**EVALUATION NOTICES**

The Evaluation Notice must provide the borrower with one of the following possible outcomes:

[NON-APPROVAL, INELIGIBLE FOR MORTGAGE ASSISTANCE – MORTGAGE IS CURRENT 2](#_Toc521317517)

[NON-APPROVAL, INELIGIBLE FOR MORTGAGE ASSISTANCE – MORTGAGE IS DELINQUENT 4](#_Toc521317518)

[REINSTATEMENT NOTICE 7](#_Toc521317519)

[REPAYMENT PLAN OFFER 10](#_Toc521317520)

[FORBEARANCE PLAN OFFER – REDUCED PAYMENT 14](#_Toc521317521)

[FORBEARANCE PLAN OFFER – SUSPENDED PAYMENT 18](#_Toc521317522)

[FLEX MODIFICATION TRIAL PERIOD PLAN NOTICE – BASED ON AN EVALUATION OF A COMPLETE BRP 22](#_Toc521317523)

[FLEX MODIFICATION TRIAL PERIOD PLAN SOLICITATION OFFER – NOT BASED ON AN EVALUATION OF A BRP 28](#_Toc521317524)

[SHORT SALE – BASED ON AN EVALUATION OF A COMPLETE BRP 33](#_Toc521317525)

[SHORT SALE – ALL OTHER SCENARIOS 36](#_Toc521317526)

[MORTGAGE RELEASE – BASED ON AN EVALUATION OF A COMPLETE BRP 38](#_Toc521317527)

[MORTGAGE RELEASE – ALL OTHER SCENARIOS 41](#_Toc521317528)

[MODEL INELIGIBILITY REASONS FOR FLEX MODIFICATION 43](#_Toc521317529)

# NON-APPROVAL, INELIGIBLE FOR MORTGAGE ASSISTANCE – MORTGAGE IS CURRENT

 [DATE]

Dear [BORROWER NAME(S)]:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, you are not eligible for mortgage assistance at this time. If you continue to have concerns about making your monthly payment, or experience additional hardship that may impact your ability to make your payment, please contact us or submit a new mortgage assistance application for our review.

|  |
| --- |
| **QUESTIONS? CONTACT US****[SERVICER’S NAME]****Phone: [8XX-XXX-XXXX]****Email Address: [SERVICER’S EMAIL]****Website: [SERVICER’S WEBSITE]** |

Although we are unable to offer you mortgage assistance at this time, there are options available to you for housing counseling. We encourage you to review the **Additional Resources** for more details.

|  |
| --- |
| **Additional Resources**If you are experiencing a financial hardship you may be eligible for mortgage assistance from your state’s housing finance agency or other state or local government agency.For a list of HUD-approved housing counseling agencies that can provide free foreclosure prevention and debt management information, information on state or local government mortgage assistance programs that may be available, as well as translation or other language assistance, contact one of the following federal government agencies.* The U.S. Department of Housing and Urban Development (HUD) at (800) 569-4287 or [www.hud.gov/counseling](http://www.hud.gov/counseling)
* The Consumer Financial Protection Bureau (CFPB) at (855) 411-2372 or [www.consumerfinance.gov/mortgagehelp](http://www.consumerfinance.gov/mortgagehelp)

**For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit** **Fannie Mae’s** [**consumer website**](https://www.fanniemae.com/)**.** **Fannie Mae is the owner of your mortgage loan.**  |

***[Mortgage Servicing Regulatory Notice and Right of Appeal\* If review is based on an evaluation of a complete BRP and concerns property serving as the borrower's principal residence, then if required by applicable law, such as 12 C.F.R. §1024.41, add the following:***

|  |
| --- |
| **Additional Information and Legal Notices** |

**You were not approved for a loan modification trial period plan**

You were evaluated for a loan modification trial period plan based on the eligibility requirements of Fannie Mae, the owner of your mortgage.

Based on our review of the information you provided, we are unable to offer you a loan modification trial period plan for the reasons described below:

* Flex Modification [PROVIDE REASONS FOR INELIGIBILITY]
* [INSERT OTHER MODIFICATION PROGRAMS AND REASONS FOR INELIGIBILITY]

**Right to Appeal**

You have the right to appeal our decision not to offer you the loan modification trial period plan(s) described above. If you would like to appeal, you must contact us in writing no later than [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], and let us know that you are requesting an appeal of our decision. You must include the following in the appeal:

* your name,
* property address, and
* mortgage loan number

You may also specify the reasons for your appeal and provide any supporting documentation. Your right to appeal expires [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]. Appeal requests or documentation received after this date may not be considered.

If you elect to appeal:

* We will provide you a written notice of our appeal decision within 30 calendar days of receiving your appeal. Our appeal decision is final and not subject to further appeal.
* If we determine on appeal that you are eligible for a loan modification trial period plan, we will send you an offer for the trial period plan. In that case, you will be given 14 calendar days from the date of the appeal decision to let us know that you intend to accept the trial period plan offer.
* Any unpaid interest, and other unpaid amounts, such as escrows for taxes and insurance, will continue to accrue on your mortgage during the appeal.

***\*Servicers must not send this Mortgage Servicing Regulatory Notice and Right of Appeal to those borrowers whose properties do not serve as the borrower's principal residence. Servicers must only send the right of appeal language to borrowers who have such a right under applicable law, such as 12 C.F.R. §1024.41(h).]***

# NON-APPROVAL, INELIGIBLE FOR MORTGAGE ASSISTANCE – MORTGAGE IS DELINQUENT

 [DATE]

Dear [BORROWER NAME(S)]:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, you are not eligible for mortgage assistance, including options to stay in your home or leave your home while avoiding foreclosure. To avoid additional impacts to your credit score resulting from late payments and to avoid foreclosure, it is important that you bring your mortgage current as quickly as possible. If you experience additional hardship, you may contact us to request reconsideration for mortgage assistance.

To bring your mortgage current, you must pay $[TOTAL PAST DUE AMOUNT] as described in the table below no later than [REINSTATEMENT DATE].

|  |  |
| --- | --- |
| Past Due Payment\* |  |
| Late Charges |  |
| Servicer Advances\*\* |  |
| **Total Past Due Amount** |  |

\*Payment includes past due principal, interest, and escrow payment, if applicable. It does not include your next regularly scheduled monthly payment.

\*\*This amount may include allowable attorney fees and costs, property preservation expenses, inspections, and/or other expenses authorized by your mortgage documents.

**Please send $[TOTAL PAST DUE AMOUNT]** **to:**

**[SERVICER NAME AND MAILING ADDRESS]**

If you are unable to bring your mortgage current, we may pursue foreclosure as authorized by your mortgage documents and applicable law.

|  |
| --- |
| **QUESTIONS? CONTACT US****[SERVICER’S NAME]****Phone: [8XX-XXX-XXXX]****Email Address: [SERVICER’S EMAIL]****Website: [SERVICER’S WEBSITE]** |

Although we are unable to offer you mortgage assistance at this time, there are options available to you for housing counseling. We encourage you to review the **Additional Resources** for more details.

|  |
| --- |
| **Additional Resources**If you are experiencing a financial hardship you may be eligible for mortgage assistance from your state’s housing finance agency or other state or local government agency.For a list of HUD-approved housing counseling agencies that can provide free foreclosure prevention and debt management information, information on state or local government mortgage assistance programs that may be available, as well as translation or other language assistance, contact one of the following federal government agencies.* The U.S. Department of Housing and Urban Development (HUD) at (800) 569-4287 or [www.hud.gov/counseling](http://www.hud.gov/counseling)
* The Consumer Financial Protection Bureau (CFPB) at (855) 411-2372 or

[www.consumerfinance.gov/mortgagehelp](http://www.consumerfinance.gov/mortgagehelp)**For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit Fannie Mae’s** [**consumer**](https://www.fanniemae.com/) **website.** **Fannie Mae is the owner of your mortgage loan.** |

***[Mortgage Servicing Regulatory Notice and Right of Appeal\* If review is based on an evaluation of a complete BRP and concerns property serving as the borrower's principal residence, then if required by applicable law, such as 12 C.F.R. §1024.41, add the following:***

|  |
| --- |
| **Additional Information and Legal Notices** |

**You were not approved for a loan modification trial period plan**

You were evaluated for a loan modification trial period plan based on the eligibility requirements of Fannie Mae, the owner of your mortgage.

Based on our review of the information you provided, we are unable to offer you a loan modification trial period plan for the reasons described below:

* Flex Modification [PROVIDE REASONS FOR INELIGIBILITY]
* [INSERT OTHER MODIFICATION PROGRAMS AND REASONS FOR INELIGIBILITY]

**Right to Appeal**

You have the right to appeal our decision not to offer you the loan modification trial period plan(s) described above. If you would like to appeal, you must contact us in writing, no later than [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], and let us know that you are requesting an appeal of our decision. You must include the following in the appeal:

* your name,
* property address, and
* mortgage loan number

You may also specify the reasons for your appeal and provide any supporting documentation. Your right to appeal expires [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]. Appeal requests or documentation received after this date may not be considered.

If you elect to appeal:

* We will provide you a written notice of our appeal decision within 30 calendar days of receiving your appeal. Our appeal decision is final and not subject to further appeal.
* If we determine on appeal that you are eligible for a loan modification trial period plan, we will send you an offer for that trial period plan. In that case, you will be given 14 calendar days from the date of the appeal decision to let us know that you intend to accept the trial period plan offer. If you are not eligible for a trial period plan offer and you do not bring your mortgage current by paying your total past due amount as described above, we may pursue foreclosure as authorized by your mortgage documents and applicable law.
* Any unpaid interest, and other unpaid amounts, such as escrows for taxes and insurance, will continue to accrue on your mortgage during the appeal.

***\*Servicers must not send this Mortgage Servicing Regulatory Notice and Right of Appeal to those borrowers whose properties do not serve as the borrower's principal residence. Servicers must only send the right of appeal language to borrowers who have such a right under applicable law, such as 12 C.F.R. §1024.41(h).]***

# REINSTATEMENT NOTICE

 [DATE]

Dear [BORROWER NAME(S)]:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, you are not eligible for mortgage assistance. To avoid additional impact to your credit score resulting from late payments and to avoid foreclosure, it is important that you bring your mortgage current as quickly as possible through a full reinstatement. If your financial circumstances change or you experience a hardship, you may contact us to request reconsideration for mortgage assistance.

**What is a Reinstatement?**

A full reinstatement is a single lump-sum payment to bring your mortgage current by paying all past due amounts, including amounts that we paid on your behalf, if any, as a result of your failure to pay your mortgage on time (Servicer Advances).

**To reinstate your mortgage, you must pay $[REINSTATEMENT AMOUNT] as described in the table below by [REINSTATEMENT DATE].**

|  |  |
| --- | --- |
| Past Due Payment\* |  |
| Late Charges |  |
| Servicer Advances\*\* |  |
| **Reinstatement Amount** |  |

\*Payment includes past due principal, interest, and escrow payment, if applicable. It does not include your next regularly scheduled monthly payment.

\*\*This amount may include allowable attorney fees and costs, property preservation expenses, inspection fees, and/or other expenses authorized by your mortgage documents.

**Please send $[REINSTATEMENT AMOUNT] to:**

**[SERVICER NAME AND MAILING ADDRESS]**

|  |
| --- |
| **QUESTIONS? CONTACT US****[SERVICER’S NAME]****Phone: [8XX-XXX-XXXX]****Email Address: [SERVICER’S EMAIL]****Website: [SERVICER’S WEBSITE]** |

|  |
| --- |
| **ACT NOW!** |

**To Prevent Foreclosure Action**

You must do one of the following by [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]:

* Contact us by phone or in writing to let us know if you intend to reinstate your mortgage, **OR**
* Send your Reinstatement Amount of $[REINSTATEMENT AMOUNT]

**Failure to Reinstate**

If you do not contact us or send your Reinstatement Amount of $[REINSTATEMENT AMOUNT] by [REINSTATEMENT DATE], we may refer your mortgage to foreclosure as authorized by your mortgage documents and applicable law. If your mortgage has been referred to foreclosure, foreclosure proceedings may continue and a foreclosure sale may occur.

Although we are currently unable to offer you mortgage assistance, housing counseling is available. We encourage you to review the **Additional Resources** for more details.

|  |
| --- |
| **Additional Resources**If you are experiencing a financial hardship you may be eligible for mortgage assistance from your state’s housing finance agency or other state or local government agency.For a list of HUD-approved housing counseling agencies that can provide free foreclosure prevention and debt management information, information on state or local government mortgage assistance programs that may be available, as well as translation or other language assistance, contact one of the following federal government agencies.* The U.S. Department of Housing and Urban Development (HUD) at (800) 569-4287 or [www.hud.gov/counseling](http://www.hud.gov/counseling)
* The Consumer Financial Protection Bureau (CFPB) at (855) 411-2372 or [www.consumerfinance.gov/mortgagehelp](http://www.consumerfinance.gov/mortgagehelp)

**For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit** **Fannie Mae’s** [**consumer website.**](https://www.fanniemae.com/) **Fannie Mae is the owner of your mortgage loan.** |

***[Mortgage Servicing Regulatory Notice and Right of Appeal\* If this review is based on an evaluation of a complete BRP and concerns property serving as the borrower's principal residence, then if required by applicable law, such as 12C.F.R. §1024.41, add the following:***

|  |
| --- |
| **Additional Information and Legal Notices** |

**You were not approved for a loan modification trial period plan**

You were evaluated for a loan modification trial period plan based on the eligibility requirements of Fannie Mae, the owner of your mortgage.

Based on our review of the information that you provided, we are unable to offer you a loan modification trial period plan for the reasons described below:

* Flex Modification [PROVIDE REASONS FOR INELIGIBILITY]
* [INSERT OTHER MODIFICATION PROGRAMS AND REASONS FOR INELIGIBILITY]

**Right to Appeal**

You have the right to appeal our decision not to offer you the loan modification trial period plan(s) described above. If you would like to appeal, you must contact us in writing no later than [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], and let us know that you are requesting an appeal of our decision. You must include the following in the appeal:

* your name,
* property address, and
* mortgage loan number

You may also specify the reasons for your appeal, and provide any supporting documentation. Your right to appeal expires [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]. Appeal requests or documentation received after this date may not be considered.

If you elect to appeal:

* We will provide you with a written notice of our appeal decision within 30 calendar days of receiving your appeal. Our appeal decision is final, and not subject to further appeal.
* You do not have to reinstate your mortgage until resolution of the appeal. If we determine on appeal that you are eligible for a loan modification trial period plan, we will send you an offer for that trial period plan. In that case, you will be given 14 calendar days from the date of the appeal decision to let us know that you intend to accept the trial period plan offer, or reinstate your mortgage. If you wait to pay the Reinstatement Amount described above until after receiving our appeal decision, your mortgage will become more delinquent.
* Any unpaid interest, and other unpaid amounts, such as escrows for taxes and insurance, will continue to accrue on your mortgage during the appeal.

***\*Servicers must not send this Mortgage Servicing Regulatory Notice and Right of Appeal to those borrowers whose properties do not serve as the borrower's principal residence. Servicers must only send the right of appeal language to borrowers who have such a right under applicable law, such as 12 C.F.R. §1024.41(h).]***

# REPAYMENT PLAN OFFER

 [DATE]

Dear [BORROWER NAME(S)]:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, we are offering you an opportunity to enter into a temporary repayment plan. It is important that you read all the information in this letter so that you understand the actions you must take to complete this repayment plan and bring your mortgage current.

**What is a Repayment Plan?**

A repayment plan is an agreement that provides you with an opportunity to repay past due amounts on your mortgage by making additional monthly payments along with your regular monthly mortgage payments.

**Repayment Plan Terms**

As of [DATE], the total past due amount on your mortgage is $[TOTAL PAST DUE AMOUNT]. This includes all past due amounts of unpaid interest, principal and escrow (if applicable), as well as late charges and amounts that we paid on your behalf (Servicer Advances\*). Your total past due amount will be paid in full if you make the required total monthly payment amounts listed in the payment schedule below, which includes your regular monthly mortgage payment plus an additional monthly payment amount.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Payment** | **Regular Monthly Payment** | **Additional Monthly Payment** | **Total Monthly Payment Amount**  | **Due Date** |
| [FIRST] |  |  |  |  |
| [SECOND] |  |  |  |  |
| [THIRD] |  |  |  |  |

\*This amount may include allowable attorney fees and costs, property preservation expenses, inspection fees, and/or other expenses authorized by your mortgage documents.

|  |
| --- |
| **QUESTIONS? CONTACT US****[SERVICER’S NAME]****Phone: [8XX-XXX-XXXX]****Email Address: [SERVICER’S EMAIL]****Website: [SERVICER’S WEBSITE]** |

|  |
| --- |
| **ACT NOW!** |

**To Prevent Foreclosure Action**

You must do one of the following by [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]:

* Contact us by phone or in writing to let us know if you intend to accept this offer, **OR**
* Accept this offer by sending us your first Total Monthly Payment Amount of $[TOTAL MONTHLY PAYMENT AMOUNT].

If you do not contact us or send a payment by the above deadline, we may refer your mortgage to foreclosure.

**To Accept This Offer**

You must send your first Total Monthly Payment Amount noted above on or before [FIRST PAYMENT DUE DATE].

If you do not send your first Total Monthly Payment Amount by [FIRST PAYMENT DUE DATE], this offer is revoked at that time and we may refer your mortgage to foreclosure or, if applicable, continue foreclosure proceedings, and a foreclosure sale may occur.

If you have questions about your mortgage payment, please contact us. In addition, there are options available to you for housing counseling. We encourage you to review the **Additional Resources** for more details.

|  |
| --- |
| **Additional Resources**If you are experiencing a financial hardship you may be eligible for mortgage assistance from your state’s housing finance agency or other state or local government agency.For a list of HUD-approved housing counseling agencies that can provide free foreclosure prevention and debt management information, information on state or local government mortgage assistance programs that may be available, as well as translation or other language assistance, contact one of the following federal government agencies.* The U.S. Department of Housing and Urban Development (HUD) at (800) 569-4287 or [www.hud.gov/counseling](http://www.hud.gov/counseling)
* The Consumer Financial Protection Bureau (CFPB) at (855) 411-2372 or [www.consumerfinance.gov/mortgagehelp](http://www.consumerfinance.gov/mortgagehelp)

**For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit** **Fannie Mae’s** [**consumer website**](https://www.fanniemae.com/)**. Fannie Mae is the owner of your mortgage loan.**  |

|  |
| --- |
| **Additional Repayment Plan Information and Legal Notices** |

**We will not refer your mortgage to foreclosure or proceed to foreclosure sale during this repayment plan, provided you are complying with the terms of the repayment plan:**

* Any pending foreclosure action or proceeding that has been suspended may be resumed if you do not follow the terms of this plan.
* This repayment plan offer is contingent on your having provided us with accurate and complete information. We reserve the right to revoke this offer or terminate the repayment plan following your acceptance if we learn of information that would make you ineligible.
* We will hold the additional monthly payment in an account until it contains sufficient funds to pay your oldest past due monthly payment. Unless required by applicable law, there will be no interest paid on the funds held in the account and any funds left in this account at the end of the repayment plan will be posted to your account to reduce your principal balance.
* Our acceptance of your payment during the repayment plan does not waive our right to require immediate payment in full of all amounts you owe on your mortgage, including the right to resume or continue foreclosure action, if you fail to comply with the terms of the plan. Entering a repayment plan does not mean that your mortgage will be considered current, unless and until your payments under the plan completely resolve all past due amounts.

**Your current mortgage documents remain in effect; however, we will not pursue foreclosure if you make the total monthly payment amounts provided above instead of the payments required under your mortgage documents.**

* All terms and provisions of your current mortgage documents remain in effect during the repayment plan. Nothing in the repayment plan shall be understood to be a satisfaction or release in whole or in part of your obligations contained in the mortgage documents.

***[Mortgage Servicing Regulatory Notice and Right of Appeal\* If review is based on an evaluation of a complete BRP and concerns property serving as the borrower's principal residence, then if required by applicable law, such as 12C.F.R. § 1024.41, add the following:***

**You were not approved for a loan modification trial period plan**

You were evaluated for a loan modification trial period plan based on the eligibility requirements of Fannie Mae, the owner of your mortgage.

Based on our review of the information you provided, we are unable to offer you a loan modification trial period plan for the reasons described below:

* Flex Modification [PROVIDE REASONS FOR INELIGIBILITY]
* [INSERT OTHER MODIFICATION PROGRAMS AND REASONS FOR INELIGIBILITY]

**Right to Appeal**

You have the right to appeal our decision not to offer you the loan modification trial period plan(s) described above. If you would like to appeal, you must contact us in writing no later than [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], and let us know that you are requesting an appeal of our decision. You must include the following in the appeal:

* your name,
* property address, and
* mortgage loan number

You may also specify the reasons for your appeal, and provide any supporting documentation. Your right to appeal expires [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]. Appeal requests or documentation received after this date may not be considered.

