

July 8, 2015

Coram, NY 11727

Loan Number:

Dear _____

We're writing with important information about your FHA Loan. Thank you for completing your Trial Period Plan. We are pleased to let you know that your loan is ready to be permanently modified with a loan assistance program offered by Bank of America as part of our settlement with the Department of Justice. This modification program includes a significant forgiveness of principal and an affordable monthly payment.

The enclosed Modification Agreement includes the new terms of your modified mortgage that will go into effect after we receive your completed documents. Please also carefully read the enclosed Clarity Commitment®, which explains many of your new loan terms. If you have questions, please call me at 1.800.669.6650 Monday through Friday from 8:00 a.m. – 5:00 p.m., local time.

How to complete your permanent modification

Enclosed are three copies of the permanent modification agreement. To accept this modification, you must sign two copies of the Modification Agreement and then return all pages of both signed copies to us by July 23, 2015. Please use the enclosed pre-paid envelope to mail your documents to: 11802 Ridgeway Parkway, Ste 100 HRM, Home Retention, Broomfield, CO 80021. Please keep the other copy for your records.

Finally, you will be required to sign the enclosed Borrower's Consent to Voluntary Termination of FHA Mortgage Insurance form agreeing to cancel the FHA insurance on your loan, in accordance with the disclosure set forth below. Please read the important information below that describes the impact of this modification on your FHA loan.

APPROVED

Your mortgage is approved for a principal forgiveness modification.

Your first modified mortgage payment is due July 1, 2015.

Please return the Modification Agreement no later than July 23, 2015.

- A. The Maturity Date will be: December 1, 2038.
- B. As part of this Modification, I agree that all amounts and arrearages that are or will be past due as of the Modification Effective Date, including unpaid and deferred interest, fees, charges, escrow advances, and other costs, but excluding unpaid late charges, (collectively "Unpaid Amounts") less any amounts paid to Lender but not previously credited to my Loan, will be added to the current principal balance of the Note. This combined principal balance will be \$550,500.21 (the "Combined Principal Balance"). Any fees or charges incurred in connection with the servicing of your loan which were not invoiced before we calculated the Unpaid Amounts will appear on your monthly statement under "Fees and Charges." These amounts may be paid when billed or at any time afterward. They will not accrue interest or late fees. If they remain unpaid, they must be satisfied at the earlier of: (i) the date you sell or transfer an interest in the Property, (ii) the date you pay the entire New Principal Balance, or (iii) the Maturity Date. I understand that by agreeing to add the Unpaid Amounts to the outstanding principal balance, the added Unpaid Amounts accrue interest based on the interest rate in effect under this Agreement unless those amounts are either deferred as non-interest bearing or forgiven as specified in this Agreement.
- C. \$365,750.20 of the Combined Principal Balance is hereby permanently forgiven, and will be deducted from the unpaid principal balance. I further acknowledge that Lender may be required to report the amount of principal forgiveness to the IRS and that any tax liability arising out of that forgiveness shall be my responsibility. I further acknowledge that Lender has recommended that I consult my own tax advisor to determine how this forgiveness impacts my personal situation.
- D. As of the Modification Effective Date the principal balance of the loan that remains due and payable is \$184,750.01 (the "New Principal Balance").
- E. Interest at the rate of 2.000% will begin to accrue on the New Principal Balance as of 06/01/2015, and the first new monthly payment on the New Principal Balance will be due on 07/01/2015. My payment schedule for the modified loan is as follows:

