



Appendix

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Marketing Material

Because you are a valued customer

We want to help you stay in your home.

November 1, 2008

Reduce your monthly payment of principal and interest to **\$0,000.00** and bring your loan current!

If you have any questions, call toll-free: **1.000.000.0000**.

Sample A. Sample and Sample B. Sample
PO Box 1234
Anywhere, CA 00000-0000

Loan #: 123456789
Property Address: 1234 Any Street
Anywhere, CA 00000

Dear **Sample A. Sample and Sample B. Sample**,

The Bank proposes to permanently modify your mortgage, bring past due amounts current, and provide you with an affordable monthly payment.¹

What we offer:

- Specifically, based on income information you have provided, we will cap your interest rate at the current interest rate of **0.000%** set by Freddie Mac for your remaining loan term.
- In addition, to provide time for you to regain a more secure financial footing, we will reduce that rate to **0.000%** for the first five years of your loan. This will result in a monthly principal and interest payment of **\$0,000.00** for the first five years, a reduction of **\$000.00**.
- After five years, your loan will slowly readjust to **0.000%** by no more than 1% each year. The enclosed Modification Agreement includes a chart showing your payments during the life of your modified loan.²
- There are no fees or other charges for this modification.
- You will continue to be responsible for taxes and homeowners' insurance on your home. Please note that the payment for principal and interest on your modified mortgage does not include monthly amounts to cover your taxes and insurance. However, you should include tax and insurance amounts in determining your monthly housing expenses.
- Our offer to modify your mortgage to provide you with an affordable payment is based on currently available information from you about your income. However, to finalize this modification, we must verify your income to confirm that you qualify. To verify your income, please sign and return the enclosed Request for Transcript of Tax Return (4506-T), or enclose a copy of your two most recent pay stubs, or provide documentation of other sources of income you would like us to consider, such as bank statements. If you wish to provide alternative verification, please contact us at **1.000.000.0000**. To remain eligible for this modification, you also must continue to make timely modified mortgage payments.

What you do:

All it takes for you to bring your mortgage current and confirm you qualify for this modified mortgage is to:

1. Sign and return the enclosed Modification Agreement along with a check for **\$0,000.00** to be credited for your monthly principal and interest payment and
2. Provide verification of your income to confirm that you qualify for the proposed modification.³

If your verified income is different from our information, we will contact you to discuss a different modification to your mortgage that may help you keep your home.

We want to help you stay in your home, so please return the signed Modification Agreement, your check, and verification of your income by **00/00/0000**.

Other options:

Can't afford the reduced payments?

If after reviewing this offer you decide you still cannot afford your home, please call us at 1.000.000.0000. We may be able to help you. We look forward to hearing from you.

Sincerely,



IMPORTANT INFORMATION YOU SHOULD KNOW: We are sending this modification offer to you because information we have about you indicates you are eligible to modify your current mortgage loan. We still have to confirm your eligibility for this loan modification. If, after you provide the information we have requested, you are not eligible for this loan modification, your mortgage Note, Security Instrument (and any other related or applicable agreements) will not be modified. If you are not eligible for this loan modification, we still want to work with you to determine if there are alternative ways to help.

¹ In order to reinstate your loan to a current status, the Bank will add: (1) the interest portion of any past due payments; (2) any advances made to pay property taxes and insurance regardless of whether or not the loan is escrowed for taxes and insurance; and (3) servicing costs, such as fees incurred by the Bank to third parties. The total of such amounts will be added to your outstanding loan balance and will become your new principal balance. All unpaid late charges will be waived. There are no fees or other charges for this modification.

How this modification affects your loan:

² As a result of this modification, your payment will be based on the new interest rate, new principal balance and the remaining term of your loan. The modification will permanently cap your interest rate at the Freddie Mac Weekly Mortgage Market Survey Rate (Freddie Mac Rate) shown on the front of this document. During the first five (5) years of the modification, your interest rate will be reduced to the interest rate shown on the front of this document. At the end of the five (5) years, your interest rate will increase annually by no more than one percent (1%) per year until it reaches the Freddie Mac Rate shown on the front of this document. We will notify you at least 30 days prior to payment change dates and advise you of the new monthly payment amount.

This offer requires you to make the monthly payment(s) for principal and interest specified in this letter while the Bank is verifying your income information and your qualification for a permanent modification. If your mortgage loan is permanently modified, you will be responsible for making the remainder of the modified principal and interest payments. You also are responsible for paying all taxes and homeowners' insurance charges for your home.

³ You must provide information to permit verification of your income. You should sign and return the enclosed Request for Transcript of Tax Return (4506-T), or enclose a copy of your two most recent pay stubs, or provide documentation of other sources of income you would like us to consider, such as bank statements, to allow us to do so. You also can contact us at 1.000.000.0000 to discuss alternative methods for verification. Failure to return the form or to provide necessary documentation in a timely manner will void this offer of a permanent modification. Your financial information will be reviewed to confirm that you qualify for the proposed permanent loan modification offered in this letter. If you do not qualify for the modification offered, the enclosed Modification Agreement is not enforceable.

To be eligible for this offer, you also may not file for bankruptcy between the date of this offer and the completion of the loan modification process.

Your Copy

Modification Agreement: Copy for your records

Mail_Date [AW]
MORTGAGOR_FIRST_NAME [B] MORTGAGOR_MIDDLE_NAME [C] MORTGAGOR_LAST_NAME [D]
COMORTGAGOR_FIRST_NAME [E] COMORTGAGOR_MIDDLE_NAME [F] COMORTGAGOR_LAST_NAME [G]
Mailing_Address [H]
Mailing_Address2 [I]
BILLING_CITY_NAME [J] BILLING_STATE [K] BILLING_ZIP_CODE [L]

If you have any questions regarding this offer, please call us toll free at **TFN [AT]**.

