

June 1, 2012  
Jane Homeowner  
123 Main Street  
Anytown, USA

**Subject: Decision on your *Home Affordable Modification***

Dear Jane Homeowner:

In response to your request for mortgage payment assistance, we're writing to provide you with our decision on your loan modification under the federal government's *Home Affordable Modification Program* (HAMP).

**About our decision and the calculation required by the program**

After carefully reviewing the information you provided, we are unable to modify your mortgage under HAMP. In order to qualify for this program, the government requires us to calculate the net present value (NPV) for your modification. This calculation is based on a complex formula developed by the Department of the Treasury. We input certain financial information (see enclosed list of NPV Input Values) and combine it with information required by the Treasury to determine if the NPV is acceptable to the investor that owns your mortgage.

In this case, your mortgage cannot be modified based on the results of your NPV evaluation.

**Respond with any updates or changes**

We're providing you with the specific inputs that were used in your NPV calculation. As you can see, some of the values are based on information that you provided to us as well as information we secured from your loan history file and third-party resources, such as credit bureaus.

Please take these important steps:

1. Carefully review the enclosed input values. If you have reason to believe that any of the input values calculated on the date noted are not accurate, such as a significant difference in your gross monthly income, we need to hear from you.
2. Verify the property value used in the NPV calculation. If you believe the property value used does not reflect the fair market value of your home, you may provide us with an estimate of your property value and documentation to support your estimate. We'll perform a preliminary NPV evaluation using the property value you provide to us. If the preliminary NPV test is positive, we'll order a new appraisal for your property. Please see the enclosed Understanding Your NPV Calculation and Property Value document for more information.
3. Call us right away to discuss any inaccuracies and the documentation we'll need from you. Our phone number is in the information box at the top of this letter. The documentation you provide to dispute the input values must be from the date the NPV was calculated, not current information. After you call us, you will need to submit a written request to have your NPV recalculated, and attach your supporting documentation.
4. Send us your NPV recalculation request in writing, along with your supporting documentation, within 30 calendar days from the date of this letter. We will conduct a new NPV evaluation based on the new information you provide. Mail your documents in the enclosed envelope and be sure to include your loan number. If you want to expedite your evaluation, you can fax your documents to the fax number in the information box at the top of this letter. You may also email your documents to

[email@mortgageservicer.com](mailto:email@mortgageservicer.com) . Please note, sending your documents via email is not a secure method of transmitting information.

5. While there's no guarantee that a new NPV evaluation will result in approval of your modification, we'd like to ensure your evaluation is based on the most accurate information. During this time, your loan may be referred to foreclosure and any pending foreclosure action may continue.
6. We'll write you with our final decision on your loan modification based on the new NPV evaluation.

**Other options may be available to you**

Please understand, although we are unable to modify your mortgage under the *Home Affordable Modification Program* at this time, you may still have options to avoid a foreclosure sale and the impact it could have on your finances. If your circumstances change or you find inaccuracies in the NPV information provided to you, please be sure to contact us at the number in the information box in this letter.

**What you need to know about foreclosure**

Even though we will continue to work with you to help you avoid a foreclosure sale, it's important to understand that — if your payments are past due — the foreclosure process may proceed.

- If your mortgage has already been referred to foreclosure, the process will move forward.
- If the foreclosure process hasn't already started, it could begin at any time once you become past due.

**We're here to help you**

If you have any questions about the decision we've made about your loan modification or any of the information in this letter, please call a representative today. We're available to help you and can be reached at the number and times noted in the information box at the top of this letter.

