



Welcome Guide

Loan Modifications

Payment Reduction

Short Sales



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Introduction

We are families helping families

When you choose National Home Retention Center, you are choosing the best partner to negotiate with your lender. Our people care and our customer service, responsiveness and support are in a league of their own.

We offer you a professional team that has years of lending knowledge, experience and working relationships with your lenders.

With everything you hear in the media you might find it hard to believe that a bank would prefer a loan modification, principal reduction or short sale over a foreclosure but it is true. The reality is that a foreclosure drags on while your real estate market is depreciating and ends up costing the bank more money in the long run.

- Are you past due on your mortgage?
- Has your ARM loan recently adjusted or is about to adjust?
 - Do you owe more than your house is worth?
 - Have you had a recent financial hardship?
 - Are you in fear of losing your home?

We will work with you and your lender hand in hand to negotiate a favorable outcome for all parties involved. Whether you want to KEEP your home, or sell your home for less than what you owe, you have plenty of options that we would be more than happy to discuss with you.

TIME IS NOT ON YOUR SIDE!

These are trying times. Don't go it alone. We are here to help you.



About Us

The National Home Retention Center is based in Coral Springs, Broward County, Florida. It was created with one simple concept in mind: to be an advocate for homeowners during these challenging times.

Our principal, Patrick Shanahan, has twenty-five years experience in banking and finance. He is a former President of the Florida Association of Mortgage Brokers, Miami Chapter. He has held a variety of positions at various firms including Citicorp and National Home Loan Corporation. He has experience running large, multi-state mortgage lending operations.

We are homeowners just like you. We care about our neighbors, friends and fellow citizens and want to see them get the best deal they can when dealing with their lender. We realize that there is a better alternative for people than just “giving in” to the banks that created this mess.

We are not investors who are looking to take advantage of hardship and purchase your house at a discount. Beware of companies that are encouraging you to sell if you don't want to or are trying to take your equity. We are working in your best interest to save your home.

If you are in financial turmoil due to extenuating circumstances we are here to help!

Allow our experience and relationships work for you.



Our Services

National Home Retention Center provides its loss mitigation services through a nationwide network of qualified mortgage brokers. There are several programs available depending on your specific needs and goals. Each lender has its own policies regarding the use of these programs. In addition, each program has its own complexities and rules that must be followed. Because of our extensive experience, as well as our working relationships with mortgage lenders nationwide, we are able to help you successfully navigate through this sea of red tape, which may otherwise be overwhelming for you.

First we perform a thorough assessment of your personal finances, determine the current value of your property and analyze your lender's loss mitigation policies. Then our professional loss mitigators will negotiate with your lender to get you the best possible solution available.

Loan Modification

A loan modification is a change in the loan contract agreed to by the lender and the borrower. What sounds so simple is actually quite a specialized process. Possible loan modification outcomes may include, but are not limited to, the term, the interest rate, the loan balance (called principal reduction), past due amounts, fees and penalties.

Loan modifications are designed to reduce the payment burden on borrowers due to financial hardship whether or not they are currently behind on their payments. Loan modifications may also help those faced with impending rate increases that will make the mortgage payment unaffordable to them.

What is interesting to note is that in most cases, the decision on a loan modification is not made by the firm that owns the loan. It is made by a firm servicing the loan under contract to the owner. The owner could be a single lender, or it could be a group of investors (life insurance companies, pension funds, etc.) who own pieces of a mortgage-backed security collateralized by a pool of loans. Whoever the owner, the servicing firm is contractually obligated to find the solution to payment problems that will minimize loss to the owner.

How the borrower presents his case will materially affect the outcome of the modification. National Home Retention Center specializes in getting to the decision maker and getting our client the best possible outcome.



Short Sale

National Home Retention Center can negotiate payoffs with your lender when you are trying to sell your “distressed” property. A short sale is an agreement between the lender and the property owner that allows a home to be for less than the amount owed. A case must be presented to the lender that the value is no longer there. The buyer and seller may agree on a price but the lender makes the final decision on approving the sales. We are experts in these kinds of negotiations.