Product: Loan_Modification_Program [AX]
Loan Number: Servicing_Loan_Number [A]
Property Address: PROPERTY_STREET_ADDRESS [M] CITY_NAME [N] PROPERTY_STATE [O]
PROPERTY_ZIP_CODE [P]

This letter ("Agreement") will confirm your agreement to modify your Note and your Security Instrument as follows. Capitalized terms used herein have the meaning given them in the Note or the Security Instrument.

1. This Agreement is not binding on Note Holder, unless and until Note Holder, or servicing agent, verifies that you qualify for this modification offer. You will promptly provide the Bank acceptable information to permit verification of your income, and make the payments shown in the payment schedule in paragraph 4 of this Agreement while The Bank verifies your information. If you qualify, the Bank will sign and return this Agreement to you, and it will be effective on the date it is signed by the Bank. If you do not make all payments when due while we verify that you qualify, or if you do not qualify, your Note will not be modified. The Bank will apply any payments you made to the amounts you owe.
2. The unpaid principal balance of your Note as of the date of this Agreement, before modification, is **UNPAID_PRINCIPAL_BALANCE [S]**.
3. The Note and the Security Instrument are modified to increase the principal balance of the Note by the amounts of your arrearages on the Note of **Amount_in_Arrears [W]**, including past due interest in the amount of **DELQ_INT [T]**, past due Escrow Items totaling **DELQ_ESC [U]** and servicing costs totaling **Servicing_Costs [V]**. The new principal amount of the Note is **NEW_PRINCIPAL_BALANCE [X]**. All unpaid late charges have been waived. There are no fees or other charges assessed for the modification.
4. The interest rate and monthly payment on your Note is modified as follows:

Year	New Interest Rate	Interest Rate Change Date	New Monthly Principal & Interest Payment Amount	Estimated Monthly Escrow Payment Amount	New Monthly Payments Begin On	Number of Payments
1	NEW_INT_RATE[Z]	IR_Change_Date [AC]	NEW_PAYMENT [AJ]	To Be Provided	Payment_Change_Date [AK]	60
6	Step_2_IR [CF]	IR_Change_Date2 [CJ]	NEW_PAYMENT2 [CN]	Adjusts Annually	Payment_Change_Date2 [CR]	12
7	Step_3_IR [CG]	IR_Change_Date3 [CK]	NEW_PAYMENT3 [CO]	Adjusts Annually	Payment_Change_Date3 [CS]	12
8	Step_4_IR [GH]	IR_Change_Date4 [CL]	NEW_PAYMENT4 [CP]	Adjusts Annually	Payment_Change_Date4 [CT]	12
9	Step_5_IR [CI]	IR_Change_Date5 [CM]	NEW_PAYMENT5 [CQ]	Adjusts Annually	Payment_Change_Date5 [CU]	Number_of_Payments [CV]

5. Your monthly payment stated in your Note will change, effective with the payment due on **Payment_Change_Date [AK]** (i.e., one month after the effective date of the reduction of your interest rate, as set forth in paragraph 4 above). This monthly payment will consist of principal and interest, and will continue until the Maturity Date. This monthly payment will change as shown in paragraph 4 above.
6. The Note Holder will send you notice of these changes.
7. The Maturity Date stated in your Note does not change; the Maturity Date remains **LOAN_MATURES_DATE [AP]**.
8. The monthly payments for principal and interest, stated above, do not include required payments for taxes and insurance, which may be substantial. Your monthly requirements for taxes and insurance will change periodically during the term of your mortgage.
9. Your Security Instrument will continue to secure payment and performance of the Note, as amended by this Agreement.

- 10. Except as modified by this Agreement, all terms and provisions of the Note, any Riders, and the Security Instrument remain in full force and effect.
- 11. The Note and Security Instrument are duly valid, binding agreements, enforceable in accordance with their terms, and are hereby reaffirmed.

By: _____
Date

I/We agree to the modification of my/our Loan as described above.

MORTGAGOR_FIRST_NAME [B] MORTGAGOR_MIDDLE_NAME [C] MORTGAGOR_LAST_NAME Date COMORTGAGOR_FIRST_NAME [E] COMORTGAGOR_MIDDLE_NAME [F] COMORTGAGOR_LAST_NAME
[G] Date

Modification Agreement: Please sign and return

Sign & Return

Mail_Date [AW]
 MORTGAGOR_FIRST_NAME [B] MORTGAGOR_MIDDLE_NAME [C] MORTGAGOR_LAST_NAME [D]
 COMORTGAGOR_FIRST_NAME [E] COMORTGAGOR_MIDDLE_NAME [F] COMORTGAGOR_LAST_NAME [G]
 Mailing_Address [H]
 Mailing_Address2 [I]
 BILLING_CITY_NAME [J] BILLING_STATE [K] BILLING_ZIP_CODE [L]

If you have any questions regarding this offer, please call us toll free at TFN [AT].

Product: Loan_Modification_Program [AX]
Loan Number: Servicing_Loan_Number [A]
Property Address: PROPERTY_STREET_ADDRESS [M] CITY_NAME [N] PROPERTY_STATE [O]
 PROPERTY_ZIP_CODE [P]

This letter (“Agreement”) will confirm your agreement to modify your Note and your Security Instrument as follows. Capitalized terms used herein have the meaning given them in the Note or the Security Instrument.

1. This Agreement is not binding on Note Holder, unless and until Note Holder, or servicing agent, verifies that your income qualifies you for this modification offer. You will promptly provide the Bank acceptable information to permit verification of your income, and make the payments shown in the payment schedule in paragraph 4 of this Agreement while the Bank verifies your information. If you qualify, the Bank will sign and return this Agreement to you, and it will be effective on the date it is signed by the Bank. If you do not make all payments when due while we verify that you qualify, or if you do not qualify, your Note will not be modified. The Bank will apply any payments you made to the amounts you owe.
2. The unpaid principal balance of your Note as of the date of this Agreement, before modification, is **UNPAID_PRINCIPAL_BALANCE [S]**.
3. The Note and the Security Instrument are modified to increase the principal balance of the Note by the amounts of your arrearages on the Note of **Amount_in_Arrearages [W]**, including past due interest in the amount of **DELQ_INT [T]**, past due Escrow Items totaling **DELQ_ESC [U]** and servicing costs totaling **Servicing_Costs [V]**. The new principal amount of the Note is **NEW_PRINCIPAL_BALANCE [X]**. All unpaid late charges have been waived. There are no fees or other charges assessed for the modification.
4. The interest rate and monthly payment on your Note is modified as follows:

Year	New Interest Rate	Interest Rate Change Date	New Monthly Principal & Interest Payment Date	Estimated Monthly Escrow Payment Amount	New Monthly Payments Begin On	Number of Payments
1	NEW_INT_RATE[Z]	IR_Change_Date [AC]	NEW_PAYMENT [AJ]	To Be Provided	Payment_Change_Date [AK]	60
6	Step_2_IR [CF]	IR_Change_Date2 [CJ]	NEW_PAYMENT2 [CN]	Adjusts Annually	Payment_Change_Date2 [CR]	12
7	Step_3_IR [CG]	IR_Change_Date3 [CK]	NEW_PAYMENT3 [CO]	Adjusts Annually	Payment_Change_Date3 [CS]	12
8	Step_4_IR [GH]	IR_Change_Date4 [CL]	NEW_PAYMENT4 [CP]	Adjusts Annually	Payment_Change_Date4 [CT]	12
9	Step_5_IR [CI]	IR_Change_Date5 [CM]	NEW_PAYMENT5 [CQ]	Adjusts Annually	Payment_Change_Date5 [CU]	Number_of_Payments [CV]

5. Your monthly payment stated in your Note will change, effective with the payment due on **Payment_Change_Date [AK]** (i.e., one month after the effective date of the reduction of your interest rate, as set forth in paragraph 4 above). This monthly payment will consist of principal and interest, and will continue until the Maturity Date. This monthly payment will change as shown in paragraph 4 above.
6. The Note Holder will send you notice of these changes.
7. The Maturity Date stated in your Note does not change; the Maturity Date remains **LOAN_MATURES_DATE [AP]**.
8. The monthly payments for principal and interest, stated above, do not include required payments for taxes and insurance, which may be substantial. Your monthly requirements for taxes and insurance will change periodically during the term of your mortgage.
9. Your Security Instrument will continue to secure payment and performance of the Note, as amended by this Agreement.

- 10. Except as modified by this Agreement, all terms and provisions of the Note, any Riders, and the Security Instrument remain in full force and effect.
- 11. The Note and Security Instrument are duly valid, binding agreements, enforceable in accordance with their terms, and are hereby reaffirmed.

By: _____
Date

I/We agree to the modification of my/our Loan as described above.

MORTGAGOR_FIRST_NAME [B] MORTGAGOR_MIDDLE_NAME [C] MORTGAGOR_LAST_NAME Date COMORTGAGOR_FIRST_NAME [E] COMORTGAGOR_MIDDLE_NAME [F] COMORTGAGOR_LAST_NAME
[G] Date

Frequently Asked Questions

What do I need to complete in order to get this loan modification?

In order for us to review your modification and determine if you are eligible, please enclose the following information in the self addressed return envelope:

- Completed and signed 4506-T and copies of your two most recent pay stubs along with documentation of any additional sources of income that you want us to consider, such as bank statements;
- Signed modification document; and
- A check in the amount of <New Payment>.

Before sending the above documents:

- Retain a copy of all documents that you are sending to us, including the tracking number on the FedEx label
- Place the signed and completed documents in the enclosed pre-paid envelope and drop off at your local FedEx pickup location. If you do not have a FedEx station near you, you can send by United States Postal Service to the following address:
Institution name
Address
City, state and zip code

What is a 4506-T and what does it allow us to do?

A 4506-T is an Internal Revenue Service (IRS) form that is a Request for Transcript of a Tax Return. A signed 4506-T allows us to obtain your tax information to verify your income.

How do I complete the 4506-T for this modification?

In order for us to process your modification request, you will need to complete the form using the instructions below.

- 1a:** Enter your full name exactly as it was listed on your 2007 tax return.
- 1b:** Your social security number or employer identification number is entered in this section. Again, be sure to complete it exactly as it was listed on your 2007 tax return.
- 2a:** If you filed a joint return with your spouse, you will need to enter your spouse's full name as listed on the 2007 tax return. This is required by the IRS in order for us to receive the transcript of your joint return, even if your spouse's name is not on your mortgage. The IRS requires only one signature, however, so your spouse does not have to sign the form if you do.
- 2b:** Enter your spouse's social security number or employer identification exactly as it was listed on the tax return.
- 3:** In this section enter the following information:
Your name
Address
Apartment or suite number (if applicable)
City, state and zip code

- 4: This section needs to be completed only if your taxes were filed under a different address. If your current address is different than the one listed on your 2007 tax return, enter it in this section including:
Previous address
Apartment or suite number (if applicable)
City, state and zip code
- 5: We have pre-populated our mailing address in this section. You do not need to add any additional information to number 5.
- 6: The tax form number and transcript type requested have been pre-populated. You do not need to complete any additional information in this section.
- 9: This section has been pre-populated for the tax year requested.

Sign Here: Don't forget to sign and date the form before returning in the enclosed return envelope. Only one signature is required, so your spouse is not required to sign if you do.

How long will it take to process my documents?

It may take up to 30 days for us to receive and review the 4506-T. We will process your modification request as quickly possible, but the request for tax information does take time for the IRS to process and send the requested transcript of your taxes.

I sent in my documentation and check and my check hasn't been cashed. Does this mean you haven't received my packet?

Because we need to verify your information, we do not cash your check as soon as we receive it. On many modification requests it takes up to two weeks from the time we receive your packet to the time we actually process the check. To make sure we have received your packet, you can use your FedEx tracking number to look up the status of your package.

Do I need to include both a signed 4506-T and my 2 most recent pay stubs?

No, to verify your income we just need one of the documents. You can enclose either the signed 4506-T or copies of your two most recent pay stubs. However, if you have other sources of income that you want us to consider, you should include a copy of your bank statement or some other documentation of those additional sources of income.

Who do I call if I have questions?

We have a team of representatives available to answer any questions you may have regarding our modification program. Call <TFN> between the hours of 8 a.m. and 8 p.m. Central Standard Time to speak with a representative.

HOUSING COUNSELING AGREEMENT

This Agreement is entered into between the _____ (“Agency”) and the Bank. The purpose of this Agreement is for Agency to provide counseling services to the Bank’s mortgage loan customers (“customers”) who may qualify for a modification of their existing Bank mortgage loan. This Agreement shall remain in effect until one of the parties provides 10 days’ written notice that it wishes to terminate this Agreement.

I. The Parties

Agency is a nonprofit entity recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code and a housing counseling agency approved by the U.S. Department of Housing and Urban Development. The Bank is a chartered savings institution organized under the laws of the United States.

II. Statement of Work

Agency shall perform each of the counseling services and other responsibilities and duties identified in the attached Statement of Work. The counseling services may be provided to each customer identified and referred by the Bank to Agency and/or to customers who contact the Agency for counseling services. To the extent the Agency receives nonpublic personal information about customers in the course of providing such services under this Agreement, Agency agrees to the requirements for the treatment and use of such nonpublic personal information defined in the Statement of Work.

III. The Compensation

The Bank agrees to pay Agency \$150.00 per each Bank customer (or customer group) to whom Agency provides defined counseling services resulting in a contact with the Bank (for purposes of this agreement, a customer group refers to the situation in which more than one customer is liable for the same mortgage loan). The Bank shall also pay Agency an additional \$350.00 for each completed loan modification of each customer or customer group. Each party shall bear its own expenses in administering this Agreement. Additionally, each party shall be responsible for any liability arising from its own conduct and retain immunity and all defenses available to them pursuant to federal and state law.

Chief Executive Officer

Date

Date

STATEMENT OF WORK

I. Defined Counseling Services

Agency shall perform the following defined counseling services:

- A. Communication and counseling with the Bank's customer or customer group and explanation of loan modification program and, as appropriate, other options that may be available through the Bank.
- B. Discussion with customer or customer group, including as needed for customer, "walking through" the Bank's website or other information sources.
- C. Consultation with the Bank customer or customer group that results in a communication with a specific Bank call center or loan modification representative. The communication must include customer or customer group submission of income information to the Bank to allow the Bank to make an eligibility determination.

The Bank will pay the Agency \$150.00 for completion of all of these defined counseling services for each customer or customer group.

II. Completed Loan Modification Counseling Services

Agency shall perform the following loan modification counseling services:

- A. Assist the Bank customer or customer group in understanding their options and in gathering all necessary information to complete loan modification request.
- B. Manage loan modification process until completion, including, as needed, assistance in preparing required documentation, communicating with the Bank customer or customer group and the Bank, and obtaining required signatures and payment(s) to complete loan modification process.
- C. Customer or customer group completes a loan modification. This requires that the Bank receive and process a completed and executed Modification Agreement, signed IRS form 4506-T and/or any other customer or customer group information needed to verify customer or customer group income and eligibility, and the first payment on the modified mortgage.

The Bank will pay the Agency an additional \$350.00 for completion of all of these defined counseling services leading to a completed Bank loan modification (as defined in C above) for each customer or customer group.

III. General Responsibilities and Duties

A. Agency shall comply with all applicable laws, regulations and regulatory guidance that govern delivery of the counseling services, including with respect to any nonpublic personal information that Agency receives in the course of providing the counseling services.

B. Agency shall use any nonpublic personal information it receives in the course of providing the counseling services only as necessary to perform the counseling services under this Agreement. No other use, disclosure or distribution is permitted.

C. Agency shall not disclose to any third party any nonpublic personal information it receives in the course of providing the counseling services, and Agency shall restrict access to such nonpublic personal information to those employees who have a legitimate need for access in order to provide the counseling services.

D. Agency shall properly safeguard all nonpublic personal information it receives in the course of providing the counseling services. Agency shall ensure the proper disposal of any such nonpublic personal information. Upon completion of the counseling services, Agency shall return all copies of such nonpublic personal information to the Bank or certify to its destruction.

E. Agency has in place, or will implement, appropriate policies, procedures and safeguards to prevent unauthorized access to nonpublic personal information received in the course of providing the counseling services. In the event of a breach of security or confidentiality of such nonpublic personal information in Agency's possession, Agency shall immediately notify the Bank and shall cooperate fully in any investigation initiated by the Bank or law enforcement.

F. Upon request, the Bank shall have the right to audit Agency's books and records to ensure compliance with this Agreement, and Agency agrees to cooperate with any such audit.

G. Agency shall provide to the Bank a detailed reporting of the counseling services provided under this Agreement. The parties shall agree on a mutually acceptable format and interval of billing and reporting.

H. Agency shall immediately notify the Bank in the event it ceases to qualify as either a nonprofit corporation under section 501(c)(3) of the Internal Revenue Code, or an approved housing counselor by the U.S. Department of Housing and Urban Development.

I. Agency's responsibilities with respect to the audit of books and records, and confidentiality and security of the Bank's nonpublic personal information shall survive termination of this Agreement.

Borrower Financial Statement

Borrower Information					
Borrower Name	Social Security No.		Co-Borrower Name	Social Security No.	
Borrower's Phone Number Daytime: _____ Evening: _____			Co-Borrower's Phone Number Daytime: _____ Evening: _____		
Borrower Street Address:			Co-Borrower Street Address (if different):		
City:	State:	Zip:	City:	State:	Zip:
Financial Information					
	Amount	Initial if Correct	Update if Incorrect		
Total Monthly Income:	\$0,000.00		\$		
Total Monthly Expenses and Debt ¹ :	\$0,000.00		\$		

I/We agree that based on the above information I/we am/are not able to fulfill my/our current loan obligations. I/We agree the information above is accurate and understand that this information will be used in my/our request to Bank, to modify my/our current mortgage loan.

I/We agree that the financial information provided is an accurate statement of my/our financial status. I/We understand and acknowledge that any action taken by the lender of my/our mortgage loan on my/our behalf will be made in strict reliance on the financial information provided. I/We authorize verification or re-verification of any information contained in this Financial Statement at any time by the lender, its agents, successors and assigns, either directly or through a third party, including but not limited to a credit reporting agency, from any source named in this Financial Statement or otherwise submitted in connection therewith. My/Our signature(s) below grant(s) the lender the authority to contact my/our real estate agent (if applicable), credit counseling service representative (if applicable) or any third party with respect to matters represented in this Financial Statement.

- By checking this box I/we understand that by signing the modification agreement I/we give Bank, FSB permission to request a 4506-T to verify my/our income in order to approve or deny the loan modification on my/our current Bank, FSB mortgage.
- By checking the box I/we confirm that my/our assets have not materially changed since the loan was originated.

By: _____ Date: _____
Signature of Borrower

By: _____ Date: _____
Signature of Co-Borrower

¹ Monthly expenses include items such as mortgage payments, home maintenance, automobile loans, other loan payments, alimony, child support, utilities, telephone, groceries, dry cleaning, spending money, cable TV, entertainment, school tuition, HOA fees, etc.

Form **4506-T**

Request for Transcript of Tax Return

(Rev. January 2008)

Department of the Treasury
Internal Revenue Service

- ▶ **Do not sign this form unless all applicable lines have been completed. Read the instructions on page 2.**
- ▶ **Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.**

OMB No. 1545-1872

Tip: Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use **Form 4506**, Request for Copy of Tax Return. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return	2b Second social security number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
4 Previous address shown on the last return filed if different from line 3	
5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.	

Caution: DO NOT SIGN this form if a third party requires you to complete Form 4506-T, and lines 6 and 9 are blank.

6 Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ _____

- a Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days
- b Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days
- c Record of Account**, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days
- 7 Verification of Nonfiling**, which is proof from the IRS that you **did not** file a return for the year. Most requests will be processed within 10 business days
- 8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2006, filed in 2007, will not be available from the IRS until 2008. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days

Caution: If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

_____ / _____ / _____
 _____ / _____ / _____
 _____ / _____ / _____
 _____ / _____ / _____

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.

Sign Here		Date	Telephone number of taxpayer on line 1a or 2a ()
	Signature (see instructions)		
	Title (if line 1a above is a corporation, partnership, estate, or trust)		
	Spouse's signature	Date	

General Instructions

Purpose of form. Use Form 4506-T to request tax return information. You can also designate a third party to receive the information. See line 5.

Tip. Use Form 4506, Request for Copy of Tax Return, to request copies of tax returns.

Where to file. Mail or fax Form 4506-T to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual transcripts (Form 1040 series and Form W-2) and one for all other transcripts.

If you are requesting more than one transcript or other product and the chart below shows two different RAVS teams, send your request to the team based on the address of your most recent return.

Note. You can also call 1-800-829-1040 to request a transcript or get more information.

Chart for individual transcripts (Form 1040 series and Form W-2)

If you filed an individual return and lived in:	Mail or fax to the "Internal Revenue Service" at:
District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont	RAIVS Team Stop 679 Andover, MA 05501
Alabama, Delaware, Florida, Georgia, North Carolina, Rhode Island, South Carolina, Virginia	RAIVS Team P.O. Box 47-421 Stop 91 Doraville, GA 30362
Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team Stop 6716 AUSC Austin, TX 73301
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	RAIVS Team Stop 37106 Fresno, CA 93888
Arkansas, Connecticut, Illinois, Indiana, Michigan, Missouri, New Jersey, Ohio, Pennsylvania, West Virginia	RAIVS Team Stop 6705-B41 Kansas City, MO 64999
	816-292-6102

Chart for all other transcripts

If you lived in or your business was in:	Mail or fax to the "Internal Revenue Service" at:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, Wisconsin	RAIVS Team P.O. Box 145500 Stop 2800 F Cincinnati, OH 45250
	859-669-3592
	801-620-6922

Line 1b. Enter your employer identification number (EIN) if your request relates to a business return. Otherwise, enter the first social security number (SSN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 6. Enter only one tax form number per request.

Signature and date. Form 4506-T must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506-T within 60 days of the date signed by the taxpayer or it will be rejected.

Individuals. Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506-T exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506-T can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

Partnerships. Generally, Form 4506-T can be signed by any person who was a member of the partnership during any part of the tax period requested on line 9.

All others. See Internal Revenue Code section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the Letters Testamentary authorizing an individual to act for an estate.

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. Sections 6103 and 6109 require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-T will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form**, 10 min.; **Preparing the form**, 12 min.; and **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-T simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.



FDIC Workout Program Guidelines

FDIC Workout Program Guidelines

FDIC Mortgage Loan Modification Program
for Delinquent Residential First Mortgages

Overview This program is designed to provide an affordable and sustainable modification of the loan terms for borrowers who are financially unable to meet the current (or scheduled adjusted) terms of their mortgage and mitigate the potential loss to the mortgage holder by avoiding foreclosure. In order to meet these objectives, modification terms offered are subject to:

- Confirmation that the Net Present Value (NPV) as a result of the proposed modification is higher than the NPV as a result of potential foreclosure.
- Receipt of income documentation sufficient to support the borrower's current income within program tolerances.

Modifications will lower the borrower's payments to an affordable monthly housing expense-to-income ratio by modifying the following loan terms as applicable:

- Capitalization of delinquent interest, escrow amounts for taxes and insurance and certain foreclosure expenses and re-amortization over the remaining term;
- A 5-year interest rate reduction to as low as 3% with 1% annual rate increases beginning at the end of 5 years to a maximum of the Freddie Mac weekly survey rate for the week in which the modification plan is offered;
- An extension of the amortization term to 40 years;
- Forbearance of a portion of the unpaid principal balance until loan payoff.

An initial target housing ratio of 38% will be used to determine the new payment amount. Should this ratio not provide a material reduction, a ratio of 35%, and if necessary, 31% will be used to establish an affordable payment. These housing ratios the consistent with those used by the FHA Hope for Homeowners program. Approximately 80% of the modified loans were modified at the 38% housing ratio payment.

Required Loan Status & Prior Modifications

Prior to the modification:

- The loan must be at least 60 days delinquent where the loan is considered 1 day delinquent on the day following the next payment due date.
- There may not be a foreclosure sale scheduled within 60 days (30 days for Georgia and Texas). This requirement does not apply to loans where the foreclosure process has been stopped.
- The borrower may not be in active bankruptcy or have been discharged from Chapter 7 bankruptcy since the loan was originated.

This modification program will not be offered to borrowers who have modified their loan in the last 6 months.

Eligible Loan Products and Investors

First mortgage loans where modification of delinquent loans is permitted by the governing sale or securitization documents.

Occupancy & Property Type

Only loans secured by the borrower's primary residence are eligible for this program. The secured property may be a one-to-four unit residential property.

**Modified
Payment
Amount
Calculation**

The goals of the program are to lower a delinquent borrower's payment amount to an affordable level and to allow the mortgage holder to avoid a costly foreclosure. The borrower's income will be used to determine their housing expense to income ratio and an initial target ratio of 38% will be used to determine the affordable payment. If the payment amount associated with the initial target ratio does not provide a material change in the payment amount, a lower housing ratio and payment will be considered.

Specifically, the modified payment will be determined using the following steps:

1. Apply a maximum housing ratio of 38% to the total monthly gross income to determine the modified PITI payment amount for the first mortgage.
 - If the modified PITI payment amount is lower than the existing PITI payment by at least 10%*, then the loan may be modified using the First Mortgage Modification Terms outlined in these guidelines.
 - If the above condition is not met, then proceed to the next step.
2. Apply a housing ratio of 35% to the total monthly gross income to determine the modified PITI payment amount for the first mortgage.
 - If the modified PITI payment amount is lower than the existing PITI payment by at least 10%*, then the loan may be modified using the First Mortgage Modification Terms outlined in these guidelines.
 - If the above condition is not met, then proceed to the next step.
3. Apply a housing ratio of 31% to the total monthly gross income to determine the modified PITI payment for the first mortgage.
 - If the modified PITI payment amount is lower than the existing PITI payment by at least 10%*, then the loan may be modified using the First Mortgage Modification Terms outlined in these program guidelines.
 - If the above condition is not met, compare the existing PITI payment to what the fully amortized payment would be at the rate equal to the national average rate for 30-year fixed rate mortgages indicated in the current Freddie Mac Weekly Primary Mortgage Market Survey. If the existing PITI payment is
 - Greater, then the loan may be modified using the First Mortgage Modification Terms outlined in these guidelines.
 - Less, the borrower may not be eligible for a modification unless an exception is made.

Continued on next page

**Modified
Payment
Amount
Calculation**

(continued)

The following illustrates the steps taken to calculate the modified payment amount:

Example:

Existing PITI Payment Amount	\$2,200.00
Total Monthly Gross Income	\$6,374.00
Apply Housing Ratio of 38%	X .38
Modified PITI Payment Amount	\$2,422.12

Modified PITI payment exceeds existing PITI

Total Monthly Gross Income	\$6,374.00
Apply Housing Ratio of 35%	X .35
Modified PITI Payment Amount	\$2,230.90

Modified PITI payment exceeds existing PITI

Total Monthly Gross Income	\$6,374.00
Apply Housing Ratio of 31%	X .31
Modified PITI Payment Amount	\$1,975.94

In this example, a housing ratio of 31% is used as it results in a payment that is lower than the current payment by at least 10%.

Continued on next page

**Housing Ratio
Calculation**

The housing expense-to-income ratio is calculated by dividing the monthly housing expense payments for the first mortgage by the total gross monthly income (before tax and other deductions) for all borrowers, expressed as a percentage.

Housing expense includes the monthly amount for the following on both escrowed and non-escrowed loans:

- The modified principal and/or interest payment for the subject loan, as applicable. (Payments for any subordinate financing should not be included);
- Real estate taxes;
- Mortgage insurance premium;
- Hazard and flood insurance premiums;
- Homeowners' association dues
- Ground rent payments (leasehold estate properties);

Example:

<u>Monthly Gross Income</u>	
Borrower 1:	\$3,618.00
Borrower 2:	2,756.00
Total Monthly Gross Income:	\$6,374.00

<u>Monthly Housing Expense</u>	
Subject Loan Modified Payment:	\$1,973.00
Monthly payment for: Property taxes, hazard insurance, flood insurance and mortgage insurance	364.00
HOA Dues:	85.00
Total Monthly Housing Expense:	\$2,422.00

Total Housing Expense-to-Income Ratio

$$\frac{\$2,422.00}{\$6,374.00} = \mathbf{38\%}$$

Continued on next page

**First
Mortgage
Modification
Terms**

Once the lowered payment amount has been determined as per the steps outlined in the Modified Payment Amount Calculation section of these program guidelines, the loan terms will be modified in the following order to effect the lowered payment:

1. **Capitalization & Re-amortization:** Add delinquent interest, tax and insurance escrows and charges paid to third parties (such as foreclosure attorney/trustee fees and property preservation costs) to the current Unpaid Principal Balance (UPB). Re-amortize the new UPB over the remaining amortization at the current rate (or scheduled adjusted rate).

