue” professionals use half-truths and outright lies to sell services that promise relief to homeowners in distress. A Federal Trade Commission (FTC), the nation’s consumer protection agency, the latest foreclosure rescue scam to exploit financially strapped homeowners pitches forensic mortgage loan audits.

In exchange for an upfront fee of several hundred dollars, so-called forensic loan auditors, mortgage loan auditors, or foreclosure prevention auditors backed by forensic attorneys offer to review your mortgage loan documents to determine whether your lender complied with state and federal mortgage lending laws. The “auditors” say you can use the audit report to avoid foreclosure, accelerate the loan modification process, reduce your loan principal, or even cancel your loan.

Nothing could be further from the truth. According to the FTC and its law enforcement partners:

- there is no evidence that forensic loan audits will help you get a loan modification or any other foreclosure relief, even if they’re conducted by a licensed, legitimate and trained auditor, mortgage professional or lawyer.
- some federal laws allow you to sue your lender based on errors in your loan documents. But even if you sue and win, your lender is not required to modify your loan simply to make your payments more affordable.
- if you cancel your loan, you will have to return the borrowed money, which may result in you losing your home.

If you are in default on your mortgage or facing foreclosure, you may be targeted by a foreclosure rescue scam. The FTC wants you to know how to recognize the telltale signs and report them. If you are faced with foreclosure, the FTC says legitimate options are available to help you save your home.

Spotting a Scam

If you’re looking for foreclosure prevention help, avoid any business that:

- guarantees to stop the foreclosure process – no matter what your circumstances are
- instructs you not to contact your lender, lawyer or credit or housing counselor
- collects a fee before providing any services accepts payment only by cashier’s check or wire transfer
- encourages you to lease your home so you can buy it back over time

- recommends that you make your mortgage payments directly to it, rather than your lender
- urges you to transfer your property deed or title to it
- offers to buy your house for cash at a fixed price that is inappropriate for the housing market
- pressures you to sign papers you haven't had a chance to read thoroughly or that you don't understand.

Finding Legitimate Help

Housing experts say that when you're behind on your mortgage payments, maintaining communication with your lender is the most important thing you can do. Contact your lender or servicer immediately if you're having trouble paying your mortgage or you have received a foreclosure notice. You may be able to negotiate a new repayment schedule.

Call 1-888-995-HOPE for free personalized advice from housing counseling agencies certified by the U.S. Department of Housing and Urban Development (HUD). This national hotline – open 24/7 – is operated by the Homeownership Preservation Foundation, a nonprofit member of the HOPE NOW Alliance of mortgage industry-certified counseling agencies. For free guidance online, visit www.hopenow.com. For free information on the President's plan to help homeowners, visit www.makinghomeaffordable.gov.

Reporting Fraud

If you think you've been dealing with a foreclosure fraudster, contact:

- Federal Trade Commission – www.ftc.gov
- Your state Attorney General – www.naag.org
- Your local Better Business Bureau – www.bbb.org

This article was previously available as *Forensic Mortgage Loan Audit Scams: A New Twist on Foreclosure Rescue Fraud*.

March 2010

NEW CLIENT QUESTIONNAIRE

Provided By www.saveyourhomeoptions.org
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NOTE: ALL questions below must be answered in order to provide you and your client with the highest level of service and results.

Date: _____

BORROWER: _____ ON THE LOAN (Y) (N)

CO-BORROWER: _____ ON THE LOAN (Y) (N)

PROPERTY ADDRESS: _____

MAILING ADDRESS: _____

H () _____ C () _____ W () _____ EMAIL _____

1. HOW MANY MONTHS ARE YOU BEHIND: _____

2. WHY DID YOU STOP PAYING YOUR MORTGAGE:

3. Have you applied for a loan modification in the last 30 days?

4. HAVE YOU BEEN APPROVED FOR A TRIAL PAYMENT PLAN? (Y) (N) STATUS: _____

5. HAVE YOU RECEIVED A NOTICE OF INTENT TO ACCELERATE FORECLOSURE? (Y) (N) WHEN: _____

6. HAVE YOU RECEIVED A NOTICE OF DEFAULT? (Y) (N) WHEN: _____

7. HAVE YOU RECEIVED A NOTICE OF TRUSTEE SALE? (Y) (N) WHEN: _____

8. DO YOU WANT TO **KEEP YOUR HOUSE OR SELL** IT? (KEEP) (SELL) _____

9. WHAT TOTAL HOUSE PAYMENT ARE YOU TRYING TO RECEIVE \$ _____

10. DO YOU OWN ANY OTHER REAL ESTATE: (Y) (N) _____

11. IS THE HOME IN QUESTION YOUR PRIMARY RESIDENCE (Y) (N) STATUS: _____

12. WAS YOUR CURRENT HOME LOAN ORIGINATED BEFORE JANUARY 1ST 2009? (Y) (N)

13. HAVE YOU FILED FOR BANKRUPTCY WITHIN THE PAST 8 YEARS? (Y) (N) (CH. 7) (CH. 13) DISMISSED DATE
DISCHARGED DATE _____ CASE STILL OPEN (Y) (N)