If you elect to appeal:

* We will provide you with a written notice of our appeal decision within 30 calendar days of receiving your appeal. Our appeal decision is final, and not subject to further appeal.
* You do not have to accept this offer until resolution of the appeal. If we determine on appeal that you are eligible for a loan modification trial period plan described above, we will send you an offer for that trial period plan. In that case, you will be given 14 days from the date of the appeal decision to let us know that you intend to accept the current repayment plan (which may be revised to reflect new due dates if you have not already accepted the offer) or the new trial period plan offer. If you wait to accept the current offer until after receiving our appeal decision, your mortgage will become more delinquent.
* Any unpaid interest, and other unpaid amounts, such as escrows for taxes and insurance, will continue to accrue on your mortgage during the appeal.

***\*Servicers must not send this Mortgage Servicing Regulatory Notice and Right of Appeal to borrowers whose properties do not serve as the borrower's principal residence. Servicers must only send the right of appeal language to borrowers who have such a right under applicable law, such as 12 C.F.R. §1024.41(h).]***

# FORBEARANCE PLAN OFFER – REDUCED PAYMENT

[DATE]

Dear [BORROWER NAME(S)]:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, we are offering you an opportunity to enter into a forbearance plan. It is important that you read all the information in this letter so that you understand the actions you must take to complete this forbearance plan and any additional steps you must take to resolve your delinquency.

**What is a Forbearance Plan?**

A forbearance plan is an agreement that allows borrowers experiencing a temporary hardship to make a reduced mortgage payment or no mortgage payment at all during the plan’s term. During the [NUMBER OF MONTHS] month term of this forbearance plan, you may make the reduced payments in the table below in lieu of your regular mortgage payment.

|  |  |  |
| --- | --- | --- |
| **Forbearance Plan Payment** | **Reduced Payment Amount Due** | **Due Date** |
| [FIRST] |  |  |
| [SECOND] |  |  |
| [THIRD] |  |  |

We will not pursue foreclosure during the forbearance plan term. However, the terms of your mortgage remain unchanged. By making reduced payments during the plan’s term, you will become more delinquent and your credit score may be impacted. For more information refer to the **Additional Forbearance Plan Information and Legal Notices**.

We hope this will provide you with the time and flexibility you need to address your hardship and improve your financial position.

|  |
| --- |
|  **QUESTIONS? CONTACT US****[SERVICER’S NAME]****Phone: [8XX-XXX-XXXX]****Email Address: [SERVICER’S EMAIL]****Website: [SERVICER’S WEBSITE]**  |

|  |
| --- |
| **ACT NOW!** |

**To Prevent Foreclosure Action**

You must do one of the following by [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]:

* Contact us by phone or in writing to let us know that you intend accept this offer, **OR**
* Accept this offer by sending us your first reduced payment amount.

If you do not contact us or send a payment by the above deadline, we may refer your loan to foreclosure.

**To Accept This Offer**

You must send your first reduced payment amount noted above on or before [FIRST PAYMENT DUE DATE].

If you do not send your first temporarily reduced mortgage payment by the last day of the month in which it is due, this offer is revoked at that time and we may refer your mortgage to foreclosure, or, if applicable, continue foreclosure proceedings, and a foreclosure sale may occur.

**Next Steps If You Accept This Offer**

* Continue making your temporarily reduced mortgage payment on time.
* Contact us immediately if your financial circumstances change during the term of your forbearance plan so that we may discuss potential options to resolve your delinquency.
* Prior to the end of the forbearance plan, we will contact you to discuss your situation and provide information on options that may be available to you. Options to resolve your delinquency may include a reinstatement, repayment plan, or loan modification. If you are unable to resolve your delinquency, there may be options that allow you to leave your home while avoiding foreclosure.

If you have questions about this forbearance plan offer, please contact us. In addition, there are options available to you for housing counseling. We encourage you to review the **Additional Resources** for more details.

|  |
| --- |
| **Additional Resources**If you are experiencing a financial hardship you may be eligible for mortgage assistance from your state’s housing finance agency or other state or local government agency.For a list of HUD-approved housing counseling agencies that can provide free foreclosure prevention and debt management information, information on state or local government mortgage assistance programs that may be available, as well as translation or other language assistance, contact one of the following federal government agencies.* The U.S. Department of Housing and Urban Development (HUD) at (800) 569-4287 or [www.hud.gov/counseling](http://www.hud.gov/counseling)
* The Consumer Financial Protection Bureau (CFPB) at (855) 411-2372 or [www.consumerfinance.gov/mortgagehelp](http://www.consumerfinance.gov/mortgagehelp)

**For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit** **Fannie Mae’s** [**consumer website**](https://www.fanniemae.com/)**. Fannie Mae is the owner of your mortgage loan.**  |
| **Additional Forbearance Plan Information and Legal Notices** |

**Credit Reporting**:

* We will continue to report the delinquency status of your mortgage as well as your entry into a forbearance plan to credit reporting agencies in accordance with applicable law.
* **CREDIT REPORTING AGENCIES GENERALLY CONSIDER THE ENTRY INTO A PLAN WITH REDUCED PAYMENTS AS AN INCREASED CREDIT RISK. HOWEVER, A FORECLOSURE WOULD HAVE A MORE NEGATIVE IMPACT TO YOUR CREDIT SCORE.**

**We will not refer your mortgage to foreclosure or proceed to foreclosure sale during this forbearance plan, provided you are complying with its terms:**

* Any pending foreclosure action or proceeding that has been suspended may be resumed if you do not follow the terms of the forbearance plan.
* This forbearance plan offer is contingent on your having provided us with accurate and complete information. We reserve the right to revoke this offer or terminate the forbearance plan following your acceptance if we learn of information that would make you ineligible.
* We will hold the forbearance plan payments in an account until it contains sufficient funds to pay your oldest past due monthly payment. Unless required by applicable law, there will be no interest paid on the funds in the account. If any funds are in the account at the end of the forbearance plan, those funds will be applied to your mortgage in accordance with your mortgage documents.
* Our acceptance of any payment you make during the forbearance plan does not waive our right to require immediate payment in full of all amounts you owe on your mortgage, including the right to resume or continue foreclosure action if you fail to comply with the terms of the plan. Entering a forbearance plan does not mean that your mortgage will be considered current.

**Your current mortgage documents remain in effect; however, we will not pursue foreclosure if you make the temporarily reduced payments under the forbearance plan.**

* All the terms of your current mortgage documents remain in effect during the term of the forbearance plan. Nothing in the forbearance plan shall be understood to be a satisfaction or release in whole or in part of your obligations contained in the mortgage documents.

***[Mortgage Servicing Regulatory Notice and Right of Appeal\* If review is based on an evaluation of a complete BRP and concerns property serving as the borrower’s principal residence, then if required by applicable law, such as 12C.F.R. § 1024.41, add the following:***

**You were not approved for a loan modification trial period plan**

You were evaluated for a loan modification trial period plan based on the eligibility requirements of Fannie Mae, the owner of your mortgage.

Based on our review of the information you provided, we are unable to offer you a loan modification trial period plan for the reasons described below:

* Flex Modification[PROVIDE REASONS FOR INELIGIBILITY]
* [INSERT OTHER MODIFICATION PROGRAMS AND REASONS FOR INELIGIBILITY]

**Right to Appeal**

You have the right to appeal our decision not to offer you the loan modification trial period plan(s) described above. If you would like to appeal, you must contact us in writing, no later than [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], and let us know that you are requesting an appeal of our decision. You must include the following in the appeal:

* your name,
* property address, and
* mortgage loan number

You may also specify the reasons for your appeal, and provide any supporting documentation. Your right to appeal expires [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]. Appeal requests or documentation received after this date may not be considered.

If you elect to appeal:

* We will provide you with a written notice of our appeal decision within 30 calendar days of receiving your appeal. Our appeal decision is final, and not subject to further appeal.
* You do not have to accept this offer until resolution of the appeal. If we determine on appeal that you are eligible for a loan modification trial period plan described above, we will send you an offer for that trial period plan. In that case, you will be given 14 calendar days from the date of the appeal decision to let us know that you intend to accept the current forbearance plan offer (which may be revised to reflect new due dates if you have not already accepted the offer) or the new trial period plan offer. If you wait to accept the current offer until after receiving our appeal decision, your loan will become more delinquent.
* Any unpaid interest, and other unpaid amounts, such as escrows for taxes and insurance, will continue to accrue on your mortgage.

***\*Servicers must not send this Mortgage Servicing Regulatory Notice and Right of Appeal to those borrowers whose properties do not serve as the borrower's principal residence. Servicers must only send the right of appeal language to borrowers who have such a right under applicable law, such as 12 C.F.R. §1024.41(h).]***

##

# FORBEARANCE PLAN OFFER – SUSPENDED PAYMENT

[DATE]

Dear [BORROWER NAME(S)]:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, we are offering you an opportunity to enter into a forbearance plan. It is important that you read all the information in this letter so that you understand the actions you must take to complete this forbearance plan and any additional steps you must take to resolve your delinquency.

***[If the forbearance plan is a result of an eligible disaster and no quality right party contact has been established, then replace the preceding paragraph with the following:***

We understand that you may have been impacted by a disaster. Although we have been unable to contact you to evaluate your situation, we have determined that you are approved for a forbearance plan. It is important that you read all the information in this letter so that you understand the actions you must take to complete this forbearance plan and any additional steps you must take to resolve your delinquency.

Please contact us as soon as possible to discuss your situation and determine next steps.***]***

**What is a Forbearance Plan?**

A forbearance plan is an agreement that allows borrowers experiencing a temporary hardship to make a reduced mortgage payment or no mortgage payment at all during the plan’s term. Under this forbearance plan, we have suspended your monthly mortgage payment obligation, as more fully described below, beginning with your payment on [PAYMENT DATE] for [NUMBER OF MONTHS] months.

We will not pursue foreclosure during the forbearance plan term. However, the terms of your mortgage remain unchanged. By not making your mortgage payments during the plan’s term you will become more delinquent and your credit score may be impacted. For more information refer to the **Additional Forbearance Plan Information and Legal Notices**.

We hope this will provide you with the time and flexibility you need to address your hardship and improve your financial position.

|  |
| --- |
| **QUESTIONS? CONTACT US****[SERVICER’S NAME]****Phone: [8XX-XXX-XXXX]****Email Address: [SERVICER’S EMAIL]****Website: [SERVICER’S WEBSITE]** |

**Next Steps**

* Contact us immediately if your financial circumstances change during the term of your forbearance plan so that we may discuss potential options to resolve your delinquency.
* Prior to the end of the forbearance plan, we will contact you to discuss your situation and provide information on options that may be available to you. Options to resolve your delinquency may include a reinstatement, repayment plan, or loan modification. If you are unable to resolve your delinquency, there may be options that allow you to leave your home while avoiding foreclosure.

If you have questions about this forbearance plan offer, please contact us. In addition, there are options available to you for housing counseling. We encourage you to review the **Additional Resources** for more details.

|  |
| --- |
| **Additional Resources**If you are experiencing a financial hardship you may be eligible for mortgage assistance from your state’s housing finance agency or other state or local government agency.For a list of HUD-approved housing counseling agencies that can provide free foreclosure prevention and debt management information, information on state or local government mortgage assistance programs that may be available, as well as translation or other language assistance, contact one of the following federal government agencies.* The U.S. Department of Housing and Urban Development (HUD) at (800) 569-4287 or [www.hud.gov/counseling](http://www.hud.gov/counseling)
* The Consumer Financial Protection Bureau (CFPB) at (855) 411-2372 or [www.consumerfinance.gov/mortgagehelp](http://www.consumerfinance.gov/mortgagehelp)

**For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit** **Fannie Mae’s** [**consumer website**](https://www.fanniemae.com/)**. Fannie Mae is the owner of your mortgage loan.**  |

|  |
| --- |
| **Additional Forbearance Plan Information and Legal Notices** |

**Credit Reporting**:

* We will continue to report the delinquency status of your mortgage as well as your entry into a forbearance plan to credit reporting agencies in accordance with applicable law.
* **CREDIT REPORTING AGENCIES MAY CONSIDER THE ENTRY INTO A FORBEARANCE PLAN AS AN INCREASED CREDIT RISK. HOWEVER, A FORECLOSURE WOULD HAVE A MORE NEGATIVE IMPACT TO YOUR CREDIT SCORE.**

**We will not refer your mortgage to foreclosure or proceed to foreclosure sale during this forbearance plan:**

* This forbearance plan offer is contingent on your having provided us with accurate and complete information. We reserve the right to revoke this offer or terminate the forbearance plan following your acceptance if we learn of information that would make you ineligible.
* If you make any payments during the forbearance plan term, we will hold those payments in an account until it contains sufficient funds to pay your oldest past due monthly payment. Unless required by applicable law, there will be no interest paid on the funds held in the account. If any funds are in this account at the end of the forbearance plan term, those funds will be applied to your mortgage in accordance with your mortgage documents.
* Our acceptance of any payment you make during the forbearance plan does not waive our right to require immediate payment in full of all amounts you owe on your mortgage, including the right to resume or continue foreclosure action, if you fail to comply with the terms of the plan. Entering a forbearance plan does not mean that your mortgage will be considered current.

**Your current mortgage documents remain in effect; however, we are suspending your obligation to make mortgage payments during the forbearance plan term.**

* + All the terms of your current mortgage documents remain in effect during the term of the forbearance plan. Nothing in the forbearance plan shall be understood to be a satisfaction or release in whole or in part of your obligations contained in the mortgage documents.

***[Mortgage Servicing Regulatory Notice and Right of Appeal\* If review is based on an evaluation of a complete BRP and concerns property serving as the borrower's principal residence, then if required by applicable law, such as 12C.F.R. § 1024.41, add the following:***

**You were not approved for a loan modification trial period plan**

You were evaluated for a loan modification trial period plan based on the eligibility requirements of Fannie Mae, the owner of your mortgage.

Based on our review of the information you provided, we are unable to offer you a loan modification trial period plan for the reasons described below:

* Flex Modification[PROVIDE REASONS FOR INELIGIBILITY]
* [INSERT OTHER MODIFICATION PROGRAMS AND REASONS FOR INELIGIBILITY]

**Right to Appeal**

You have the right to appeal our decision not to offer you the loan modification trial period plan(s) described above. If you would like to appeal, you must contact us in writing, no later than [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], and let us know that you are requesting an appeal of our decision. You must include the following in the appeal:

* your name,
* property address, and
* mortgage loan number

You may also specify the reasons for your appeal, and provide any supporting documentation. Your right to appeal expires [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]. Appeal requests or documentation received after this date may not be considered.

If you elect to appeal:

* We will provide you with a written notice of our appeal decision within 30 calendar days of receiving your appeal. Our appeal decision is final, and not subject to further appeal.
* You do not have to accept this offer until resolution of the appeal. If we determine on appeal that you are eligible for a loan modification trial period plan described above, we will send you an offer for that trial period plan. In that case, you will be given 14 calendar days from the date of the appeal decision to choose to accept the current forbearance plan offer or let us know that you intend to accept the trial period plan offer by contacting us at [SERVICER PHONE NUMBER]or in writing at [SERVICER NAME AND MAILING ADDRESS].
* Any unpaid interest, and other unpaid amounts, such as escrows for taxes and insurance, will continue to accrue on your mortgage during the appeal.

***\*Servicers must not send this Mortgage Servicing Regulatory Notice and Right of Appeal to those borrowers whose properties do not serve as the borrower's principal residence. Servicers must only send the right of appeal language to borrowers who have such a right under applicable law, such as 12 C.F.R. §1024.41(h).]***

# FLEX MODIFICATION TRIAL PERIOD PLAN NOTICE – BASED ON AN EVALUATION OF A COMPLETE BRP

 [DATE]

Dear [BORROWER NAME(S)]:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, we are offering you an opportunity to enter into a loan modification trial period plan. This is the first step toward qualifying for a permanent loan modification. If you satisfy all of the terms of the offer, successfully complete the trial period plan by making the required payments, and return a signed loan modification agreement, we will sign the loan modification agreement and your loan will be permanently modified.

|  |
| --- |
| **ACT NOW – Key Steps to Modify your Mortgage and Prevent Foreclosure Action** |

**Step 1: Contact Us or Send Your First Trial Period Plan Payment to Prevent Foreclosure Proceedings**

**You must do one of these by [14 CALENDAR DAYS FROM THE DATE OF THIS LETTER].**

* Contact us by phone or in writing to let us know if you intend to accept this offer, **OR**
* Send your first trial period plan payment of $[First Payment Amount] to accept this offer.

 **[SERVICER NAME**

**MAILING ADDRESS]**

**Phone: [8XX-XXX-XXXX]; Email Address: [SERVICER’S EMAIL]**

If you do not contact us or send your first trial period plan payment by [***14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], foreclosure proceedings may be started or continue.

**Step 2: Make Your Trial Period Plan Payments**

* To successfully complete the trial period plan, you must make the trial period plan payments below.

|  |  |  |
| --- | --- | --- |
| **Trial Period Plan Payment** | **Amount Due** | **Due Date** |
| FIRST\* |  |  |
| SECOND |  |  |
| THIRD |  |  |

**\***If you submit your first trial period plan payment by [***14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], follow this schedule for your second and third trial period plan payments only.

**We must receive each trial period plan payment in the month in which it is due.** If we do not receive a trial period payment by the last day of the month in which it is due, this offer is revoked and we may refer your mortgage to foreclosure. If your mortgage has already been referred to foreclosure, foreclosure related expenses may have been incurred, foreclosure proceedings may continue, and a foreclosure sale may occur.

**If you cannot afford the trial period plan payments described above but want to remain in your home, or if you have decided to leave your home, please contact us immediately to discuss additional foreclosure prevention options that may be available.**

**Step 3: Sign and Return the Loan Modification Agreement** – Your modified terms will take effect only after:

* You have signed and submitted your loan modification agreement (which we will send you near the completion of the trial period plan);
* We have signed the loan modification agreement and returned a copy to you upon completion of the trial period plan; **AND**
* The modification effective date set forth in the loan modification agreement has occurred.

|  |
| --- |
| **Modification Terms** |

The table below compares your current mortgage terms to the **estimated** modified terms.

|  |  |  |
| --- | --- | --- |
|  | **Current Terms** | **Modification Terms** |
| **Payment\*** |  |  |
| **Interest Rate** |  |  |
| **Term** |  |  |
| **Maturity Date** |  |  |
| **Deferred Principal\*\*** |  |  |

\*Payment includes principal, interest, and escrow payment, if applicable. For more information on the estimated modification payment amount, review the **Frequently Asked Questions**.

\*\*For more information on deferred principal, review the **Frequently Asked Questions**.

**What Else Do You Need to Know?**

* The terms of your existing note and mortgage remain in effect until the mortgage is permanently modified. However, while you are making your monthly trial period plan payments and otherwise remain in compliance with this trial period plan, foreclosure proceedings will not start or continue.
* There are no modification processing fees for this trial period plan or for modifying your mortgage.
* If your mortgage is modified, we will waive all unpaid late charges.
* There are no penalties for paying more than the amount due or for paying off the mortgage early.

|  |
| --- |
| **Frequently Asked Questions** |

**Q1. What is a trial period plan?**

* A trial period plan is a temporary payment relief period that allows you to demonstrate that you can consistently manage the estimated modified mortgage payment.

Q2. How does the modification work?

* A loan modification changes some of the terms of your mortgage, such as monthly payment, interest rate, and maturity date, which may make your payment more affordable.
* You will repay the new interest-bearing mortgage balance in equal monthly payments over the modified term.
* To permanently modify your mortgage, you first need to successfully complete the trial period plan. Your modified mortgage payment will be based on the interest-bearing unpaid principal balance as of the end of the trial period and may be moderately different than the trial period plan payment, which is an estimate of your modified mortgage payment.
* Once you make all of your trial period plan payments on time and meet all of the terms in this trial period plan, you must sign and return the loan modification agreement. Once we determine you have complied with the trial period plan requirements, we will sign the loan modification agreement and send a copy back to you for your records.

**Q3. What is deferred principal?**

* Deferred principal is a portion of the unpaid mortgage balance for which repayment is delayed. If your modified terms include deferred principal your due date for this amount would be the earliest of 1) the date you sell or transfer the property; 2) the date you refinance the modified mortgage; 3) the date you pay off the interest-bearing unpaid principal balance of the modified mortgage; or 4) the new maturity date of the modified mortgage. Interest is not charged on any deferred principal.

Q4. Will my interest rate and principal and interest payment be fixed after my loan is permanently modified?

* Yes. If your loan is permanently modified, your interest rate and monthly principal and interest payment will be fixed for the life of your mortgage.
* Your new monthly payment may include an escrow payment for property taxes, hazard insurance, and other escrowed expenses, unless its inclusion is prohibited by applicable law. If the cost of your homeowners insurance, property tax assessment, or other escrowed expenses increases, your monthly payment may increase as well.