If you have suffered a long term financial hardship and are unable to maintain your loan or you need to sell the property to avoid a default loss on the property, it is possible that we may be able to negotiate a short payoff with your lender in order to facilitate a sale. A qualified buyer is required.

Note that there may be tax ramifications associated with any short payoff or foreclosure; therefore, we recommend you contact your tax advisor for details.

Some states permit lenders to seek a deficiency judgment for the amount the payoff was discounted. See your state's foreclosure law or ask us for more information.

This should not be confused with a **deed in lieu of foreclosure**. A deed in lieu is a process whereby the borrower, having failed to satisfy his or her obligation, voluntarily hands over the property to the lender. The lender then sells the property in an attempt to recover some or all of the amount owed on the loan. This will have a negative impact on your credit, but you would be removed from any further financial obligation from the property.



Where We Operate

We can perform loss mitigation services in the following States:

Alabama	Montana
Alaska	Nebraska
Arizona	New Hampshire
Arkansas	New Jersey
Connecticut	New Mexico
Delaware	North Carolina
Florida	North Dakota
Georgia	Ohio
Hawaii	Oklahoma
Idaho	Pennsylvania
Illinois	Rhode Island
Indiana	South Carolina
Iowa	South Dakota
Kansas	Tennessee
Kentucky	Utah
Louisiana	Vermont
Maine	Virginia
Michigan	West Virginia
Minnesota	Wisconsin
Mississippi	Wyoming
Missouri	

"Families Helping Families"

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Frequently Asked Questions

Loan Modification

What is a loan modification?

A loan modification is a permanent change in one or more terms of a borrower's home loan, allows the loan to be reinstated, and results in a payment the homeowner can afford.

Can I ask my lender for a loan modification myself?

Yes, but should you? It really depends on the kind of result you want to achieve. How successful would you be if you represented yourself in court? How well could you diagnose your own illness? If you are struggling with your current mortgage, wouldn't you want the extensive knowledge and experience to achieve the optimal results? That is where professional loss mitigation consultants can help you reach the resolutions you desire. ***This is a BIG mistake made by many homeowners. Your lender is working for their best interest - NOT YOURS! They are trying to give you as little as possible, while getting the most in return.***

What type of property qualifies for a Loan Modification?

Single Family Residences or Town Homes
Condo's and Multi-Unit Properties
Second Homes/Vacation Homes
Non-Owner Occupied/Investment
Commercial Property

Do I need a special type of mortgage loan for you to help me?

No. We work with any type of mortgage loan, from FHA, Rural Administration, VA, Freddie Mac, Fannie Mae, or conventional loans.

Is a loan modification a refinance?

No. A loan modification "*modifies*" the existing mortgages. Here is why: If you have very little or no equity in your home or if you have missed payments in the past 12 months or if you have bad credit, refinancing would not be an option for you. But with a loan modification, we can lower the payment and interest rate even with negative equity, missed payments and bad credit. In many cases a loan modification will save you money over a traditional loan refinance because with a loan modification you typically don't have to pay closing costs.



How do I know if I will qualify for a loan modification?

The main thing your lender is looking at is your ability to make the new modified payment now and in the future. That's why we need to supply your lender with proof of your income, along with a complete and accurate financial statement detailing your income and expenses to show them that if granted the modification, you will be able to afford the new, lower payment.

Can I still do a loan modification if I have more than 1 mortgage on the property?

Yes. It does not matter. Even if the mortgages are with different lenders. Loan modifications can be performed on any existing mortgages.

Is this a deed in lieu of foreclosure?

No. A deed in lieu of foreclosure essentially is an agreement between your client and their lender where your client gives back their home to the bank and walks away. The homeowner does not get to live in the house any longer. They do not want this option. There is a better way.

I am current on my mortgage payments, however my home has dropped in value significantly and my loan is set to adjust, can I do a loan modification or short sale prior to it adjusting?