Note: Late charges currently due on the loan will be waived. Charges for returned checks may not be capitalized. Such fees must remain outstanding until the loan is paid in full.

2. **Interest Rate Reduction:** Reduce the interest rate incrementally to as low as 3% and re-amortize the new UPB over the remaining amortization term. The reduced rate will remain in effect for 5 years.

After 5 years the rate is increased 1% per year up to a rate equal to the national average rate for 30-year fixed rate mortgages indicated in the Freddie Mac Weekly Primary Mortgage Market Survey, for the week in which the modification plan is offered.

The reduced rate in effect for the first 5 years is used to calculate the borrower's housing ratio. If the modified PITI payment amount has not been achieved, proceed to the next step.

Note: The interest rate will not be greater than the Freddie Mac Weekly Survey rate at the time the modification documents are prepared (ceiling) or lower than 3% (floor).

3. **Extended Amortization Term:** For loans with original terms of 30 years or less, re-amortize the new UPB at the reduced interest rate (3% floor) over an extended amortization term of 40 years from the original first payment date.
4. **Note:** Term extension eligibility is subject to specific investor requirements.

If the modified PITI payment amount has not been achieved, proceed to next step.

5. **Partial Principal Forbearance:** Reduce the new UPB, for amortization purposes, and amortize over a 40-year period at the reduced interest rate (3% floor). This creates a zero interest, zero payment portion of the loan. The repayment of the "postponed" principal will be due when the loan is paid in full.

Partial principal forbearance is not permitted for Fannie Mae and Freddie Mac loans.

6. **Net Present Value Comparison** Apply a net present value (NPV) test and offer a modification only if the NPV of the expected cash flows to the investors, in the aggregate, from the loan modification are likely to exceed the foreclosure NPV.

Note: For non-escrowed loans, an escrow account for property taxes and hazard insurance must be established where permitted by law.

Continued on next page

**First
Mortgage
Modification
Terms**

(continued)

The following illustrates various modification scenarios as compared to an NPV as a result of foreclosure:

Existing Loan & Foreclosure Loss Information:

Years to Maturity	28
Remaining Principal Balance	\$200,000
Monthly Taxes and Insurance	\$250
Current Rate (Fully Indexed)	8.00%
Current Monthly P&I	\$1,494.00
Total Current Monthly Payment	\$1,744.00
Current Value of Property	\$200,000
Current LTV	100%
NPV of Foreclosure Loss	\$50,000.00

Rate Reduction Only:

Current Monthly Income	\$3,500.00
Initial Housing Ratio	49.80%
Required Payment for 38% Housing Ratio	\$1,330.00
Required Rate for 38% Housing Ratio	4.77%
NPV of Modification Loss	\$30,344.00

Rate Reduction and 40-Year Amortization:

Current Monthly Income	\$2,800.00
Initial Housing Ratio	62.30%
Required Payment for 38% Housing Ratio	\$1,064.00
Payment at 3.00% Rate	\$1,131.00
Payment at 3.00% Rate & 40-Year Amortization	\$966.00
NPV of Modification Loss	\$39,152.00

Rate Reduction, 40-Year Amort., Principal Forbearance

Current Monthly Income	\$2,500.00
Initial Housing Ratio	69.70%
Required Payment for 38% Housing Ratio	\$950.00
Payment at 3.00% Rate	\$1,131.00
Payment at 3.00% Rate & 40-Year Amortization	\$966.00
Balance for 38% Ratio at 3% Rate & 40-Yr Amort.	\$190,923.00
NPV of Modification Loss	\$44,875.00

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Income Documents

The gross monthly income for all borrowers on the loan (who have signed the mortgage Note), must be supported by the following documentation:

- IRS tax transcripts for the most recent tax year. The loan servicer will obtain the tax transcripts upon receipt of a signed IRS Form 4506-T, *Request for Transcript of Tax Return*, from the borrower.

AND / OR

- Documentation from any one of the following income sources received:
 - Salary/Wage Income: Check stubs for the last 30 days.
 - Self Employment Income: Signed tax return for the prior year and year-to-date P&L.
 - Positive Rental Income: Current lease agreements and statements reflecting the mortgage payment, HOA, tax and insurance amounts.
 - Other Income (Social Security, disability, retirement, pension, unemployment, welfare, foster care, alimony, child support, etc.): Most recent document from the paying agency or most recent bank statement reflecting deposit of the income.
 - Financial institution records or other third-party documents that provide reliable documentation of income

If the tax transcript for the most recent tax year has been obtained and current income documentation has been received from the borrower, the documentation reflecting the borrower's current income must be used to confirm tolerance guidelines have been met.

Modification Effective Dates

The effective dates used to prepare the applicable Modification Agreement is determined as follows:

- The reduced interest rate will be effective on the date the Modification Agreement is prepared, and
- The new lower payment will be due the month after the effective date of the reduced interest rate.

The borrower will be requested to include a check for the new lower payment amount with the appropriate income documents and the signed Modification Agreement, if applicable. If it is determined that a modification will not be offered to the borrower, the borrower's higher loan payment will remain as currently scheduled and any funds received from the borrower will be applied to the loan.