Q5. How will a trial period plan and loan modification impact my credit?

* A trial period plan and loan modification may result in your credit score being adversely affected. Credit reporting agencies generally consider the entry into a trial period plan and loan modification as an increased credit risk. Please note, however, that continued delinquency, including a foreclosure, would have a more negative impact to your credit score.
* We will continue to report the delinquency status of your loan to credit reporting agencies as well as your entry into a trial period plan in accordance with applicable law.
* Once your loan is modified, you will be considered current on your mortgage and your credit score may improve so long as you make your payments on time.
* For more information about your credit score, go to: <https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/>

Q6. What if I need further assistance?

* If you are experiencing a financial hardship you may be eligible for mortgage assistance from your state’s housing finance agency or other state or local government agency.
* For a list of HUD-approved housing counseling agencies that can provide free foreclosure prevention and debt management information, information on state or local government mortgage assistance programs that may be available, as well as translation or other language assistance, contact one of the following federal government agencies:
	+ The U.S. Department of Housing and Urban Development (HUD) at (800) 569-4287 or [www.hud.gov/counseling](http://www.hud.gov/counseling)
	+ The Consumer Financial Protection Bureau (CFPB) at (855) 411-2372 or [www.consumerfinance.gov/mortgagehelp](http://www.consumerfinance.gov/mortgagehelp)
* For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit Fannie Mae’s [consumer website](https://www.fanniemae.com/). Fannie Mae is the owner of your mortgage loan.
* Please contact us anytime at [SERVICER PHONE NUMBER], especially if you experience another event that may prevent you from making your mortgage payment.

**Q7. Why do I need to contact you within 14 days?**

* It is important to contact us within 14 days of the date of this letter. If your mortgage has already been, or is about to be, referred to foreclosure, contacting us will stop the foreclosure process. You can also stop the foreclosure process by sending the first trial period plan payment within 14 days of the date of this letter, which is earlier than the due date for the first trial period plan payment in Step 2.
* If your mortgage has already been referred to foreclosure, a foreclosure sale may occur if you do not contact us or send the first trial period plan payment within 14 days of the date of this letter.
* You may also incur additional expenses related to foreclosure if you do not contact us or send the first trial period plan payment within 14 days of the date of this letter.

**Q8. Can I still receive a modification if I do not contact you or send the first trial period plan payment within 14 days?**

* Yes, except in the limited circumstances where a foreclosure sale occurs before the due date of the first trial period plan payment. However, you must make each of the trial period plan payments on time and then sign the final modification agreement as required in Steps 2 and 3.

**Q9. What if I acquired an ownership interest in the property, such as through death, divorce, or legal separation?**

* You should contact us as soon as possible. We are here to help you adjust to these events and provide you with information on where to send the mortgage payments. Please contact us to obtain a list of documentation that is needed to confirm your identity and ownership interest in the property, and to discuss next steps.

|  |
| --- |
| **Additional Trial Period Plan Information and Legal Notices** |

**We will not refer your loan to foreclosure or proceed to foreclosure sale during the trial period plan if you are complying with the terms of the trial period plan:**

* Any pending foreclosure action or proceeding that has been suspended may be resumed if you do not follow the terms of the plan or do not qualify for a permanent modification.
* We will hold the trial period plan payments in an account until sufficient funds are in the account to pay your oldest past due monthly payment. Unless required by applicable law, there will be no interest paid on the funds in the account and any funds in the account at the end of the trial period plan will be deducted from the amount that will be added to your principal balance.
* Our acceptance of your payments during the trial period plan does not waive our right to require immediate payment in full of all amounts you owe on your mortgage, including the right to resume or continue foreclosure action, if you fail to comply with the terms of the plan. Entering a trial period plan does not mean that your mortgage will be considered current, unless your payments under the plan completely resolve all past due amounts.

***[If borrower has an escrow waiver, include the following language:***

**If your monthly payment did not include escrows for taxes and insurance, you are now required to pay any such amounts as part of your monthly payment:**

* Any prior escrow waiver that allowed you to pay directly for taxes and insurance is revoked as a part of the trial period plan. We may establish an escrow account immediately, and you will pay required escrow payments into that account unless not allowed by applicable law. In this case, a portion of your trial period plan payment will cover these required escrow payments.***]***

**Your current mortgage documents remain in effect; however, you are permitted to make the trial period plan payment instead of the current monthly payment required under your mortgage documents:**

* All the terms of your current mortgage documents remain in effect during the trial period plan. Nothing in the trial period plan shall be understood to be a satisfaction or release in whole or in part of your obligations contained in the mortgage documents.

**We reserve the right to revoke this offer or terminate the trial period plan following your acceptance if we learn of information that would make you ineligible for the trial period plan or loan modification.** In this event, we may exercise any of the rights and remedies provided by the loan documents and applicable law.

**Your mortgage will not be modified if you sold or transferred any interest in the property in violation of your mortgage loan documents.**

**[Insert other pre-conditions to a loan modification that may be applicable to this borrower, such as resolution of any title/lien priority defects, entrance into a subordination agreement, approval by bankruptcy court or trustee, etc.]**

***[Mortgage Servicing Regulatory Notice and Right of Appeal\* If review is based on an evaluation of a complete BRP and concerns property serving as the borrower's principal residence, then if required by applicable law, such as 12 C.F.R. §1024.41, add the following if the borrower was reviewed for other loan modification trial period plans and determined to be ineligible for any such trial period plans:***

**Modification Program Review**

You were evaluated for a loan modification trial period plan based on the eligibility requirements of Fannie Mae, the owner of your mortgage.

Based on our review of the information you provided, although you are approved for the current loan modification trial period plan, we are unable to offer you the following loan modification trial period plan(s) for the reasons described below:

* [INSERT OTHER MODIFICATION PROGRAMS AND REASONS FOR INELIGIBILITY]

**Right to Appeal**

You have the right to appeal our decision not to offer you the loan modification trial period plan(s) described above. If you would like to appeal, you must contact us in writing, no later than [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], and let us know that you are requesting an appeal of our decision. You must include the following in the appeal:

* your name,
* property address, and
* mortgage loan number

You may also specify the reasons for your appeal, and provide any supporting documentation. Your right to appeal expires [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]. Appeal requests or documentation received after this date may not be considered.

If you elect to appeal:

* We will provide you a written notice of our appeal decision within 30 calendar days of receiving your appeal. Our appeal decision is final, and not subject to further appeal.
* You do not have to accept this offer until resolution of the appeal. If we determine on appeal that you are eligible for a loan modification trial period plan described above, we will send you an offer for that trial period plan. In that case, you will be given 14 calendar days from the date of the appeal decision to let us know that you intend to accept the current trial period plan offer (which may be revised to reflect the new trial period plan payment due dates and payment amounts if you have not already accepted the offer) or the new trial period plan offer. If you wait to make the first trial period plan payment described above until after receiving our appeal decision, your loan will become more delinquent.
* Any unpaid interest, and other unpaid amounts, such as escrows for taxes and insurance, will continue to accrue on your mortgage during the appeal.

***\*Servicers must not send this Mortgage Servicing Regulatory Notice and Right of Appeal to those borrowers whose properties do not serve as the borrower's principal residence. Servicers must only send the right of appeal language to borrowers who have such a right under applicable law, such as 12 C.F.R. §1024.41(h).]***

|  |
| --- |
| **Your Next Steps** |

* **Call us or make your first trial period plan payment to stop the foreclosure process and begin your loan modification process.**
* **Make your trial period plan payments by their due dates.**
* **Remember that in addition to successfully completing your trial period plan payments, you must sign and return the loan modification agreement.**

# FLEX MODIFICATION TRIAL PERIOD PLAN SOLICITATION OFFER – NOT BASED ON AN EVALUATION OF A BRP

 [DATE]

Dear [BORROWER NAME(S)]:

Based on careful review of your mortgage account, we are offering you an opportunity to enter into a loan modification trial period plan. This is the first step toward qualifying for a permanent loan modification. If you satisfy all of the terms of the offer, successfully complete the trial period plan by making the required payments, and return a signed loan modification agreement, we will sign the loan modification agreement and your loan will be permanently modified.

|  |
| --- |
| **ACT NOW – Key Steps to Modify your Mortgage and Prevent Foreclosure Action** |

**Step 1: Contact Us or Send Your First Trial Period Plan Payment to Prevent Foreclosure Proceedings**

**You must do one of these by [14 CALENDAR DAYS FROM THE DATE OF THIS LETTER].**

* Contact us by phone or in writing to let us know if you intend to accept this offer, **OR**
* Send your first trial period plan payment of $[First Payment Amount] to accept this offer.

 **[SERVICER NAME**

**MAILING ADDRESS]**

**Phone: [8XX-XXX-XXXX]; Email Address: [SERVICER’S EMAIL]**

If you do not contact us or send your first trial period plan payment by [***14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], foreclosure proceedings may be started or continue.

**Step 2: Make Your Trial Period Plan Payments**

* To successfully complete the trial period plan, you must make the trial period plan payments below.

|  |  |  |
| --- | --- | --- |
| **Trial Period Plan Payment** | **Amount Due** | **Due Date** |
| FIRST\* |  |  |
| SECOND |  |  |
| THIRD |  |  |

**\***If you submit your first trial period plan payment by [***14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], follow this schedule for your second and third trial period plan payments only.

**We must receive each trial period plan payment in the month in which it is due.** If we do not receive a trial period payment by the last day of the month in which it is due, this offer is revoked and we may refer your mortgage to foreclosure. If your mortgage has already been referred to foreclosure, foreclosure related expenses may have been incurred, foreclosure proceedings may continue, and a foreclosure sale may occur.

**If you cannot afford the trial period plan payments described above but want to remain in your home, or if you have decided to leave your home, please contact us immediately to discuss additional foreclosure prevention options that may be available.**

**Step 3: Sign and Return the Loan Modification Agreement** – Your modified terms will take effect only after:

* You have signed and submitted your loan modification agreement (which we will send you near the completion of the trial period plan);
* We have signed the loan modification agreement and returned a copy to you upon completion of the trial period plan; **AND**
* The modification effective date set forth in the loan modification agreement has occurred.

|  |
| --- |
| **Modification Terms** |

The table below compares your current mortgage terms to the **estimated** modified terms.

|  |  |  |
| --- | --- | --- |
|  | **Current Terms** | **Modification Terms** |
| **Payment\*** |  |  |
| **Interest Rate** |  |  |
| **Term** |  |  |
| **Maturity Date** |  |  |
| **Deferred Principal\*\*** |  |  |

\*Payment includes principal, interest, and escrow payment, if applicable. For more information on the estimated modification payment amount, review the **Frequently Asked Questions**.

\*\*For more information on deferred principal, review the **Frequently Asked Questions**.

**What Else Do You Need to Know?**

* The terms of your existing note and mortgage remain in effect until the mortgage is permanently modified. However, while you are making your monthly trial period plan payments and otherwise remain in compliance with this trial period plan, foreclosure proceedings will not start or continue.
* There are no modification processing fees for this trial period plan or for modifying your mortgage.
* If your mortgage is modified, we will waive all unpaid late charges.
* There are no penalties for paying more than the amount due or for paying off the mortgage early.

|  |
| --- |
| **Frequently Asked Questions** |

**Q1. What is a trial period plan?**

* A trial period plan is a temporary payment relief period that allows you to demonstrate that you can consistently manage the estimated modified mortgage payment.

Q2. How does the modification work?

* A loan modification changes some of the terms of your mortgage, such as monthly payment, interest rate, and maturity date, which may make your payment more affordable.
* You will repay the new interest-bearing mortgage balance in equal monthly payments over the modified term.
* To permanently modify your mortgage, you first need to successfully complete the trial period plan. Your modified mortgage payment will be based on the interest-bearing unpaid principal balance as of the end of the trial period and may be moderately different than the trial period plan payment, which is an estimate of your modified mortgage payment.
* Once you make all of your trial period plan payments on time and meet all of the terms in this trial period plan, you must sign and return the loan modification agreement. Once we determine you have complied with the trial period plan requirements, we will sign the loan modification agreement and send a copy back to you for your records.

**Q3. What is deferred principal?**

* Deferred principal is a portion of the unpaid mortgage balance for which repayment is delayed. If your modified terms include deferred principal your due date for this amount would be the earliest of 1) the date you sell or transfer the property; 2) the date you refinance the modified mortgage; 3) the date you pay off the interest-bearing unpaid principal balance of the modified mortgage; or 4) the new maturity date of the modified mortgage. Interest is not charged on any deferred principal.

Q4. Will my interest rate and principal and interest payment be fixed after my loan is permanently modified?

* Yes. If your loan is permanently modified, your interest rate and monthly principal and interest payment will be fixed for the life of your mortgage.
* Your new monthly payment may include an escrow payment for property taxes, hazard insurance, and other escrowed expenses, unless its inclusion is prohibited by applicable law. If the cost of your homeowners insurance, property tax assessment, or other escrowed expenses increases, your monthly payment may increase as well.

Q5. How will a trial period plan and loan modification impact my credit?

* A trial period plan and loan modification may result in your credit score being adversely affected. Credit reporting agencies generally consider the entry into a trial period plan and loan modification as an increased credit risk. Please note, however, that continued delinquency, including a foreclosure, would have a more negative impact to your credit score.
* We will continue to report the delinquency status of your loan to credit reporting agencies as well as your entry into a trial period plan in accordance with applicable law.
* Once your loan is modified, you will be considered current on your mortgage and your credit score may improve so long as you make your payments on time.
* For more information about your credit score, go to: <https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/>

Q6. What if I need further assistance?

* If you are experiencing a financial hardship you may be eligible for mortgage assistance from your state’s housing finance agency or other state or local government agency.
* For a list of HUD-approved housing counseling agencies that can provide free foreclosure prevention and debt management information, information on state or local government mortgage assistance programs that may be available, as well as translation or other language assistance, contact one of the following federal government agencies:
	+ The U.S. Department of Housing and Urban Development (HUD) at (800) 569-4287 or [www.hud.gov/counseling](http://www.hud.gov/counseling)
	+ The Consumer Financial Protection Bureau (CFPB) at (855) 411-2372 or [www.consumerfinance.gov/mortgagehelp](http://www.consumerfinance.gov/mortgagehelp)
* For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit Fannie Mae’s [consumer website](https://www.fanniemae.com/). Fannie Mae is the owner of your mortgage loan.
* Please contact us anytime at [SERVICER PHONE NUMBER], especially if you experience another event that may prevent you from making your mortgage payment.

**Q7. Why do I need to contact you within 14 days?**

* It is important to contact us within 14 days of the date of this letter. If your mortgage has already been, or is about to be, referred to foreclosure, contacting us will stop the foreclosure process. You can also stop the foreclosure process by sending the first trial period plan payment within 14 days of the date of this letter, which is earlier than the due date for the first trial period plan payment in Step 2.
* If your mortgage has already been referred to foreclosure, a foreclosure sale may occur if you do not contact us or send the first trial period plan payment within 14 days of the date of this letter.
* You may also incur additional expenses related to foreclosure if you do not contact us or send the first trial period plan payment within 14 days of the date of this letter.

**Q8. Can I still receive a modification if I do not contact you or send the first trial period plan payment within 14 days?**

* Yes, except in the limited circumstances where a foreclosure sale occurs before the due date of the first trial period plan payment. However, you must make each of the trial period plan payments on time and then sign the final modification agreement as required in Steps 2 and 3.

**Q9. What if I acquired an ownership interest in the property, such as through death, divorce, or legal separation?**

* You should contact us as soon as possible. We are here to help you adjust to these events and provide you with information on where to send the mortgage payments. Please contact us to obtain a list of documentation that is needed to confirm your identity and ownership interest in the property, and to discuss next steps.

|  |
| --- |
| **Additional Trial Period Plan Information and Legal Notices** |

**We will not refer your loan to foreclosure or proceed to foreclosure sale during the trial period plan if you are complying with the terms of the trial period plan:**

* Any pending foreclosure action or proceeding that has been suspended may be resumed if you do not follow the terms of the plan or do not qualify for a permanent modification.
* We will hold the trial period plan payments in an account until sufficient funds are in the account to pay your oldest past due monthly payment. Unless required by applicable law, there will be no interest paid on the funds in the account and any funds in the account at the end of the trial period plan will be deducted from the amount that will be added to your principal balance.
* Our acceptance of your payments during the trial period plan does not waive our right to require immediate payment in full of all amounts you owe on your mortgage, including the right to resume or continue foreclosure action, if you fail to comply with the terms of the plan. Entering a trial period plan does not mean that your mortgage will be considered current, unless your payments under the plan completely resolve all past due amounts.

***[If borrower has an escrow waiver, include the following language:***

**If your monthly payment did not include escrows for taxes and insurance, you are now required to pay any such amounts as part of your monthly payment:**

* Any prior escrow waiver that allowed you to pay directly for taxes and insurance is revoked as a part of the trial period plan. We may establish an escrow account immediately, and you will pay required escrow payments into that account unless not allowed by applicable law. In this case, a portion of your trial period plan payment will cover these required escrow payments.***]***

**Your current mortgage documents remain in effect; however, you are permitted to make the trial period plan payment instead of the current monthly payment required under your mortgage documents:**

* All the terms of your current mortgage documents remain in effect during the trial period plan. Nothing in the trial period plan shall be understood to be a satisfaction or release in whole or in part of your obligations contained in the mortgage documents.

**We reserve the right to revoke this offer or terminate the trial period plan following your acceptance if we learn of information that would make you ineligible for the trial period plan or loan modification.** In this event, we may exercise any of the rights and remedies provided by the loan documents and applicable law.

**Your mortgage will not be modified if you sold or transferred any interest in the property in violation of your mortgage loan documents.**

***[Insert other pre-conditions to a loan modification that may be applicable to this borrower, such as resolution of any title/lien priority defects, entrance into a subordination agreement, approval by bankruptcy court or trustee, etc.]***

|  |
| --- |
| **Your Next Steps** |

* **Call us or make your first trial period plan payment to stop the foreclosure process and begin your loan modification process.**
* **Make your trial period plan payments by their due dates.**
* **Remember that in addition to successfully completing your trial period plan payments, you must sign and return the loan modification agreement.**

***Use this evaluation notice if short sale review is based on a borrower’s complete BRP received more than 37 days prior to scheduled foreclosure sale if required by applicable law.***

# **SHORT SALE – BASED ON AN EVALUATION OF A COMPLETE BRP**

 [DATE]

Dear [BORROWER NAME(S)]:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, we are offering you an opportunity to pursue a short sale. It is important that you read all of the information in this letter so that you understand the actions you must take to complete a short sale.

**What is a Short Sale and What are Its Potential Benefits?**

A short sale is the sale of your property for a price that is less than the amount you still owe on your mortgage, but that we determine to be an acceptable amount. To complete a short sale, you must work with us to obtain an offer to purchase your home. If you complete a short sale on terms that have been approved by us, including any required borrower financial contribution, then we will release the mortgage lien on your property and cancel your remaining mortgage debt obligation. Although you will have to give up your property, there are benefits to completing a short sale, including:

* Avoiding foreclosure – a short sale may have a less negative impact to your credit score and may enable you to qualify for a new mortgage sooner than if your mortgage goes to foreclosure;
* Eliminating or reducing your mortgage debt and canceling the remaining amount you owe\*; and
* Possibly receiving funds to assist with relocation.

\*Cancellation of debt may have tax consequences. Please consult a tax advisor to discuss potential tax consequences.

|  |
| --- |
| **QUESTIONS? CONTACT US****[SERVICER’S NAME]****Phone: [8XX-XXX-XXXX]****Email Address: [SERVICER’S EMAIL]****Website: [SERVICER’S WEBSITE]****You must contact us no later than [*DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER*] to let us know that you intend to accept this offer to pursue a short sale.** |

For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit Fannie Mae’s [consumer website](https://www.fanniemae.com/). Fannie Mae is the owner of your mortgage loan.

|  |
| --- |
| **ACT NOW!** |

***[If purchase offer is not received with a complete BRP]***

|  |
| --- |
| **Step 1: Accept This Offer to Pursue a Short Sale*** Contact us by **[DATE – 14 CALENDAR DAYS FROM THE DATE OF THISLETTER**] to let us know that you intend to accept this offer to pursue a short sale, and we will pause foreclosure proceedings on your mortgage until **[DATE – 45 CALENDAR DAYS FROM THE DATE OF THIS LETTER]** while you attempt to sell your home.

If you have questions about pursuing a short sale or a short sale is not an option due to your circumstances, please contact us. |
| **Step 2: Coordinate with a Real Estate Agent*** Select a licensed real estate agent to list your property for sale if it is not currently listed.
* Give us your permission to discuss the terms of the short sale with your real estate agent. We may contact you and/or your licensedreal estate agent with suggested listing price guidance.