Yes. You do not need to wait until your loan adjusts to do a loan modification or short sale. Most lenders are now accepting applications from homeowners who are not currently delinquent, but who are able to prove that due to imminent interest rate increases, they will no longer be able to afford the loan payment under the terms of their loan.

What is an acceptable Hardship situation?

Each homeowner has a unique set of circumstances that caused them to fall behind on their home loan, but generally the lenders consider divorce/separation, loss of income, death of spouse, co borrower or family member, illness, job relocation, military service to be acceptable reasons to consider a loan modification. A compelling hardship letter included in your application is a very important part of a successful application.

How long is the loan modification process?

Unfortunately, there is no set time period; however, outcomes can be reached within a few weeks to a few months. If a government approved agency is involved (FHA, etc.), the process will take longer to workout. In the meantime, many lenders will halt the collections process until a resolution is achieved.



How long do we have to act?

Time is of the essence when you are behind on house payments and is most certainly not your friend in this situation. Each day that passes makes it that much harder to get a work out agreement with your lender that you can live with.

Why does the Loan Modification process take so long?

The lending institutions are currently overwhelmed by the number of demands for loan modifications. The banks have experienced financial set backs leading to layoffs and increased work load. Patience is virtue that best serves everyone involved in this process.

Is Loan Modification similar to Debt Consolidation, Forbearance or Refinancing?

No! Debt consolidation seeks to lump a group of unsecured debts into either a loan or a program that offers lower payments. Debt Consolidation does not apply to mortgages.

Forbearance agreements provide only a short term relief to borrowers with temporary problems. Refinancing a home requires the borrower to apply for an entirely new mortgage. This requires the borrower to financially qualify, have equity in their home, and incur closing costs and other fees for the lender. This is often not a feasible or affordable solution for struggling borrowers. A loan modification seeks to restructure an existing mortgage to provide a long term solution that will fit the financial needs of the borrower.

Will a loan modification help me stop foreclosure?

Yes, that is the goal-by working with your lender to find a loan workout solution, your loan is brought current and the foreclosure process is halted.

Can my missed payments be added back into my new loan modification? Yes, the arrears can be added to the new loan balance and spread out over the term to allow the loan to be brought current.

What is foreclosure?

When a borrower has been unable to make the scheduled payments on his or her mortgage loan for an extended length of time, the lender may feel that the loan has been defaulted, and will undertake legal proceedings in order to repossess the property. Any equity the homeowner may have built up in the home is lost, and the homeowner will have to vacate the premises. Laws on how long a homeowner has before a lender can start foreclosure proceedings vary from state to state.



Should I file for bankruptcy to save my house?

This is usually not a good idea. According to the American Bar Association, 96% of homeowners who declare bankruptcy end up losing their home to foreclosure. Bankruptcy is very unlikely to help you save your home. There are certain times when bankruptcy is appropriate. We strongly suggest you consult with an attorney who can help explain the options available to you.

I'm currently in bankruptcy. Can you still help?

Yes. But we cannot go forward with a loan modification with your lender until your mortgage has been discharged or dismissed from the bankruptcy proceedings.

Short Refinance

In this kind of transaction, we approach the lender with an offer to accept less than the full amount owed. The lender reduces the principal balance of a homeowner's mortgage in order to permit the homeowner to refinance with a new lender. The reduction in principal is designed to meet the Loan-to-value guidelines of the new lender (which makes refinancing possible).

Short Sale

What is a "short sale"?

A short sale is an option you will have if your current lender will not agree to do a loan modification and you still can't afford your mortgage payments. In a short sale, the lender agrees to settle the mortgage debt that is owed on the property for less than the full balance. In this situation, the seller sells their home on the open market for current market value, walks away from the property with no debt, pays no commissions and no closing costs, and is able to avoid foreclosure and save their credit. We can help you with this as well.

Do I need to be behind on my mortgage to do a short sale?

No, you don't need to be behind on your mortgage payments to do a short sale.

What if I can no longer afford my home? Can you still help me?

If you are certain that you cannot afford your home any longer and wish to sell, relinquishing any equity you may already have in your home, we can help you to secure a "short sale" payoff (contingent on approval by your lender) or a deed-in lieu of foreclosure agreement (again, contingent on approval by your lender).



