

AS OF MARCH 12, 2010

Supplemental Documentation—Frequently Asked Questions Home Affordable Foreclosure Alternatives Program

These frequently asked questions clarify the Supplemental Directive issued in connection with the Home Affordable Foreclosure Alternatives (HAFA) Program. The questions and answers below should be reviewed by each servicer that has entered into a Servicer Participation Agreement (SPA) to participate in HAMP. These frequently asked questions constitute supplemental documentation that is included in, and shall be deemed part of, the HAMP Program Documentation described in Section 1 of the SPA.

A. General

Q1000 – HAFA. Who should I contact with HAFA-related questions?

There are three options for HAFA-related servicer support, depending on the topic and whether the question pertains to a non-GSE, Fannie Mae, or Freddie Mac loan:

For questions regarding:	Contact:
<ul style="list-style-type: none"> • Non-GSE Supplemental Directives, policy clarifications, and loan-level questions • All reporting for the U.S. Treasury Department using HAMP Data Collector or the HAMP Reporting System 	<p>HAMP Support Center:</p> <ul style="list-style-type: none"> • support@hmpadmin.com • ssdil@hmpadmin.com • 1-866-939-4469 • 9:00 a.m. to 9:00 p.m. ET, Monday through Friday
<ul style="list-style-type: none"> • Fannie Mae HAMP-related Servicing Guide Announcements, policy clarifications, or loan-level questions • Fannie Mae reporting via HomeSaver Solutions® Network (HSSN) 	<p>Fannie Mae Servicer Support Center:</p> <ul style="list-style-type: none"> • servicing_solutions@fanniemae.com • 1-888-FANNIE-5 (326-6435) • 9:00 a.m. to 8:00 p.m. ET, Monday through Friday
<ul style="list-style-type: none"> • Freddie Mac HAMP-related Guide Bulletins, policy clarifications, and loan-level questions • Freddie Mac reporting 	<p>Freddie Mac Servicer Support:</p> <ul style="list-style-type: none"> • 1-800-FREDDIE (373-3343) • 8:00 a.m. to 8:00 p.m. ET, Monday through Friday business days

B. HAFA Consideration

Q2000 - HAFA. If the property is the borrower's principal residence but is vacant when the servicer evaluates the borrower for a Short Sale or Deed-in-Lieu (DIL), is the loan eligible for HAFA?

The mortgaged property can be vacant up to 90 days prior to the date of the Short Sale Agreement (SSA), Alternative RASS or DIL only if the borrower provides documentation that the borrower was required to relocate at least 100 miles from the mortgaged property (the borrower's principal residence) to accept new employment or was transferred by the current employer and there is no evidence, such as credit report information, indicating that the borrower has purchased a one- to four-unit property 90 days prior to the date of the SSA, Alternative RASS or DIL.

C. General Terms and Conditions

Q3000 – HAFA. What documentation is needed to ensure that any junior lien holders will release their lien and the borrower from personal liability in exchange for payment of 3 percent of their outstanding loan amount?

Servicers have discretion to draft policies ensuring that the commitment of junior lien holders is documented prior to closing and such documentation is retained in the servicing file. Servicers may instruct the closing agent (or other party facilitating the closing) that the transaction may not close without a written commitment from all junior lien holders that they will release their liens and the borrower from personal liability in exchange for payment equivalent to 3 percent of the unpaid principal balance of their liens, that the total payment to all lien holders will not exceed an aggregate cap of \$3,000 and that payment for release of any junior lien is contingent upon the agreement of all junior lien holders to release their liens and the borrower from personal liability. Although servicers have discretion to craft their policies and procedures, they would be in compliance with HAFA guidelines if they further required the closing attorney to either confirm that they are in receipt of this commitment from junior lien holders on the HUD 1 Settlement Statement, or request that a copy of the written commitment provided by the junior lien holder be sent to the servicer with the HUD-1 Settlement Statement which is provided in advance of the closing. The documentation deemed acceptable to the servicer should be retained in its files.

Q3001 - HAFA. Can junior lien holders seek additional contributions from either the real estate agent or borrower in exchange for releasing the lien and the borrower from personal liability? If yes, how should it be disclosed?

No, a junior lien holder may not require contributions from either the real estate agent or borrower as a condition for releasing its lien and releasing the borrower from personal liability. In addition, any payments to junior lien holders related to the short sale or DIL must be reflected on the HUD-1 Settlement Statement, as applicable.

D. Short Sale Agreement

Q4000 – Hafa. Will the listing agent receive notice that the servicer retained a third party vendor to assist in the short sale process and how will payments to the vendor be disclosed?

If a third party vendor is retained by the servicer, the Short Sale Agreement (SSA) will state this fact and also clarify how the vendor will be paid. Since the borrower is required to list the property with a licensed real estate professional and provide a copy of a listing agreement with the executed SSA, the listing agent will have notice of the third party's role. If the third party vendor is paid from sale proceeds at closing for a fixed amount or in an amount equal to ___% of the sales price, such payment must be reflected on the HUD-1 Settlement Statement.

The SSA and Alternative Request for Approval of Short Sale in Exhibit A and Exhibit B, respectively, are revised and posted on hmpadmin.com. Specifically, the following paragraphs may be revised as follows:

Paragraph 5(c) on Real Estate Commissions of the Short Sale Agreement Terms and Conditions in the SSA may be revised as follows:

Real Estate Commissions. We will allow to be paid from sales proceeds, real estate commissions of _____ percent of the contract sales price, to be paid to the listing and selling brokers involved in the transaction. Neither you nor the buyer may receive a commission. Any commission that would otherwise be paid to you or the buyer must be reduced from the commission due on sale. [*Optional text:*] Please note: We have retained a vendor to assist your listing broker with the sale. The vendor and your listing broker will work together on your behalf to facilitate the sale process. [*Choose one and delete unnecessary text.*] [The vendor will be paid from sale proceeds [\$ _____] OR [an amount equal to ___% of the sales price].] OR [The vendor will be paid by us outside of the sales transaction.]

Paragraph 1(c) on Real Estate Commission of the Alternative Request for Approval of Short Sale may be revised as follows:

Real Estate Commissions. We will allow to be paid from sales proceeds, real estate commissions as stated in the listing agreement between you and your broker, not to exceed six percent (6%) of the contract sales price, to be paid to the listing and selling brokers involved in the transaction. Neither you nor the buyer may receive a commission. Any commission that would otherwise be paid to you or the buyer must be reduced from the commission due on sale. [*Optional text:*] Please note: We have retained a vendor to assist your listing broker with the sale. The vendor and your listing broker will work together on your behalf to facilitate the sale process. [*Choose one and delete unnecessary text.*] [The vendor will be paid from sales proceeds [\$ _____] OR [an amount equal to ___% of the sales price].] OR [The vendor will be paid by us outside of the sales transaction.]