***[Note to servicer: If appropriate, the servicer may attach a consent form to this notice, or incorporate the consent into the body of the notice if the notice is intended to be signed and returned by the borrower. Alternatively, the servicer may update the Borrower Certification and Agreement section of the Mortgage Assistance Application, Form 710, to include such consent language.]*** |
| **Step 3: Find a Buyer*** If you receive a purchase offer by **[DATE – 45 CALENDAR DAYS FROM THE DATE OF THIS LETTER]**, contact us immediately, and we may review the offer within 15 days of the date we receive it from you.

**If You Don’t Find a Buyer By [DATE – 45 CALENDAR DAYS FROM THE DATE OF THIS LETTER]*** You may continue to pursue a short sale, but we may commence or continue the foreclosure action. If later you find a buyer with a purchase offer, we may review the offer if there is adequate time prior to any scheduled foreclosure sale date
* If you do not receive an acceptable purchase offer you may be eligible for a Mortgage ReleaseTM (deed-in-lieu.) A Mortgage Release is an alternative to foreclosure under which you transfer ownership of the property to us in exchange for a release of all obligations under the mortgage. For more information about a Mortgage Release, contact us.
 |

 ***[If a purchase offer is received with the BRP replace the above steps with the following language:]***

|  |
| --- |
| **To Accept This Offer and Pursue a Short Sale** * Contact us by **[DATE – 14 CALENDAR DAYS FROM THE DATE OF THISLETTER**] to let us know that you intend to accept this offer to pursue a short sale, and we will defer or suspend foreclosure action on your mortgage for no longer than [**DATE 45 CALENDAR DAYS FROM THE DATE OF THISLETTER**] while you attempt to sell your home.
 |

***[Mortgage Servicing Regulatory Notice and Right of Appeal\* If review is based on an evaluation of the complete BRP and concerns property serving as the borrower's principal residence, then if required by applicable law, such as 12 C.F.R. § 1024.41, add the following:***

|  |
| --- |
| **Additional Information and Legal Notices** |

**You were not approved for a loan modification trial period plan**

You were evaluated for a loan modification trial period plan based on the eligibility requirements of Fannie Mae, the owner of your mortgage.

Based on our review of the information you provided, we are unable to offer you a loan modification trial period plan for the reasons described below:

* Flex Modification [PROVIDE REASONS FOR INELIGIBILITY]
* [INSERT OTHER MODIFICATION PROGRAMS AND REASONS FOR INELIGIBILITY]

**Right to Appeal**

You have the right to appeal our decision not to offer you the loan modification trial period plan(s) described above. If you would like to appeal, you must contact us in writing no later than [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], and let us know that you are requesting an appeal of our decision. You must include the following in the appeal:

* your name,
* property address, and
* mortgage loan number

You may also specify the reasons for your appeal, and provide any supporting documentation. Your right to appeal expires [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]. Appeal requests or documentation received after this date may not be considered.

If you elect to appeal:

* We will provide you with a written notice of our appeal decision within 30 calendar days of receiving your appeal. Our appeal decision is final, and not subject to further appeal.
* You do not have to accept this offer until resolution of the appeal. If we determine on appeal that you are eligible for a loan modification trial period plan, we will send you an offer for that trial period plan. In that case, you will be given 14 days from the date of the appeal decision to choose to accept the current offer or let us know that you intend to accept the trial period plan offer by contacting us at [SERVICER PHONE NUMBER]or in writing at [SERVICER NAME AND MAILING ADDRESS].
* Any unpaid interest, and other unpaid amounts, such as escrows for taxes and insurance, will continue to accrue on your mortgage during the appeal.

***\*Servicers must not send this Mortgage Servicing Regulatory Notice and Right of Appeal to those borrowers whose properties do not serve as the borrower's principal residence. Servicers must only send the right of appeal language to borrowers who have such a right under applicable law, such as 12 C.F.R. § 1024.41.]***

#

***Use this evaluation notice if***

* ***The complete BRP was received 37 days or fewer before the foreclosure sale date without a purchase offer; OR***
* ***The Mortgage is not secured by a principal residence; OR***
* ***The 12 C.F.R. § 1024.41 loss mitigation requirements do not apply.***

# **SHORT SALE – ALL OTHER SCENARIOS**

[DATE]

Dear [BORROWER NAME(S)]:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, we are offering you an opportunity to pursue a short sale. It is important that you read all the information in this letter so that you understand the actions you must take to complete a short sale.

During this process, any foreclosure-related legal actions will continue and the foreclosure sale date, if scheduled, will not be postponed. **Therefore, you will need to act quickly or it may not be possible to complete a short sale transaction prior to the foreclosure sale**.

**What is a Short Sale and What are Its Potential Benefits?**

A short sale is the sale of your property for a price that is less than the amount you still owe on your mortgage, but that we determine to be an acceptable amount. To complete a short sale, you must work with us to obtain an offer to purchase your home. If you complete a short sale on terms that have been approved by us, including any required borrower financial contribution, then we will release the mortgage lien on your property and cancel your remaining mortgage debt obligation. Although you will have to give up your property, there are benefits to completing a short sale, including:

* Avoiding foreclosure – a short sale may have a less negative impact to your credit score and may enable you to qualify for a new mortgage sooner than if your mortgage goes to foreclosure;
* Eliminating or reducing your mortgage debt and canceling the remaining amount you owe\*; and
* Possibly receiving funds to assist with relocation.

\*Cancellation of debt may have tax consequences. Please consult a tax advisor to discuss potential tax consequences.

|  |
| --- |
| **QUESTIONS? CONTACT US****[SERVICER’S NAME]****Phone: [8XX-XXX-XXXX]****Email Address: [SERVICER’S EMAIL]****Website: [SERVICER’S WEBSITE]** |

For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit Fannie Mae’s [consumer website](https://www.fanniemae.com/). Fannie Mae is the owner of your mortgage loan.

|  |
| --- |
| **ACT NOW!** |

|  |
| --- |
| **Step 1: Accept This Offer to Pursue a Short Sale*** Contact us to let us know that you intend to accept this offer to pursue a short sale.

 Any foreclosure-related legal actions will continue and the foreclosure sale date, if scheduled, will not be postponed. |
| **Step 2: Coordinate with a Real Estate Agent*** Select a licensed real estate agent to list your property for sale if it is not currently listed.
* Give us your permission to discuss the terms of the short sale with your real estate agent. We may contact you and/or your licensedreal estate agent with suggested listing price guidance.

***[Note to servicer: If appropriate, the servicer may attach a consent form to this notice, or incorporate the consent into the body of the notice if the notice is intended to be signed and returned by the borrower. Alternatively, the servicer may update the Borrower Certification and Agreement section of the Mortgage Assistance Application, Form 710, to include such consent language.]*** |
| **Step 3: Find a Buyer*** If you receive a purchase offer, contact us immediately, and we may review the offer if there is adequate time prior to any foreclosure sale date to determine whether to accept it in full satisfaction of your mortgage obligation.
* If you do not receive an acceptable purchase offer you may be eligible for a Mortgage ReleaseTM (deed-in-lieu of foreclosure.) A Mortgage Release is an alternative to foreclosure under which you transfer ownership of the property to us in exchange for a release of all obligations under the mortgage. For more information about a Mortgage Release, contact us.
 |

**If you have questions about pursuing a short sale or a short sale is not an option due to your circumstances, please contact us.**

***Use this evaluation notice if Mortgage Release review is based on a borrower’s complete BRP received more than 37 days prior to scheduled foreclosure sale*** ***if required by applicable law.***

# **MORTGAGE RELEASE – BASED ON AN EVALUATION OF A COMPLETE BRP**

[DATE]

Dear [BORROWER NAME(S)]:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, we are offering you an opportunity to pursue a Mortgage ReleaseTM. It is important that you read all the information in this letter so that you understand the actions you must take to complete a Mortgage Release.

**What is a Mortgage Release and What are Its Potential Benefits?**

A Mortgage Release (deed-in-lieu of foreclosure) is the voluntary transfer of ownership of your property to us in exchange for relief from some or all of your mortgage debt. If you complete a Mortgage Release on terms that have been approved by us, including any required borrower financial contribution, benefits to you may include:

* Avoiding foreclosure – a Mortgage Release may have a less negative impact to your credit score and may enable you to qualify for a new mortgage sooner than if your mortgage goes to foreclosure;
* Eliminating your mortgage debt and cancelling the remaining amount you owe\*;
* A possible option toremain in the property for a period of time following completion of the Mortgage Release; and
* Possibly receiving funds to assist with relocation.

\*Cancellation of debt may have tax consequences. Please consult a tax advisor to discuss potential tax consequences.

|  |
| --- |
| **QUESTIONS? CONTACT US****[SERVICER’S NAME]****Phone: [8XX-XXX-XXXX]****Email Address: [SERVICER’S EMAIL]****Website: [SERVICER’S WEBSITE]****You must contact us no later than [*DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER*] to let us know that you intend to accept this offer to pursue a Mortgage Release.** |

For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit Fannie Mae’s [consumer website](https://www.fanniemae.com/). Fannie Mae is the owner of your mortgage loan.

|  |
| --- |
| **ACT NOW!** |

**To Accept This Offer and Suspend Foreclosure**

* Contact us by **[DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER]** to let us know that you intend to accept this offer to pursue a Mortgage Release, and we will pause foreclosure referral or any pending foreclosure proceedings if your mortgage has been referred to foreclosure.

**If You Do Not Respond to This Offer**

* If you do not respond by [DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER], or if we are unable to complete the Mortgage Release transaction within 60 days of your acceptance, foreclosure proceedings may continue, and a foreclosure sale may occur.

|  |
| --- |
| **Additional Mortgage Release Information about Your Responsibilities** |

Here are details about your responsibilities in the Mortgage Release process:

* **Title:**
	+ Clear and marketable title to the property must be conveyed free of any liens and encumbrances, with a general warranty deed or local equivalent that enables us to settle the Mortgage Release in a timely manner.
* **Subordinate Liens:**
	+ If you have other liens on your property (for example, a second mortgage, tax lien, or homeowners association lien), you must cooperate with us in a timely manner, as necessary, so that we may attempt to negotiate and obtain the release of any such liens.
* **Property Inspection and Property Condition:**
	+ We may need to conduct an interior inspection of the property, which will require that you provide access. Unless you have been approved for and signed a lease or a use and occupancy agreement for the property,you must leave the property in broom-swept condition and free of interior and exterior trash, debris, or damage. All personal belongings must be removed from the property. The yard must be clean and neat, and you must deliver all the keys and controls (for example, garage door openers) to us.
* **Personal Property Release:**
	+ You must provide us with a release that you waive ownership of any personal belongings or materials left at or in the property after the date you agree to vacate the property.Unless you have been approved for and signed a lease or use and occupancy agreement for the property, you and all other occupants must remove all personal belongings and vacate your property.
* **Deficiency Waiver:**
	+ If you complete the Mortgage Release according to the terms approved by us, including any required borrower financial contribution, you will be released from liability for any deficiency that remains after the property is sold. This eliminates your mortgage debt and cancels the remaining amount you owe.
* **Relocation Assistance:**
	+ You may be eligible for relocation assistance up to $[AMOUNT]. This amount would be paid within 30 days of our acceptance of the executed Mortgage Release if you comply with the property conditions outlined above.
* **Transfer/Closing:**
	+ You may be required to sign standard pre-closing documents and possibly attend a closing of the transfer of your property, where all owners of the property must be present.