Testimonials

I wanted to thank all the folks at National Home Retention Center for all the hard work they have done to save my home. I felt hopeless when trying to work with my lender. I was fearful to give the wrong information, I did not want the bank to foreclose on my home. Patrick Shanahan and his staff took the stress and hassle out of trying to do this myself and saved my home. I will forever be grateful for the work you did. I hope you understand how much stress you have taken off my back. This is a great service that your company is providing to help homeowners in trouble like myself. Please keep up the good work!

Thank you,
Peter G.

This letter is to express my appreciation for the excellent work that was provided by your company. I had tried communicating with my mortgage company to no avail and my situation was becoming very serious. After my first interview with you and the explanations you gave, I left feeling reassured that everything would work out. The negotiations you made were excellent. I will gladly recommend your services to everyone that I know that encounters the same situation I had.

Again, thank you for your assistance.

Sincerely,
Mary B.

I contacted Randy Rioux at National Home Retention Center for help because we were 3 months behind on our mortgage. He was so much help for me. He gave me several options that I could take in my financial situation. Whenever I called him he was always available and if he couldn't speak to me right then, he always returned my call as soon as possible. I would advise anyone that if they are in need of help to contact Randy Rioux. He is a very friendly guy and very helpful. I am pleased with his service and I am back on my way to getting my life together. Thanks for everything, Randy.

George H.



I wanted to write you a letter thank you for all of the hard work you put in on my mortgage situation. Wayne Galazzi was one of the most understanding people I spoke to about my mortgage situation. He counseled me through the entire process and answered the really important questions quickly and accurately. I spoke to several other companies before deciding to go with National Home Retention Center and I will say I dealt with many pushy salesmen that only wanted to know when I could pay for the services. They didn't even want to know how I got in this situation! I can't believe that the modification program that Wayne got me approved for only required me to make my next two payments on time and that would bring me current! ...With this behind me I can now focus on getting caught up with everything else.

My sincere thanks.

Susan P.

Due to a serious illness, I fell behind several months on my mortgage payments. I saw no way out since I didn't have the large sum of money needed to bring my mortgage current. I heard about National Home Retention Center through a friend. The people were very friendly, professional, understanding and quite reassuring. My home of over 15 years was saved due to the expertise and persistence of the people at National Home Retention Center. I will never forget them. Thank you.

Maryann R.

We were in a very bad situation with our home. We were paying our monthly payments at an incredible high price, and our home value had gone down tremendously. We decided to use National Home Retention Center to try and get our payments reduced. They helped us lower our monthly payments and we were able to keep our house. I would recommend their services to anyone in a similar situation and I greatly appreciate their help.

Robert B.

I know my case was a difficult one and I am so relieved that it is all over! I was just so nervous that I was not going to be able to save the house after the layoff! You were right Randy, it all worked out and now I am current on my mortgage just like you said. I have a long road to get back to where I was a year ago but I feel a lot better now that my mortgage company isn't calling me all the time trying to collect payment. Now that I am back working full time, I should not be in this situation again. Thanks Again!

Andrew G.



My heartfelt thanks to the folks at National Home Retention Center on their diligent efforts, hard work, acts of kindness, and most of all, the support and generous manner in which they helped me during my crucial time of need.

They were always confident in my ability to save my home and it was their assurances that provided me with the determination that I could lower my mortgage payments without losing my home.

Sincerely,

Henry M.

2008 has been a train wreck for me financially. I had been ill and unable to work steadily. My bills were piling up. I just couldn't seem to keep my head above water. I had gotten seriously behind in my mortgage payments. I was told by a friend that National Home Retention Center may be able to help me with a loan modification. I was very impressed with their expertise and knowledge of finances. I immediately felt at ease. They were very successful and were able to negotiate a loan modification that was agreeable to both the mortgage company and myself.

I would highly recommend National Home Retention Center to anyone who required assistance with mortgage or loan difficulties. They were sensitive to my situation and expertly and efficiently handled my loan modification. It was a pleasure to work with them.