Sincerely,

**Your Mortgage Servicer**

## Net Present Value (NPV) Input Data Fields and Values

Input Data Field		What it means
<i>Information about you</i>		
1	<b>Current Borrower Credit Score</b>	This is your credit score as provided by one or more of the three national credit reporting agencies.
2	<b>Current Co-borrower Credit Score</b>	If a co-borrower is listed on your mortgage, this is the co-borrower's credit score as provided by one or more of the three national credit reporting agencies.
3	<b>Monthly Gross Income</b>	This is the total monthly income of all borrowers on your mortgage before any payroll deductions or taxes are taken out.
4	<b>Total Housing Expense of Principal Residence</b>	<p>This field only applies if your application for a HAMP modification is for a property that is not your principal residence.</p> <p>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).</p>
<i>Information about your property</i>		
5	<b>Property - State</b>	This is the two-letter state code of the property for the mortgage which you are applying for a HAMP modification.
6	<b>Property - Zip Code</b>	This is the Zip code of the property for the mortgage which you are applying for a HAMP modification.
7	<b>Property Value</b>	This is the estimated fair market value of your property for the mortgage which you are applying for a HAMP modification that was used for this analysis.
8	<b>Property Valuation Type</b>	<p>This field identifies the method by which the property for which you are applying for a HAMP modification was valued (as noted in Field 6, Property Value):</p> <p>1 – Automated Valuation Model (AVM)</p> <p>2 – Exterior Broker Price Opinion (BPO) / Appraisal (as is value)</p> <p>3 – Interior BPO / Appraisal (as is value)</p>
9	<b>Occupancy</b>	<p>This field uses codes to identify the occupancy of the property for which you are applying for a HAMP modification.</p> <p>1 – Owner Occupied</p> <p>2 – Non-Owner Occupied</p> <p>3 – Owner Occupied</p> <p>4 – Owner Occupied</p>
10	<b>Monthly Gross Rental Income of Property</b>	<p>This field only applies if your application for a HAMP modification is for a property that is not your principal residence.</p> <p>This field identifies the monthly gross rental income from the property for which you are applying for a HAMP modification.</p>

Input Data Field		What it means
<i>Information about your mortgage</i>		
11	<b>Data Collection Date</b>	This field identifies the date on which the Unpaid Principal Balance and other data used in the NPV analysis was collected by us.
12	<b>Imminent Default Flag</b>	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 and the value in this field is "Y". If two or more payments are due and unpaid by the end of the month in which they are due as of the Data Collection Date, the value in this field is "N".
13	<b>Investor Code</b>	<p>This identifies the owner of the mortgage for which you are applying for a HAMP modification:</p> <ul style="list-style-type: none"> <li>1 – Fannie Mae</li> <li>2 – Freddie Mac</li> <li>3 – Owned by a private investor other than us, your servicer</li> <li>4 – Owned by us, your servicer or an affiliated company</li> <li>5 – Ginnie Mae</li> </ul>
14	<b>Unpaid Principal Balance at Origination</b>	This is the amount of your mortgage for which you are applying for a HAMP modification at the time it was originated (i.e., the amount you borrowed).
15	<b>First Payment Date at Origination</b>	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.

	Input Data Field	What it means
16	<b>Product Before Modification</b>	<p>This code identifies the type of mortgage you held prior to applying for a HAMP modification:</p> <ol style="list-style-type: none"> <li>1. Adjustable Rate Mortgage (ARM) and/or Interest Only mortgage loan</li> <li>2. Fixed Rate</li> <li>3. Step Rate</li> <li>4. One Step Variable</li> <li>5. Two Step Variable</li> <li>6. Three Step Variable</li> <li>7. Four Step Variable</li> <li>8. Five Step Variable</li> <li>9. Six Step Variable</li> <li>10. Seven Step Variable</li> <li>11. Eight Step Variable</li> <li>12. Nine Step Variable</li> <li>13. Ten Step Variable</li> <li>14. Eleven Step Variable</li> <li>15. Twelve Step Variable</li> <li>16. Thirteen Step Variable</li> <li>17. Fourteen Step Variable</li> </ol>
17	<b>Adjustable Rate Mortgage (ARM) Reset Date</b>	<p>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.</p> <p>This field identifies the date on which the next Adjustable Rate Mortgage (ARM) reset was due to occur, as of the Data Collection Date (Field 11).</p>
18	<b>Next Adjustable Rate Mortgage (ARM) Reset Rate</b>	<p>This field identifies the rate at which your mortgage was expected to change based on when the next reset date (Field 14) 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.</p> <p>If the reset date on your ARM loan is within 120 days of the Data Collection Date, this value in this field is the expected interest rate on your mortgage at the next reset date.</p> <p>If the reset date on your ARM loan is more than 120 days from the Data Collection Date, the value in this field is your current interest rate at the time of NPV evaluation.</p>
19	<b>Unpaid Principal Balance Before Modification</b>	<p>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.</p>
20	<b>Interest Rate Before Modification</b>	<p>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.</p>