Credit Bureau Reporting

The execution of the Modification Agreement and payment reduction will not be reported to credit bureaus. The prior loan delinquency will remain on the borrower's credit history and future reporting will reflect that the loan has been brought current with payments made as agreed.

FDIC Loan Modification Program Flow Chart



Eligibility Criteria

- Greater than 60 days delinquent
- Foreclosure sale is not imminent
- Borrower is not in active bankruptcy or recently discharged from bankruptcy
- Loan is first lien on a single family primary residence

Modified Payment Calculation

- Using the borrowers current income, calculate a payment using either a 38%, 35% or 31% housing expense to income ratio that is less than the borrowers current payment

Pursue other modification alternatives for Interest Only and Option ARMs or pursue other alternatives such as short sale.

Pursue other alternatives with borrower, such as short sale



Investor Reporting

IndyMac Mod CTS Reponses

	Servicer	Deal Name	Issuer	Role of XXX	Governing Document	Modification Section (see attachment entitled "Master Spreadsheet- Whole Loan Review" for verbiage)	Modifications Allowed Y/N	Interest Rate Reduction Allowed Y/N	Forgive Principal/ Forbear Principal Allowed Y/N	Extended Amortization (Maturity) Allowed Y/N	Master Servicer Approval Required Y/N
1				MASTER SERVICER	Servicing Agreement dated 10/01/06	Article II, Section 2.01(a), Paragraph 2	Y	Y	Y	Y	Y
2				MASTER SERVICER	Amended and Restated Servicing Agreement dated 11/01/05	Article II, Section 3.1(c)	Y	Y	Y	Y	Y
3				MASTER SERVICER	First Amended and Restated Master Mortgage Loan Purchase and Servicing Agreement dated 12/01/05	Exhibit 8, Section 11.01, Paragraph 2	Y	N	N	N	N
4				MASTER SERVICER	The Master Purchase, Warranties and Servicing Agreement dated 8/01/01	Article IV, Section 4.01, Paragraph 2	Y	Y	Y	Y	Y
5				MASTER SERVICER	Second Amended and Restated Master Mortgage Loan Purchase and Servicing Agreement dated 7/01/06	Exhibit 8, Section 11.01, Paragraph 2	Y	N	N	N	N
6				MASTER SERVICER	First Amended and Restated Master Mortgage Loan Purchase and Servicing Agreement dated 12/01/05	Exhibit 8, Section 11.01, Paragraph 2	Y	N	N	N	N
7				MASTER SERVICER	Master Mortgage Loan Purchase and Servicing Agreement dated 12/01/05, and Reconstituted Servicing Agreement dated 8/01/06	Exhibit 9, Section 11.01, Paragraph 2	Y	N	N	N	N
8				MASTER SERVICER	First Amended and Restated Master Mortgage Loan Purchase and Servicing Agreement dated 12/01/05	Exhibit 8, Section 11.01, Paragraph 2	Y	N	N	N	N
9				MASTER SERVICER	First Amended and Restated Master Mortgage Loan Purchase and Servicing Agreement dated 12/01/05	Exhibit 8, Section 11.01, Paragraph 2	Y	N	N	N	N

Whole Loans



Whole Loan Investor Eligibility Criteria

Modifying loans that are sold in connection with a whole loan trade to individual investors requires a case-by-case approach as each whole loan agreement is unique. In order to determine modification protocol, the servicer needs to carefully evaluate the whole loan servicing agreements to determine the need for consent by the ultimate owner of the mortgages. If consent is required and the owner is an individual institution, the servicer should approach the institution in question and attempt to obtain its consent to implement the loan modification.

- If the loans are subsequently transferred to a securitization trust, obtaining the appropriate consent can present some challenges. The servicer (along with counsel) will need to review the related whole loan servicing agreements, along with the Assignment and Assumption Agreement or other agreement (AAR) which assigns the whole loan servicing agreement to the trust, and the pooling and servicing agreement or similar agreement (PSA) for the related trust. The PSA is the ultimate governing document for the securitization trust, but the whole loan servicing agreement and/or AAR may conflict with the terms of the PSA or otherwise restrict the ability to modify a loan.
- If all of the related agreements permit loan modifications, it is still recommended that the servicer obtain the consent of the master servicer, or other party in charge of supervising the servicer, to perform the loan modifications. Getting such consent will be very straightforward and ensure that the modifications meet the requirements of the securitization trust.
- If the PSA permits loan modifications but the related whole loan servicing agreement does not, the servicer should be able to successfully obtain investor consent to perform loan modifications by directing the master servicer, or the other party in charge of supervising the servicer, to the PSA standard for implementing loan modifications. The whole loan agreement prohibiting or limiting loan modifications may need to be amended to conform to the PSA standard. This can typically be done with the consent of the master servicer and possibly the trustee.
- If the PSA does not permit loan modifications or is silent on this point, the servicer must appeal to the master servicer and possibly the trustee, and may have to amend the whole loan servicing agreement and/or the PSA to grant the servicer the ability to implement loan modifications. In this scenario the consent of the related security holders may be needed especially if the PSA does not permit loan modifications. If the PSA is silent, it may be possible to amend the whole loan servicing agreement if it is determined that such loan modifications are consistent with the servicing standards set forth in the applicable agreements and the information previously provided to investors regarding the servicer's ability to modify loans.

The servicer will also need to comply with other conditions in the applicable agreements related to loan modification. This may include determining that the modification will not materially and adversely affect the owner and/or that such modification meets the required delinquency or default status permissible for modification.

Additionally, servicers should consider posting an investor focused power point presentation to the servicer website describing the program, process and approach and should provide supplemental reporting of loan modifications for loans in private label securitizations (see attached example). This facilitates a better understanding of the servicer's loan modification practices.