Jennifer L.

I just wanted to thank you all very much for all your hard work and commitment. I cannot even begin to tell you the stress that I have been going through this past year. Now I have a fresh new start to a bright future again. Once again, thank you...thank you...thank you!!

Bob W.



NATIONAL HOME
RETENTION CENTER

I would like to take the time to tell you how the people at National Home Retention Center have helped my family and me. When I contacted them we were three months behind on our mortgage and were going to be put into foreclosure. They helped us when no one else seemed to care. Today we are current on our mortgage and will be from now on. If I ever know of anyone in our situation I would recommend that they talk to National Home Retention Center. They always took the time to calm me down when I was upset.
Most sincerely,

James H.

There is nothing more terrifying then the prospect of losing your home. When I called National Home Retention Center I spoke to John Shanahan. John explained in detail what he would do for me. There was absolutely no pressure from John. Had there been even the slightest bit of pressure, it would have been a deal breaker, so believe me when I say he is one of the easiest mannered people I have ever had to deal with. Hiring National Home Retention Center to negotiate for me has been one of the best decisions I have ever made. I am too emotional to handle all the phone calls and correspondence on my own. With National Home Retention Center's insight and expertise as loan negotiators, it was a painless and rewarding process.

Leonard S.

In early 2008 my life took a terrible change. I was forced to shut down my cabinet making business that I had for more than 10 years. My bills accumulated, which became a big problem with my mortgage company. When I was capable of making a payment on my mortgage the bank told me it was too late. National Home Retention Center listened to all my problems. They reassured me that I had a chance of keeping my house through various resources. Well everything worked out for the best for my family and I owe a lot of thanks to the entire staff at National Home Retention Center.
Sincerely,

Gary W.



Randy - It has not been an easy, but I wanted to thank you for all you have done. Because this was our first experience in having our house almost going into foreclosure, it was very stressful for my husband and I. In the end it turned out to be a win-win situation for everyone involved. That was our primary goal. The lender came up with very easy monthly payments which will allow us to save some money during the next few years. You saved us from going into foreclosure and we appreciate it very much.

Brenda D.

I just want to take the time to say thank you to Patrick Shanahan and his staff for all the help you have given me. When I came to National Home Retention Center I had a huge problem. I was about to lose my home and I did not know what to do. I had talked to several places but did not feel comfortable. I spoke to Patrick, was advised on what to do and I followed the instructions as they were given to me. I felt comfortable that he really knew what he was doing. Here it is three months later and I am now starting fresh. If Mr. Patrick says he can help then he will do just that. Sincerely,

Patrice B.

"Families Helping Families"



Articles



On Hold: Even Congresswoman Gets the Runaround on Bank Help Lines

Rep. Maxine Waters Dials and Redials Attempting to Get Help for Constituents

By BRIAN ROSS and AVNI PATEL

Jan. 22, 2009—

In a revealing example of what she says the average homeowner faces, a California Congresswoman spent more than two hours on the phone trying, without success, to find someone at the Bank of America who could help a struggling constituent modify his mortgage payments. ABC News "Nightline" cameras were rolling as Congresswoman Maxine Waters (D-Ca.) was repeatedly put on hold for long stretches, disconnected, transferred to extensions that did not work and ultimately switched to a recording which directed her to the bank's website.

"The average American trying to negotiate a loan modification will not be able to get it done," said Waters. "It will be impossible for them to get in touch with the right person, and even if they get in touch with a so-called counselor, they have a cookie cutter kind of direction that they go in."

While the federal government and banks say they're trying to help homeowners avoid foreclosure through various help lines and more, an ABC News investigation has found that the process of reaching out for help can be disorganized and frustrating, hardly consumer friendly, even when a prominent member of Congress is on the line.

To prove her point, Waters agreed to let "Nightline" listen in on her attempts to contact her constituents' lenders on behalf of homeowners with nowhere else to turn.

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"Most of the day was spent trying to trace down the right person or the right department to deal with the loan modification," said Waters. "It was awful."