	Input Data Field	What it means
21	<b>Remaining Term (# of Payment Months Remaining)</b>	This field 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. Please look to your mortgage loan documentation (including any permanent modification documentation if previously modified) for information the term of your mortgage.
22	<b>Principal and Interest Payment Before Modification</b>	<p>This is the amount of principal and interest you were scheduled to pay each month as of the Data Collection Date (Field 8).</p> <p>A. If your loan had an adjustable rate scheduled to reset within 120 days, this field will reflect the principal and interest payment associated with the new interest rate.</p> <p>B. If your loan had an adjustable rate scheduled to reset after 120 days, this field will reflect the current scheduled monthly mortgage payment and the interest rate in effect at the time of evaluation.</p> <p>C. If your mortgage is an Interest Only loan and your loan was in the interest only period, the value in this field is the interest payment that was due each month.</p> <p>D. If your mortgage is a negative-amortization loan, the value in this field is the greater of:</p> <ul style="list-style-type: none"> <li>a. the principal and interest payment you sent on the most recent payment date; or</li> <li>b. the minimum payment required on your loan.</li> </ul> <p>If you had a prior HAMP trial period plan or HAMP permanent modification, the value in this field is the HAMP payment.</p>
23	<b>Monthly Real Estate Taxes</b>	This is the monthly cost of your property taxes. If your taxes are paid annually, this amount will be 1/12 <sup>th</sup> of the annual cost.
24	<b>Monthly Hazard and Flood Insurance</b>	This is the monthly cost of your hazard and flood insurance coverage. If your insurance is paid annually, this amount will be 1/12 <sup>th</sup> of the annual cost.
25	<b>Homeowners Association Dues/Fees</b>	<p>This is your monthly homeowners or condominium association fee payments (if any) and/or any future monthly escrow shortages. If your homeowners or condominium association fee payments are paid annually, this will be 1/12<sup>th</sup> of the annual cost.</p> <p>If your property has no association fee payments and/or any future monthly escrow shortages, this field is blank.</p>
26	<b>Months Past Due</b>	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.
27	<b>Mortgage Insurance Coverage Percent</b>	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.
28	<b>Capitalized UPB Amount</b>	This field identifies the capitalized unpaid principal balance (UPB) amount that includes all outstanding principal, accrued interest, escrow advances as of the data collection date.



Input Data Field		What it means
<i>Information about your proposed loan modification under HAMP</i>		<i>Note: The fields below describe the proposed HAMP modification calculated by us according to HAMP program guidelines (and subject to investor restrictions).</i>
29	<b>NPV Date</b>	This field identifies the initial date that the Net Present Value evaluation was conducted on the mortgage for which you are applying for a HAMP modification.
30	<b>Modification Fees</b>	This field identifies the total amount of costs and fees that would have been paid by the investor (owner) of your loan, for the proposed HAMP modified mortgage. It includes expenses such as notary fees, property valuation, credit report and other required fees.
31	<b>Mortgage Insurance Partial Claim Amount of the Proposed HAMP Modification</b>	<p>This field identifies any mortgage insurance payout amount as part of the proposed HAMP modified mortgage, which is, at the discretion of your mortgage insurance company.</p> <p>This should be zero if you were not approved for a trial period plan or permanent HAMP modification for reason of negative NPV.</p>
32	<b>Unpaid Principal Balance of the Proposed HAMP Modification (Net of Forbearance &amp; Principal Reduction)</b>	<p>This field identifies the beginning principal balance on which you would have been required to pay interest for the proposed HAMP modified mortgage.</p> <p>It is likely to be different than your current principal balance as it includes amounts you owe for missed mortgage payments and unpaid expenses that are allowed to be added (capitalized) to your principal balance. Additionally, it may be reduced by proposed principal forbearance (Field 36) or proposed principal forgiveness (Field 37).</p>
33	<b>Interest Rate of the Proposed HAMP Tier 1 Modification</b>	This field identifies the starting interest rate of the proposed HAMP Tier 1 modified mortgage. This rate is fixed for at least the first 5 years after modification.
34	<b>Amortization Term of the Proposed HAMP Tier 1 Modification</b>	This field identifies the number of months left to pay the proposed HAMP Tier 1 modified mortgage.
35	<b>Principal and Interest Payment of the Proposed HAMP Tier 1 Modification</b>	This field identifies the amount of the monthly principal and interest payment on the proposed HAMP Tier 1 modified mortgage.
36	<b>Principal Forbearance Amount of the Proposed HAMP Tier 1 Modification</b>	This field identifies the amount of principal your investor was willing to forbear on the proposed HAMP Tier 1 modified mortgage. This amount would be owed, but no interest would be charged and no payments would have been due until the loan was paid off.
37	<b>Principal Forgiveness Amount of the Proposed HAMP Modification</b>	This field identifies the amount of principal your investor was willing to forgive under the proposed HAMP Tier 1 modified mortgage.

