



Return Mail Operations
P.O. Box 10368
Des Moines, IA 50306-0368

December 02, 2008

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Dear [REDACTED] :

If you are experiencing affordability issues with your mortgage payments, you may be eligible for a workout program, known as a "Short Sale".

What is a Short Sale?

A short sale is a workout program that allows a borrower to sell the property, even if the proceeds are less than the loan payoff, due to low property value. If approved, a Short Sale option can help you avoid further collection activity or foreclosure action.

How do I start the Short Sale process?

If you do not have an offer to purchase the property:

- * Contact the Short Sale Phone Team at (866) 903-1053 to discuss your financial hardship, affordability, and required documents.
- * Provide the following information to start the short sale process:
 1. A brief, written explanation of your financial hardship
 2. A financial worksheet
 3. All information must be signed and dated by each borrower
 4. If property listed with Realtor please provide contact information

If you have an offer to purchase the property, the Realtor should fax the following items to (866) 359-1975:

1. Executed listed agreement
2. Net sheet/HUD (our payoff is not necessary)
3. Fully executed purchase contract (all pages initialed by buyer(s) and seller(s), accepted contingent on lender approval of the short sale, closing date, realtor signature, AS IS sale and No Assignable verbiage.)
4. Buyer pre-qualification letter or proof of funds if cash offer

Additional Information

- * A short sale is designed to help people avoid foreclosure.
- * A short sale will reflect as a "settlement" on your credit report.
- * Consult a tax professional on potential tax liability on any unpaid deficiency balance.
- * A short sale must be an "arms-length" transaction. The property may not be sold to anyone the seller has a close personal or business relationship with including family, friends or neighbors.
- * A short sale can save some of the embarrassment and stress of a foreclosure action.

Please do not delay, we are eager to assist you. If you need further assistance or have questions, contact us at:

Liquidation Contact Numbers

- * Loss Mitigation Phone Team - (866) 903-1053
- * Loss Mitigation Setup Fax - (866) 359-1975



December 02, 2008

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REALTOR SHORT SALE GUIDE

What is a Short Sale?

A short sale is a workout program that allows a borrower to sell the property, even if the proceeds are less than the loan payoff, due to low property value. Upon final approval, a short sale can help homeowners avoid further collection activity or foreclosure action, which can result in adverse credit reporting and possible tax liabilities.

How to Get Started

- * Homeowner is required to call the Short Sale Phone team at 866-903-1053. Financial information is reviewed and pre-foreclosure sale counseling is completed.
- * The realtor faxes the complete short sale package to (866) 359-1975, Attn: Setup.

Documents Required to Begin a Short Sale Application From the Realtor

- * Fully executed listing agreement
- * Net sheet/HUD (our payoff is not necessary)
- * Fully executed purchase contract with all pages initialed by buyer(s) and seller(s).
- * Buyer pre-qualification letter or proof of funds if cash offer

From the Homeowner

- * Signed and dated financial worksheet listing all monthly expenses
- * Signed and dated hardship letter (why they are unable to pay the mortgage.)
- * Letter authorizing the realtor access to information on the account. It must be dated and include the last 4 digits of the borrower's Social Security Number, their signature, the full account number and the property address.

Additional Information

- * Short sale approval is good for 30 days. If closing does not occur within 30 days, the entire short sale package may need to be resubmitted with updated information, or the approval process may need to start over.
- * Realtor or homeowner inquiries should be directed to the negotiator assigned to the file, whose information will be communicated during the introduction call.
- * Realtors are generally allowed 5% to 6% commission based on Investor rules. If dual agency applies, maximum commission is 5%. Some investors operate on a reduced commission structure and the actual commission schedule can be confirmed during the introduction call.

- * This must be an "arms-length" transaction. The property may not be sold to anyone the seller has a close personal or business relationship with including family, friends, or neighbors.
- * During the introduction call the following will be addressed:
 - Commissions
 - Fees and Costs
 - Pricing of the property
 - Timeline
- * In order to reduce the 37 business day response time the liquidation team is strongly recommending that the homeowner and/or realtor notify us of their intention to sell their property as soon as the listing contract is signed. This will allow us to complete the property valuation and borrower financial evaluation prior to receiving an offer significantly reducing the short sale decision time on a submitted offer.
- * In some cases investors and/or PMI companies require the mortgagors to sign an unsecured note for some or all of the difference between the property sale amount and the total amount due. This is communicated as part of the response on a short sale offer.

Liquidation Contact Numbers

- * Loss Mitigation Phone Team - (866) 903-1053
- * Loss Mitigation Setup Fax - (866) 359-1975

This is our estimated timeline based on business days and assuming all documents are submitted in completed form and timely

| Event | Timeline Business Days | Total Process Business Days |
|---|------------------------|-----------------------------|
| * Complete Short Sale Application received | | |
| * Short Sale Application activated | | |
| * Complete Application assigned to Negotiator | 3 | 3 |
| * Incomplete Application will delay process | | |
| * Negotiator Initial Review | | |
| * Introduction call to Realtor and Homeowner | 5 | 8 |
| * Property Evaluation Completed | | |
| * Appraisal or Interior BPO per Loan Type | 10-17 | 25 |
| Additional Steps: | | |
| * Mortgage Insurer Approval | | |
| * Investor Approval | 10 | 35 |
| * Additional liens negotiated by Realtor | | |
| All Items above steps complete | | |
| * Application Decision 48 hours | 2 | 37 |
| * Decision letters issued 48 hours | | |