The Beards of Los Angeles are a retired couple who are not even behind on their mortgage payments, but they, like many others, are struggling to keep up. When Waters offered to call Bank of America on their behalf, it turned into a two hour ordeal.

Waters was met first with a recording that many callers have heard before, "all representatives are currently assisting other customers, please hold and your call will be answered in the order in which it was received."

Congresswoman Continues to Hold...

Waters was on hold for ten minutes before an operator finally came to the line. Because the Beards were not behind on payments, just looking for a modification, Waters thought the call would be easy. But it wasn't.

First she was transferred to another department, then put on hold for three more minutes, and then she was disconnected, all while Mr. Beard was listening in.

"That's what I usually get when I call them," he said. "They say they're going to transfer me and when they transfer me, the line goes dead."

Undeterred, Waters called Bank of America again. This time the extension the bank had given her did not work.

So, for a third time, 49 minutes after she first dialed the bank, the congresswoman called the 800 number once again and was greeted with more recordings, more music.

"This is absolutely horrible," she said while holding the line.

On her fourth try, Waters was directed to yet another department, and then transferred to hardship assistance. But when she explained the Beards' situation to the agent in that department, she was told that because they hadn't yet missed a payment, she needed to call the refinancing department.

Almost two hours after her first attempt to reach a loan officer, Waters was finally transferred to the refinancing department -- where she was greeted with a recording and then cut off.

"Oh my goodness," Waters remarked. "Well, what they [the recording] just said is go to your computer and fill out info to see if you qualify. They don't check to see if you have a computer and they don't come back on line."

The Bank of America says it does a good job and is almost always quick to respond to calls.



"On average one to two minutes," said Steve Bailey, who heads the loan division of Bank of America. "In terms of once you are waiting for a cue from an agent, it takes one to two minutes to get through to somebody. Certainly if we are urgently wanting to speak to people we don't want them to wait 20, 30 minutes on hold just to talk to us."

Bank of America Apologizes

Bailey offered an apology to Waters and the Beards for the process they went through saying that's absolutely not the way Bank of America wants things to go.

But the congresswoman believes her experience was typical.

"Anybody witnessing what I was going through could see that I got pretty aggravated, and that I got upset about the basic inconvenience of the so-called system that they have, the lack of responsiveness, the inability to get anything done," said Waters.

Carol and Dave Harper of Los Angeles are behind on their mortgage payments and face possible foreclosure. Mr. Harper is recently disabled. Since last summer the Harpers have been trying without success to get IndyMac bank to modify their mortgage so they can make their monthly payments.

"We worked hard for this," Mrs. Harper told ABC News. "He worked until he couldn't work any longer. I can't do it any more. I don't know what I'm going to do if these people take my home. I have nothing else."

Mrs. Harper says her calls to Indymac and multiple visits to bank counselors have resulted in nothing more than a six-month runaround.

"I've called. I've been on the phone so much it's pathetic," said Mrs. Harper. "It's hard. I'm at a point where I don't know where else to go."

When Waters attempted to reach Indymac on behalf of the Harpers it took her four minutes to get through all the recorded messages, prompts, and music to finally speak to a real person. Though once Waters identified herself she was quickly transferred to the public relations department. Despite her VIP-treatment, however, the Harpers still have not been able to get the bank to help them.

IndyMac told ABC News that the Harpers' case is too complex to handle through the call center and that the bank is now trying to help them.

Waters says her experience is further evidence that the lenders have created, but are not helping to solve the mortgage crisis.

"I think what we have discovered speaks for itself. They're not trying to help people do loan modifications," she said. "They put these products out on the street. They had brokers and salespersons out there signing people up because they really didn't have to keep them. They had investors and they securitized and packaged these things and sent them up to Wall Street."

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What is the Loan Modification Process?

By now, many people may know what a loan modification but there are many that still don't know how it works. As loan modifications became the real estate buzzword of 2008, more and more people wanted to know actually how to acquire a loan modification. I would like to provide a little clarity on how a loan modification works and what to expect during the process.

