

Mail Stop, TX8-044-03-05
16001 N. Dallas Pkwy.
Addison, TX 75001

Notice Date: 1/25/2010

ABOUT YOUR LOAN

Please read this letter carefully and keep a copy for your records. It reflects a change to the terms of your loan.

Everyone goes through difficult times, and that's when you need someone on your side the most. BAC Home Loans wants to help you find solutions. During our recent telephone conversation, we discussed a potential reduction in your monthly payment for your loan referenced above. Please read this letter carefully, as it amends your Home Equity Loan Agreement and Truth-In-Lending Disclosure ("Agreement"). Also, keep in mind that you need to successfully complete the actions outlined below in "**What You Need to Do**" in order for the changes to your loan to be effective.

In an effort to meet your financial needs, we have agreed to reduce your interest rate. Your new interest rate will be **5% "Modified Rate"** for **12 Months** beginning as of the due date of your most delinquent payment. At the end of the **12 Month** period, your rate will adjust to **6.88%** for **3 months** to allow you time to gradually adjust back to your original rate. At the end of this period, your rate will reset back to the rate established under the original terms of your loan agreement, unless you have entered into other arrangements with BAC Home Loans by that time*. As we had stated in our telephone conversation, in order for BAC Home Loans to finalize the modification terms specified in this letter, you must successfully complete the three month trial period at the reduced rate, after which the modification will be finalized with the modified rate stated above, the remaining delinquent *interest* payments will be forgiven and your account brought current. Your delinquent *principal* payment will be re-amortized over the remaining term of your loan. Therefore, your new payment for the three month trial period will be **\$306.00** after which time your payment may increase due to the delinquent principal payment being re-amortized within the remaining months of your loan. These payments should be sent instead of, not in addition to your normal monthly mortgage payment.

WHAT YOU NEED TO DO

In order to take advantage of the lower interest rate and to have your past due interest forgiven, you must make payments totaling three monthly payments within three months of the date of this letter (see the "Notice Date" above) in the amount specified above. After you have made the three monthly payments within the required time period, your remaining past due interest will