14. WHAT DO YOU THINK YOUR HOME IS WORTH? \$ _____

15. CURRENT LOAN INFORMATION:

SERVICER _____	PRINCIPAL BAL \$ _____	PAYMENT \$ _____	INTEREST RATE @ _____% (IO) (Fix) (ARM)
		TAX \$ _____	(CURRENT) (SEPARATE) (IMPOUND)
		INS \$ _____	(CURRENT) (SEPARATE) (IMPOUND)
		HOA \$ _____	(CURRENT) (BEHIND MO. _____)
SERVICER _____	PRINCIPAL BAL \$ _____	PAYMENT \$ _____	INTEREST RATE @ _____% (IO) (FA) (ARM)

TOTAL: \$ _____

INCOME:

CURRENT CHECKING BALANCE \$ _____ CURRENT SAVINGS BALANCE \$ _____ CASH ON HAND \$ _____

BORROWER GROSS \$ _____ (HRLY \$ _____) (SALARY \$ _____) (W2) (1099)

CO-BORROWER GROSS \$ _____ (HRLY \$ _____) (SALARY \$ _____) (W2) (1099)

OTHER \$ _____ FROM: _____

OTHER \$ _____ FROM: _____

TOTAL MONTHLY GROSS \$ _____

* This form is used by Save Your Home Option & National Mortgage Forgiveness Plan to help create an initial analysis of your situation. We also forward this information to a couple Non- Profit agencies to help determine qualification, but only at your request. It is strictly voluntary and we do not sell or share information.

Monthly Expense Worksheet

	Primary Borrower	Co-Borrower	Sub-total Expense
1st Mortgage Payment	\$0	—	\$0
H.O.A Fees	\$0	—	\$0
Taxes	\$0	—	\$0
Prop Ins, Flood Ins. (If any)	\$0	—	\$0
Mortgage Insurance	\$0	—	\$0
Credit Cards	\$0	\$0	\$0
Auto Loans	\$0	\$0	\$0
Unsecured Loans	\$0	\$0	\$0
Student Loans/Tuition	\$0	\$0	\$0
Alimony/Child Support	\$0	\$0	\$0
Child/Dependent/Elderly Care	\$0	\$0	\$0
Insurance (Auto, health, life)	\$0	\$0	\$0
Groceries	\$0	\$0	\$0
Car Expenses (gas, maint.)	\$0	\$0	\$0
Doctor/Medical Bills	\$0	\$0	\$0
Entertainment	\$0	\$0	\$0
Other	\$0	\$0	\$0
Other Mortgages /REO	\$0	\$0	\$0
Donation, Pets, Parking, Union, Personal Loan and Lunch	\$0	\$0	\$0
Utilities			
Cable TV/Satellite	\$0	\$0	\$0
Electricity	\$0	\$0	\$0
Natural Gas/Oil	\$0	\$0	\$0
Telephone/Cell	\$0	\$0	\$0
Water/Sewer	\$0	\$0	\$0
Internet	\$0	\$0	\$0
Other	\$0	\$0	\$0
TOTAL Household Expenses	\$0	\$0	\$0
Total Balance			
Total Credit Card Balance(s)	\$0	\$0	\$0
Total Auto Loan Balance(s)	\$0	\$0	\$0
Total Unsecured Loan Balance(s)	\$0	\$0	\$0
REO Mortgage Balance(s)	\$0	\$0	\$0
Total Student Loan Balance(s)	\$0	\$0	\$0