There are many misconceptions concerning **loan modifications** and a lot of inexperienced people providing misinformation. You can try to modify their own loan. However, just as you can represent yourself in a court of law, if the trial is of a serious nature **it is best to have a professional represent your interests**. By utilizing a 3rd party you are accessing their expertise in loan modification and relying on their objectivity in what can be an emotional negotiation. But, how does a modification work and what are the steps?

A loan modification is a negotiation between borrower and the lender/servicer. Title and escrow are never involved. However, the steps are very similar to a refinance. First, you need to find out if you qualify for a loan modification. **There is no such modification as a 'stated income or stated asset' modification**. You are going to have to provide full financial details of their personal situation and, if self-employed, your business' financials, as well. Just because you have a rate above 7% or are upside down on a property does not necessarily make you a candidate for a modification. However, if you have a loss of income, medical hardship or your rate is adjusting to 10% in a month then you become an excellent candidate. **The hardship, whether financial, medical or personal, is the difference between a qualified modification candidate and someone who is just unhappy with their loan.**

Once we review and pre-qualify your situation and hardship, you submit your financial information to us, we prepare/underwrite your package and then to submit the loan modification package to the lender/servicer. There are no 'stated' programs. Also, instead of using a debt-to-income ratio like in a traditional financing, we use a personal profit & loss statement to show both the financial hardship and to have the lender/servicer see that if they were to modify the loan that it would take you from a poor situation to one you can better handle.

The first document sent to the lender/servicer is the authorization form. This form notifies the lender/servicer that we are working your behalf. After the authorization is acknowledged, we are ready to submit your package. Each package is accompanied by a demand letter. This letter is demanding action on the file within 60 days. Typically included in this package are: mortgage statement(s), 30 days pay stubs, W2s, full tax returns, bank statements and other supporting financial documentation. Once again, there are no 'stated' modifications. Income docs are included in every package. Last, but

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certainly not least is the hardship letter. This is your one chance to address the lender/servicer and tell your side of the story. A solid hardship letter goes hand in hand with the hard facts that we are providing.

Once the package is received and uploaded into the lender/servicer's internal system, it will go to initial review. This is generally done by a front line employee in an underwriting department. They are looking for major red flags that would immediately disqualify the client for a modification. Low fixed rates or substantial monthly surplus/deficit are two of the reasons who disqualification. This is where a lot of the "do-it-yourselfers" and those who don't know what they are doing get caught up and denied.

After the initial review the file moves to up a level to someone who has the authority to sign-off on a modification. This is sometimes a management or supervisor level position. This person/reviewer is now 'underwriting' the file. They are going over financials and supporting documentation to ensure that they match up with the borrower's and modification company's statements. Often, they will come back to the loan modification company asking for clarification or additional information. This step is the longest of all the steps as the lender/servicer wants to ensure that if they give a modification to you that you will in fact be able to handle the new terms and that the lender/servicer is not giving up too much ground on the modification. After the review process is over, it is time to be assigned to a negotiator.

Finally, the negotiations. When file has been assigned to a negotiator, you have in fact been approved for a modification. Now, we are to find out the terms to be set. Once it is with a negotiator it can take some time before an offer will come. The negotiation is the last step in the process. Many negotiators will take the review and crunch the numbers to find a reasonable solution that protects the lender/servicer but also helps you. If there is an investor on the loan, the negotiator will also go to the investor for a sign off on final terms so that an offer can be made.

When the negotiator decides on the offer, the offer will be sent directly to you. It is a very exciting time for you but we also needs to review the offer to make sure it makes sense for you and, in fact, is a good deal for you. It may be necessary to go back and re-negotiate a new offer. The offer is typically based off your particular financial situation and is built to fit your budget. Once the offer is signed and returned, the modification is complete.

These are the basic steps of how a modification works. There are, of course, many different ways to approach a modification. Some believe in the litigation route and others believe in the hardship route. Both have their pluses and minuses. In the end, both will have to provide a compelling argument and a full and complete package to in order to procure a modification.

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