

## OwnersChoice Home Affordable Foreclosure Alternative (HAFA) Matrix

All servicers that have signed agreements with the U.S. Department of the Treasury (Treasury) to participate in the Home Affordable Modification Program (HAMP) must consider eligible borrowers who do not qualify for HAMP for other foreclosure prevention options including Home Affordable Foreclosure Alternatives (HAFA) which includes short sale and deed-in-lieu. However, each servicer has some discretion in determining additional eligibility criteria and certain program rules. In order to assist borrowers and their representatives in understanding any unique components of a servicer's HAFA Policy, Treasury, has developed this HAFA Matrix. The summary information in this matrix is prepared solely by OwnersChoice and does not represent any determination by the Treasury as to the servicer's compliance with the Treasury's policies and guidance for HAFA. Treasury does not endorse any language or policy described in this matrix. Any questions regarding the information contained in this matrix should be directed solely to OwnersChoice.

**Revised as of:** *March 12, 2015*

### ELIGIBILITY REQUIREMENTS

- Must meet the basic eligibility criteria for HAMP Tier 1 or Tier 2 but does not qualify for or complete a HAMP modification or other Freddie Mac or Fannie Mae modification.
- Does not qualify for a Trial Period Plan for HAMP Tier 1 or Tier 2 or
- Does not successfully complete a HAMP trial period Tier 1 or Tier 2 or
- Is delinquent on a HAMP modification by missing at least two consecutive payments or default is reasonably foreseeable.
- The current unpaid principal balance of the loan is equal to or less than:
  - 1 Unit - \$729,750
  - 2 Units - \$934,200
  - 3 Units - \$1,129,250
  - 4 Units - \$1,403,400
- Eligible Properties are single family 1-4 unit primary residences including condos.
- Property is your current principal residence or that the property has been vacant or rented out for less than 12 months and that you have not purchased another principal residence during that time.
- Mortgage was taken out on or before January 1, 2009.
- Must provide proof that the title on the property is clear of other mortgages, liens or other encumbrances and
- Borrower is responsible to satisfy all subordinate lien holders. HAFA can contribute up to 6% of the remaining balance on mortgage liens. The aggregate total that can be paid for all mortgage liens can not exceed \$12,000.00 or 10% of the unpaid principal balance whichever is greater.
- Needs to be more than 60 days delinquent and have cash reserves less than the greater of \$5,000.00 or three times their current mortgage payment.
- If in Foreclosure, the Foreclosure Sale date must be greater than 60 days in the future.
- If you have PMI, we would need to obtain approval from them first.
- Delinquency status including imminent default
- Is in foreclosure or bankruptcy may be eligible
- Property value or Loan-to-Value
- Borrower assets
- Other

### DOCUMENTATION

Preapproved Short Sale Agreement (SSA)

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| <b>REQUIREMENTS</b>                         | <ul style="list-style-type: none"> <li>• Hardship Affidavit/Request for Modification and Affidavit (RMA)</li> <li>• Evidence of residency</li> <li>• Purchase Agreement and proposed HUD-1</li> <li>• Buyer’s documentation of funds of buyer’s pre-approval or commitment letter on letterhead from a lender.</li> <li>• Dodd Frank Certification</li> <li>• Subordinate lien documentation</li> <li>• Form of income verification, if required</li> <br/> <li>• HAFA Affidavit (certifying arms-length transaction and that no money is being given or received that is not reflected on the HUD-1 Settlement Statement and that the purchaser can not sell the property within 30 days of closing and for the period between 31 and 90 calendar days of the closing, the purchaser is prohibited from selling the property for a gross sales price greater than 120% of the HAFA short sale price).</li> <li>•</li> </ul>  |
| <b>VALUATIONS</b>                           | <u>Establishing Property Value</u> –are obtained through via Broker’s Price Opinion or appraisal .  |
| <b>DEED-IN-LIEU POLICY</b>                  | <u>Deed-In-Lieu</u> – <ul style="list-style-type: none"> <li>• The house must have been on the market after the 120 day SSN marketing period has expired where the property did not sell or if the borrower refuses to consider a short sale.</li> <li>• We will require a letter explaining your hardship and updated financial information</li> <li>• We will order an appraisal of the property (interior and exterior) and review the value with the balance on the mortgage.</li> <li>• Borrower must be able to convey clear, marketable title.</li> <li>• Borrower must agree to vacate the property and provide clear and marketable title within 30 days of the Deed in Lieu agreement.</li> <li>• Borrower is responsible to satisfy all subordinate lien holders.</li> <li>• Acceptance to the Deed in Lieu is subject to Mortgage Insurance Companies approval, if applicable.</li> <li>• The borrowers may not use the relocation incentive payment for the release of subordinate mortgage or non-mortgage liens recorded against the property.</li> <li>• The borrower will be required to vacate the property as a result of the deed in lieu.</li> </ul> |
| <b>AVERAGE TIMELINES OF HAFA SHORT SALE</b> | <ul style="list-style-type: none"> <li>• Submission of required income/eligibility documentation</li> <li>• Within 30 days is the eligibility review to Issuance of the Short Sale Agreement (SSA) to the borrower</li> <li>• Must be on the market up 120 days with a licensed real estate professional (preferably one with short sale experience)</li> <li>• Borrower return of SSA within 14 calendar days of effective date.</li> <li>• Borrower submits the Request for Short Sale approval to OwnersChoice within 3 days of the executed sales contract</li> <li>• OwnersChoice will approve or deny the short sale document within 10 business days</li> <li>• Once the offer is accepted, OwnersChoice will provide an approval letter and final documents will be prepared for the closing.</li> <li>• The occupant will be required to vacate the property as a result of the short sale.</li> </ul>   |

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| <b>BORROWER<br/>RELOCATION<br/>INCENTIVE</b>   | <ul style="list-style-type: none"> <li>• HAFA provides for \$10,000 incentive payment to the member occupant or non-owner occupant to assist with relocation expenses</li> <li>• The members may use the relocation incentive payment to pay for transaction costs that the member has instructed the settlement agent, in writing, to pay on the member's behalf, such as the cost of legal representation in connection with representation of the member the short sale or DIL, overdue utility bills on the property or minor repairs made as a result of being identified during a property inspection.</li> <li>• The members may not use the relocation incentive payment for the release of subordinate mortgage or non-mortgage liens recorded against the property.</li> <li>• The HUD-1 Settlement Statement must show the full \$10,000 relocation incentive as a credit to the borrower and show any authorized transaction costs paid out of the relocation incentive in accordance with the foregoing guidance as charges to the borrower.</li> </ul> |
| <b>CONTACT<br/>INFORMATION</b>   | <p>Call us at 1-877-269-4193 or e-mail us at <a href="mailto:HAMP@OWNERSCHOICE.COM">HAMP@OWNERSCHOICE.COM</a> if you have any questions regarding::</p> <ul style="list-style-type: none"> <li>• General HAFA questions</li> <li>• Valuation appeals</li> <li>• Transaction status</li> <li>• Escalation of complaints concerns</li> <li>• Single Point of Contact</li> </ul>  |
| <p><b>There is no guarantee you will be eligible to receive HAFA assistance. You are obligated to make all future payments as they come due even while OwnersChoice is reviewing a request for HAFA. OwnersChoice will continue to service the loan up to and including referral to foreclosure during the time it is reviewing the request for HAFA. Credit reporting will continue and until it is brought fully current, it will be reported as delinquent.</b></p> |  |