

Investor Loan #

# HOME AFFORDABLE MODIFICATION TRIAL PERIOD PLAN (Step One of Two-Step Documentation Process)

Trial Period Plan Effective Date: August 6, 2009

Borrower ("I")<sup>1</sup>:

Servicer ("Servicer"): BAC Home Loans Servicing, LP

Date of first lien Security Instrument ("Mortgage") and Note ("Note"): February 1, 2007

Loan Number:

Property Address ("Property"):

If I am in compliance with this Trial Period Plan (the "Plan") and my representations in Section 1 continue to be true in all material respects, then the Servicer will provide me with a Home Affordable Modification Agreement ("Modification Agreement"), as set forth in Section 3, that would amend and supplement (1) the Mortgage on the Property, and (2) the Note secured by the Mortgage. The Mortgage and Note together, as they may previously have been amended, are referred to as the "Loan Documents." Capitalized terms used in this Plan and not defined have the meaning given to them in the Loan Documents.

If I have not already done so, I am providing confirmation of the reasons I cannot afford my mortgage payment and documents to permit verification of all of my income (except that I understand that I am not required to disclose any child support or alimony unless I wish to have such income considered) to determine whether I qualify for the offer described in this Plan (the "Offer"). I understand that after I sign and return two copies of this Plan to the Servicer, the Servicer will send me a signed copy of this Plan if I qualify for the Offer or will send me written notice that I do not qualify for the Offer. This Plan will not take effect unless and until both I and the Servicer sign it and Servicer provides me with a copy of this Plan with the Servicer's signature.

**1. My Representations.** I certify, represent to Servicer and agree:

- A I am unable to afford my mortgage payments for the reasons indicated in my Hardship Affidavit and as a result, (i) I am either in default or believe I will be in default under the Loan Documents in the near future, and (ii) I do not have sufficient income or access to sufficient liquid assets to make the monthly mortgage payments now or in the near future;
- B I live in the Property as my principal residence, and the Property has not been condemned;
- C There has been no change in the ownership of the Property since I signed the Loan Documents;
- D I am providing or already have provided documentation for all income that I receive (and I understand that I am not required to disclose any child support or alimony that I receive, unless I wish to have such income considered to qualify for the Offer);
- E Under penalty of perjury, all documents and information I have provided to Servicer pursuant to this Plan, including the documents and information regarding my eligibility for the program, are true and correct; and
- F If Servicer requires me to obtain credit counseling, I will do so.

<sup>1</sup> If there is more than one Borrower or Mortgageor executing this document, each is referred to as "I". For purposes of this document words signifying the singular (such as "I") shall include the plural (such as "we") and vice versa where appropriate.



2. **The Trial Period Plan.** On or before each of the following due dates, I will pay the Servicer the amount set forth below ("Trial Period Payment"), which includes payment for Escrow Items, including real estate taxes, insurance premiums and other fees, if any, of U.S. \$897.99.

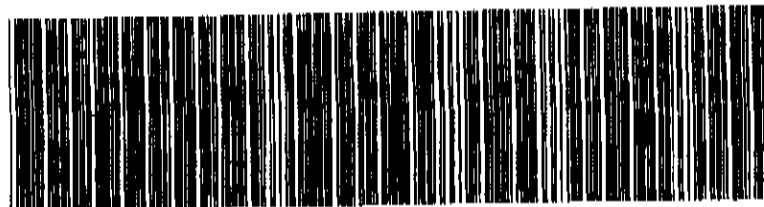
Trial Period Payment #	Trial Period Payment	Due Date On or Before
1	\$897.99	August 06, 2009
2	\$897.99	September 01, 2009
3	\$897.99	October 01, 2009

The Trial Period Payment is an estimate of the payment that will be required under the modified loan terms, which will be finalized in accordance with Section 3 below.