Input Data Field		What it means
<i>Information about your proposed loan modification under HAMP</i>		<i>Note: The fields below describe the proposed HAMP modification calculated by us according to HAMP program guidelines (and subject to investor restrictions).</i>
38	<b>Unpaid Principal Balance of the Proposed HAMP Tier 2 Modification (Net of Forbearance &amp; Principal Reduction)</b>	<p>This field identifies the beginning principal balance of the proposed HAMP Tier 2 Modification.</p> <p>It is likely to be different than your current principal balance as it includes amounts you owe for missed mortgage payments and unpaid expenses capitalized to your principal balance. Additionally, it may be reduced by proposed principal forbearance (Field 43 or the amount calculated by the NPV model under the standard Tier 2 modification) or proposed principal forgiveness (Field 39).</p>
39	<b>Principal Forgiveness Amount of the Proposed HAMP Tier 2 Modification</b>	This field identifies the amount of principal your investor was willing to forgive under the proposed HAMP Tier 2 modified mortgage.
40	<b>Investor Override for Tier 2 Modification</b>	<p>This field indicates whether the investor of your mortgage provides for different terms than would be provided under the standard HAMP Tier 2 Modification.</p> <p>Y – Different terms other than those provided under the standard HAMP Tier 2 Modification</p> <p>N – Same terms as those provided under the standard HAMP Tier 2 Modification</p>
41	<b>Interest Rate of the Proposed HAMP Tier 2 Modification</b>	<p>This field only applies if the investor of your mortgage provides for a different interest rate than would be provided under the standard HAMP Tier 2 Modification.</p> <p>This field identifies the fixed interest rate of the proposed HAMP Tier 2 modified mortgage. This rate is fixed for the life of the modified loan.</p>
42	<b>Amortization Term of the Proposed HAMP Tier 2 Modification</b>	<p>This field only applies if the investor of your mortgage provides for a different interest rate than would be provided under the standard HAMP Tier 2 Modification.</p> <p>This field identifies the fixed interest rate of the proposed HAMP Tier 2 modified mortgage. This rate is fixed for the life of the modified loan.</p>
43	<b>Principal Forbearance Amount of the Proposed HAMP Tier 2 Modification</b>	<p>This field only applies if the investor of your mortgage provides for a different forbearance amount than would be provided under the standard HAMP Tier 2 Modification.</p> <p>This field identifies the amount of principal forborne on the proposed HAMP modified mortgage. This amount would still be owed, but no interest would be charged and no payments would have been due until the loan was paid off.</p>



## Net Present Value (NPV) Input Data Values

1	Current Borrower Credit Score	
2	Current Co-borrower Credit Score	
3	Monthly Gross Income	
4	Total Housing Expense of Principal Residence	
5	Property - State	
6	Property - Zip Code	
7	Property Value	
8	Property Valuation Type	
9	Occupancy	
10	Monthly Gross Rental Income of Property	
11	Data Collection Date	
12	Imminent Default Flag	
13	Investor Code	
14	Unpaid Principal Balance at Origination	
15	First Payment Date at Origination	
16	Product Before Modification	
17	Adjustable Rate Mortgage (ARM) Reset Date	
18	Next Adjustable Rate Mortgage (ARM) Reset Rate	
19	Unpaid Principal Balance Before Modification	
20	Interest Rate Before Modification	
21	Remaining Term (# of Payment Months Remaining)	
22	Principal and Interest Payment Before Modification	
23	Monthly Real Estate Taxes	
24	Monthly Hazard and Flood Insurance	
25	Homeowners Association Dues/Fees	
26	Months Past Due	
27	Mortgage Insurance Coverage Percent	
28	Capitalized UPB Amount	
29	NPV Date	
30	Modification Fees	
31	Mortgage Insurance Partial Claim Amount of the Proposed HAMP Modification	
32	Unpaid Principal Balance of the Proposed HAMP Modification (Net of Forbearance & Principal Reduction)	
33	Interest Rate of the Proposed HAMP Modification	
34	Amortization Term of the Proposed HAMP Modification	
35	Principal and Interest Payment of the Proposed HAMP Modification	
36	Principal Forbearance Amount of the Proposed HAMP Modification	
37	Principal Forgiveness Amount of the Proposed HAMP Modification	