Borrower Signature

Date

Monthly Income Worksheet

Employment	Borrower		Co-Borrower
Position			
Type			
Employment Income	Borrower	Co-Borrower	Sub-total Income
Gross Monthly Income	\$0	\$0	\$0
Commission/Bonus	\$0	\$0	\$0
Overtime	\$0	\$0	\$0
Tips	\$0	\$0	\$0
Less: Federal and State Tax, FICA	\$0	\$0	\$0
Less: Other Deductions (401K, etc.)	\$0	\$0	\$0
Net Monthly Income	\$0	\$0	\$0
Other Income Sources	Borrower	Co-Borrower	Sub-total Income
Social Security:	\$0	\$0	\$0
Pension/Retirement:	\$0	\$0	\$0
Disability:	\$0	\$0	\$0
Child Support/Alimony:	\$0	\$0	\$0
Rental:	\$0	\$0	\$0
Earned Interest:	\$0	\$0	\$0
Room Rental:	\$0	\$0	\$0
Monthly Income (2nd Job):	\$0	\$0	\$0
Son/Daughter:	\$0	\$0	\$0
Parents:	\$0	\$0	\$0
Unemployment:	\$0	\$0	\$0
Other:	\$0	\$0	\$0
Food Stamps/Welfare:	\$0	\$0	\$0
TOTAL Net Household Income	\$0	\$0	\$0

Current Monthly Disposable Income

TOTAL Joint Household Income	-	TOTAL Joint Household Expenses	=	Disposable Income
\$0	-	\$0	=	\$0

Borrower Signature

Date



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AUTHORIZATION FORM

I authorize the following parties to speak on our behalf regarding any and all information whether written or verbal for the purpose of loan modification, short sale or any loss mitigation matter.

Brian McFedries, Fermin Perez, Dustin Kircher

Lender (1): _____ Loan#: _____

Lender (2): _____ Loan # _____

Seller: _____ SS#XXX-XX-_____
Name as it appears on the loan

_____ SS#XXX-XX-_____
Name as it appears on the loan

Property Address: _____

City: _____ State: _____ Zip: _____

Signature _____

Date _____

Signature _____

Date _____

HOME LOAN MODIFICATION REPORT

GET YOUR FREE NO OBLIGATION REPORT BY FILLING OUT A QUESTIONNAIRE ONLINE

WWW.SAVEYOURHOMEOPTIONS.ORG
SAMPLE REPORT

Report Date: April 1, 2013

Borrower Name(s): Mr. & Mrs. Homeowners

Property Address: 12345 My Street, Any Town, CA 91234

Mailing Address: Same

1st Mortgage Loan Information:

Home Loan Servicer: Wells Fargo Loan Servicing

Lender/Investor: Wells Fargo

Loan No.: 0001234567

Current Principal Balance: \$473,434.58

Current Monthly Payment: \$2149.39 Interest ONLY (No Principal, Tax or Homeowners Ins)

Estimated Monthly Payment With Taxes & Insurance: \$2782.72

Months Behind: 24 (25 with April)

Monthly Payment Arrears: \$56,765.14

Escrow Arrears: \$13,360.70

Unapplied Payments Received: \$1813.71

Current Loan Type: Interest Only Pick A Payment Plan @ 3.965%

Loan Servicer Conversation Notes:

Per my conversation with a representative in the loss mitigation department today **your home loan is in active foreclosure with a sale date to be set soon.** There is no active loan modification application in review at this time. I have also verified your home loan is eligible for the National Mortgage Settlement Plan and the investor's in-house modification plan. All plans have a minimum interest rate of 2.000%. Principal reduction and forgiveness of back escrow and house payments can be written off through the plan.

Estimated Loan Modification Plan Provided By Loan Servicer:

Principal Balance: \$473,434.58

Lowest Monthly House Payment: \$2383.24 Principal, Interest, Property Taxes & Homeowners Insurance

Maximum House Payment: \$ Maximum payment cannot exceed 31% of monthly adjusted NET income

Estimated Monthly Savings: \$399.48

Estimated Loan/Debt Forgiveness: \$70,125.84 (Mortgage & escrow payment arrears)

New Mortgage Type: Standard 30 yr. loan modification plan with a start interest rate @ 2.000% to 4.000%.

Note: You can sell, refinance and/or make any changes to this mortgage without penalty any time.

2nd Mortgage Loan Information:

Loan Servicer: N/A

Loan No.:

Note:

Report Closing Notes:

Based upon my conversation with the loan servicer representative today, with your current income and the investor loan modification underwriting guidelines, we see no reason why you would not qualify for the above plan. **Again, if you do nothing, your loan servicer can and will foreclose on your property without further notice.**

THIS IS A FREE SERVICE WITH NO OBLIGATION. YOU CAN CHOOSE TO WORK WITH ANY LOAN MODIFICATION COMPANY, ATTORNEY, NON-PROFIT, OR SIMPLY TRY TO ACCOMPLISH THE MODIFICATION ON YOUR OWN