During the period (the "Trial Period") commencing on the Trial Period Effective Date and ending on the earlier of: (i) the first day of the month following the month in which the last Trial Period Payment is due (the "Modification Effective Date") or (ii) termination of this Plan, I understand and acknowledge that:

- A TIME IS OF THE ESSENCE under this Plan;
- B Except as set forth in Section 2.C. below, the Servicer will suspend any scheduled foreclosure sale, provided I continue to meet the obligations under this Plan, but any pending foreclosure action will not be dismissed and may be immediately resumed from the point at which it was suspended if this Plan terminates, and no new notice of default, notice of intent to accelerate, notice of acceleration, or similar notice will be necessary to continue the foreclosure action, all rights to such notices being hereby waived to the extent permitted by applicable law;
- C If my property is located in Georgia, Hawaii, Missouri, or Virginia and a foreclosure sale is currently scheduled, the foreclosure sale will not be suspended and the Servicer may foreclose if I have not made each and every Trial Period Payment that is due before the scheduled foreclosure sale. If a foreclosure sale occurs pursuant to this Section 2.C., this agreement shall be deemed terminated;
- D The Servicer will hold the payments received during the Trial Period in a non-interest bearing account until they total an amount that is enough to pay my oldest delinquent monthly payment on my loan in full. If there is any remaining money after such payment is applied, such remaining funds will be held by the Servicer and not posted to my account until they total an amount that is enough to pay the next oldest delinquent monthly payment in full;
- E When the Servicer accepts and posts a payment during the Trial Period it will be without prejudice to, and will not be deemed a waiver of, the acceleration of the loan or foreclosure action and related activities and shall not constitute a cure of my default under the Loan Documents unless such payments are sufficient to completely cure my entire default under the Loan Documents;
- F If prior to the Modification Effective Date, (i) the Servicer does not provide me a fully executed copy of this Plan and the Modification Agreement; (ii) I have not made the Trial Period payments required under Section 2 of this Plan; or (iii) the Servicer determines that my representations in Section 1 are no longer true and correct, the Loan Documents will not be modified and this Plan will terminate. In this event, the Servicer will have all of the rights and remedies provided by the Loan Documents, and any payment I make under this Plan shall be applied to amounts I owe under the Loan Documents and shall not be refunded to me; and
- G I understand that the Plan is not a modification of the Loan Documents and that the Loan Documents will not be modified unless and until (i) I meet all of the conditions required for modification, (ii) I receive a fully executed copy of a Modification Agreement, and (iii) the Modification Effective Date has passed. I further understand and agree that the Servicer will not be obligated or bound to make any modification of the Loan Documents if I fail to meet any one of the requirements under this Plan.

3. **The Modification.** I understand that once Servicer is able to determine the final amounts of unpaid interest and any other delinquent amounts (except late charges) to be added to my loan balance and after deducting from my loan balance any remaining money held at the end of the Trial Period under Section 2.D. above, the





## FREQUENTLY ASKED QUESTIONS

- Q What is the Home Affordable Modification program?**  
 The Home Affordable Modification program, part of the Making Home Affordable Program announced recently by the Administration, is designed to help three to four million financially struggling homeowners by modifying loans to a level that is affordable for borrowers now and sustainable over the long term. To learn more about the Home Affordable Modification Program, visit [www.MakingHomeAffordable.gov](http://www.MakingHomeAffordable.gov).
- Q If I qualify, how will my mortgage be modified?**  
 The modification may involve some or all of the following changes to your mortgage loan:

  - Bringing your account current
  - Reducing the interest rate on your loan
  - Extending the term of your loan
  - Delaying your repayment of a portion of the mortgage principal until the end of the loan term

### Documents and Processing

- Q How long will it take to process my modification request and determine if I qualify for the program?**  
 It may take up to 45 days for us to review your documents once they are received. We will process your modification request as quickly as possible. Please note that your modification will not be effective unless you meet all of the applicable conditions, and you are notified in writing that your modification has been approved.
- Q Will a foreclosure occur if I participate in the Home Affordable Modification program?**  
 As long as you comply with the terms of the Trial Period Plan, we will not start foreclosure proceedings or conduct a foreclosure sale if foreclosure proceedings have started. If you fail to comply with the terms of the Trial Period Plan and do not make other arrangements, your loan will be enforced according to its original terms, which could include foreclosure.
- Q Do all borrowers have to sign the Trial Period Plan and other documents?**  
 Unless a borrower or co-borrower is deceased (and proof is provided), all borrowers who signed the original loan documents must sign the Trial Period Plan, the Modification Agreement and all other required modification documents. Contact your mortgage company if it would be difficult or impossible for you to comply with this requirement.