If you have questions about Mortgage Release requirements, please contact us at [SERVICER PHONE NUMBER]. If you have concerns about the evaluation of your mortgage for foreclosure alternatives, then please contact [CONTACT NAME or NAME OF SERVICER’S ESCALATION UNIT] at [8XX-XXX-XXXX].

**[*Mortgage Servicing Regulatory Notice and Right of Appeal\* If review is based on an evaluation of a complete BRP and concerns property serving as the borrower's principal residence, then if required by applicable law, such as 12C.F.R. § 1024.41, add the following:***

|  |
| --- |
| **Additional Information and Legal Notices** |

**You were not approved for a loan modification trial period plan**

You were evaluated for a loan modification trial period plan based on the eligibility requirements of Fannie Mae, the owner of your mortgage.

Based on our review of the information you provided, we are unable to offer you a loan modification trial period plan for the reasons described below:

* Flex Modification [PROVIDE REASONS FOR INELIGIBILITY]
* [INSERT OTHER MODIFICATION PROGRAMS AND REASONS FOR INELIGIBILITY]

**Right to Appeal**

You have the right to appeal our decision not to offer you the loan modification trial period plan(s) described above. If you would like to appeal, you must contact us in writing no later than [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***], and let us know that you are requesting an appeal of our decision. You must include the following in the appeal:

* your name,
* property address, and
* mortgage loan number

You may also specify the reasons for your appeal, and provide any supporting documentation. Your right to appeal expires [***DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER***]. Appeal requests or documentation received after this date may not be considered.

If you elect to appeal:

* We will provide you with a written notice of our appeal decision within 30 calendar days of receiving your appeal. Our appeal decision is final, and not subject to further appeal.
* You do not have to accept this offer until resolution of the appeal. If we determine on appeal that you are eligible for a loan modification trial period plan, we will send you an offer for that trial period plan. In that case, you will be given 14 calendar days from the date of the appeal decision to choose to accept the current offer or let us know that you intend to accept the trial period plan offer by contacting us at [SERVICER PHONE NUMBER]or in writing at [SERVICER NAME AND MAILING ADDRESS].
* Any unpaid interest and other unpaid amounts, such as escrows for taxes and insurance, will continue to accrue on your mortgage loan during the appeal.

***\*Servicers must not send this Mortgage Servicing Regulatory Notice and Right of Appeal to those borrowers whose properties do not serve as the borrower's principal residence. Servicers must only send the right of appeal language to borrowers who have such a right under applicable law, such as 12 C.F.R. § 1024.41.]***

***Use this evaluation notice if***

* ***The complete BRP was received 37 days or fewer before the foreclosure sale date; OR***
* ***The Mortgage is not secured by a principal residence; OR***
* ***The 12 C.F.R. § 1024.41 loss mitigation requirements do not apply; OR***
* ***The borrower was previously approved for a short sale and transitioned to a Mortgage Release because the short sale was not successful.***

# **MORTGAGE RELEASE – ALL OTHER SCENARIOS**

[DATE]

Dear [BORROWER NAME(S)]:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, we are offering you an opportunity to pursue a Mortgage ReleaseTM. It is important that you read all the information in this letter so that you understand the actions you must take to complete a Mortgage Release.

During this process, any foreclosure-related legal actions will continue and the foreclosure sale date, if scheduled, will not be postponed. **Therefore, you will need to act quickly or it may not be possible to complete a Mortgage Release prior to the foreclosure sale.**

**What is a Mortgage Release and What are Its Potential Benefits?**

A Mortgage Release (deed-in-lieu of foreclosure) is the voluntary transfer of ownership of your property to us in exchange for relief from some or all of your mortgage debt. If you complete a Mortgage Release on terms that have been approved by us, including any required borrower financial contribution, then we will release the mortgage lien on your property and cancel your remaining mortgage debt obligation. Although you will have to give up your property, there are benefits to completing Mortgage Release, including:

* Avoiding foreclosure – a Mortgage Release may have a less negative impact to your credit score and may enable you to qualify for a new mortgage sooner than if your mortgage goes to foreclosure;
* Eliminating your mortgage debt and cancelling the remaining amount you owe\*;
* A possible option toremain in the property for a period of time following completion of the Mortgage Release; and
* Possibly receiving funds to assist with relocation.

\*Cancellation of debt may have tax consequences. Please consult a tax advisor to discuss potential tax consequences.

|  |
| --- |
| **QUESTIONS? CONTACT US****[SERVICER’S NAME]****Phone: [8XX-XXX-XXXX]****Email Address: [SERVICER’S EMAIL]****Website: [SERVICER’S WEBSITE]****Please contact us immediately to let us know of your intent to accept this offer to pursue a Mortgage Release.** |

For additional information on how to avoid foreclosure, including help for military servicemembers, you may also visit Fannie Mae’s [consumer website](https://www.fanniemae.com/). Fannie Mae is the owner of your mortgage loan.

|  |
| --- |
| **Additional Mortgage Release Information about Your Responsibilities** |

Here are details about your responsibilities in the Mortgage Release process:

* **Title:**
	+ Clear and marketable title to the property must be conveyed free of any liens and encumbrances, with a general warranty deed or local equivalent that enables us to settle the Mortgage Release in a timely manner.
* **Subordinate Liens:**
	+ If you have other liens on your property (for example, a second mortgage, tax lien, or homeowner’s association lien), you must cooperate with us in a timely manner, as necessary, so that we may attempt to negotiate and obtain the release of any such liens.
* **Property Inspection and Property Condition:**
	+ We may need to conduct an interior inspection of the property, which will require that you provide access. Unless you have been approved for and signed a lease or a use and occupancy agreement for the property, you must leave the property in broom-swept condition and free of interior and exterior trash, debris, or damage. All personal belongings must be removed from the property. The yard must be clean and neat, and you must deliver all the keys and controls (for example, garage door openers) to us.
* **Personal Property Release:**
	+ You must provide us with a release that you waive ownership of any personal belongings or materials left at or in the property after the date you agree to vacate the property.
	+ Unless you have been approved for and signed a lease or use and occupancy agreement for the property, you and all other occupants must remove all personal belongings and vacate your property.
* **Deficiency Waiver:**
	+ If you complete the Mortgage Release according to the terms approved by us, including any required borrower financial contribution, you will be released from liability for any deficiency that remains after the property is sold. This eliminates your mortgage debt and cancels the remaining amount you owe.
* **Relocation Assistance:**
	+ You may be eligible for relocation assistance up to $[AMOUNT]. This amount would be paid within 30 days of our acceptance of the executed Mortgage Release if you comply with the property conditions outlined above.
* **Transfer/Closing:**
	+ You may be required to sign standard pre-closing documents and possibly attend a closing of the transfer of your property where all owners of the property must be present.

If you have questions about Mortgage Release requirements, please contact us at [SERVICER PHONE NUMBER]. If you have concerns about the evaluation of your mortgage for foreclosure alternatives, then please contact [CONTACT NAME or NAME OF SERVICER’S ESCALATION UNIT] at [8XX-XXX-XXXX].

# MODEL INELIGIBILITY REASONS FOR FLEX MODIFICATION

|  |
| --- |
| **Model Ineligibility Reasons for Flex Modification** |
| **Servicer must select the appropriate reason(s) for ineligibility from the list below and insert the language related to each applicable reason in the relevant evaluation notice if required pursuant to the Mortgage Servicing Regulatory Notice and Right of Appeal. Add “You were not evaluated based on other eligibility requirements” where applicable.** |
| **Requirement** | **Reason for Ineligibility** |
| **Short-term Hardship** | we have determined that your hardship is a temporary or unresolved hardship. You are not eligible for a modification. |
| **Evaluation Hierarchy** | the owner of your mortgage requires that we evaluate borrower eligibility for an option to avoid foreclosure based on a ranking approach. Based on that approach, you are not eligible for this modification. |
| **Charge Offs** | you have been released from liability for repayment of the remaining amount due under your mortgage. |
| **No Eligible Hardship** | we have determined that you do not have an eligible hardship that prevents you from making your mortgage payment. |
| **Imminent Default or Capacity to Pay** | we have determined that you are able to continue paying your mortgage at this time. |
| **Lien Position** | we cannot modify your mortgage terms because your mortgage with us is not a first lien mortgage. |
| **Mortgage Insurance**  | your mortgage insurance provider denied your request for a modification ***[***because \_\_\_\_\_\_***]***.***Note to servicers: servicers should determine whether they must provide the specific reason as to why a mortgage insurance company declined the modification.*** |
| **Non-Owner Occupied Property** | your mortgage is secured by a property that does not serve as your principal residence and is less than 60 days delinquent. |
| **Origination Date** | your mortgage was originated less than 12 months prior to the date you were evaluated for a modification. |
| **Performing Under Another Alternative to Foreclosure** | you are currently participating in another alternative to foreclosure.  |
| **Post-Modification Monthly P&I Payment** | the required modification terms would result in a principal and interest mortgage payment that is greater than your current principal and interest mortgage payment. |
| **Previous Flex Modification Delinquency** | you became 60 or more days delinquent within 12 months after receiving a Fannie Mae Flex Modification and you have not brought the mortgage current following the delinquency. |
| **Previously Failed Flex Modification Trial Period Plan** | you failed to complete a Fannie MaeFlex Modification Trial Period Plan within the last 12 months. |
| **Prior Modifications** | your mortgage has been previously modified three or more times. |
| **Prohibited by Applicable Law**  | your mortgage is not permitted to be modified under \_\_\_\_\_\_\_ ***[insert citation to applicable state or local law]***. |