### Trial Period Payments

- Q Where should I mail or send my trial period payments?**  
 Please use your loan coupon or mortgage statement information to ensure your payment is mailed or routed to BAC Home Loans Servicing, LP. Please continue to use your preferred method of payment.
- Q What happens to my trial period payments if I do not comply with the terms of the Trial Period Plan?**  
 Your trial period payments will be applied to your existing loan according to the terms of your loan documents.
- Q What if my trial period payment is less than the payment I currently owe on my loan?**  
 You only need to pay the trial period amount during the three-month trial period. The difference between the amount of the trial payment and your normal monthly payment will be added to your loan balance.
- Q Could my trial period payment be more than my current payment?**  
 Yes. For example, if your current payment does not include an escrow payment and you are now required to make monthly escrow payments, your trial period payment could be higher than your current payment. Please note: the increase in your payment under these circumstances could be offset by other tax and insurance bills you would no longer have to pay directly as we will pay those for you out of your escrow account.
- Q What do you do with my first trial period payment if I do not qualify for the program?**  
 Your first trial payment will be applied to your existing loan in accordance with the terms of your loan documents. If you do not qualify for the program, we will help you evaluate other options to help you keep your home or ease your transition to a new residence.

### Modification Terms

- Q If I get a Home Affordable Modification, can my modified loan terms ever revert to the original loan terms?**  
 No. This is one of the advantages of the Home Affordable Modification program. Once your loan is modified, the new terms stay in place for the remainder of your loan.



## IMPORTANT PROGRAM INFORMATION

Here's what you need to know about the Home Affordable Modification Program

**NO FEES.** There are no fees under the Home Affordable Modification program.

**TRIAL PERIOD PLAN/MODIFICATION AGREEMENT.** The Trial Period Plan is the first step. Before the end of your Trial Period, we will finalize your modified loan terms and send you a loan modification agreement ("Modification Agreement"), which will reflect the terms for your modified loan. In addition to successfully completing the Trial Period, you will need to sign and promptly return to us both copies of the Modification Agreement before your loan can be modified.

**NEW PRINCIPAL BALANCE.** Past due amounts as of the end of the trial period, including unpaid interest, real estate taxes, insurance premiums and certain assessments paid on your behalf to a third party, will be added to your mortgage loan balance (the "Past Due Arrearage Amount"). If you fulfill the terms of the trial period including, but not limited to, making the trial period payments, we will waive ALL unpaid late charges at the end of the trial period.

**ESTIMATED MONTHLY PAYMENT.** At this time, we are not able to calculate precisely the Past Due Arrearage Amount or the amount of your modified loan payment that will be due after successful completion of the trial period. However, based on information we currently have, your trial period payment should be close to your modified loan payment. As we near the end of the trial period, we will calculate any past due amount to determine your new permanent monthly payment and other modified loan terms.

**ESCROW ACCOUNT.** The terms of your Trial Period Plan and your Modification Agreement will require the servicer to set aside a portion of your new monthly payment in an escrow account for payment of your property taxes, insurance premiums and other required fees. Your current loan may also require escrows. If it does not, the previous waiver of escrows is cancelled under your Trial Period Plan. BAC Home Loans Servicing, LP will draw on this account to pay your real estate taxes and insurance premiums as they come due. Please note that your escrow payment amount will adjust if your taxes, insurance premiums and/or assessment amounts change, so the amount of your monthly payment that the servicer must place in escrow will also adjust as permitted by law. This means that your monthly payment may change. Your initial monthly escrow payment will be \$238.29.

**BORROWER INCENTIVE.** If your monthly mortgage payment (principal, interest, property taxes, hazard insurance, flood insurance, condominium association fees and homeowner's association fees, as applicable, but excluding mortgage insurance) is reduced through the Home Affordable Modification Program by six percent or more and if you make your monthly mortgage payments on time, you will accrue a monthly benefit equal to the lesser of: (i) \$83.33 or (ii) one-half of the reduction in your monthly mortgage payment. As long as your mortgage loan does not become 90 days delinquent, we will apply your accrued monthly benefit to your mortgage loan and reduce your principal balance on or after each of the first through fifth anniversaries of the month in which the Trial Period Plan is executed. **If your modified mortgage loan ever becomes 90 days delinquent, you will lose all accrued but unapplied principal reduction benefits and will no longer be eligible to accrue additional principal reduction benefits even if the mortgage loan is later brought current.**

**CREDIT COUNSELING.** If you have very high levels of total debt (this includes credit card, car and other debt obligations) you will be required to obtain credit counseling under the Home Affordable Modification program.

**CREDIT REPORTING.** If you are delinquent when you enter the trial period, we will continue to report your loan as delinquent to the credit reporting agencies during the trial period even if you make your trial period payments on time. However, after your loan is modified, we will only report the loan as delinquent if the modified payment is not received in a timely manner.