

# EMC

**Old Payment: \$2,759.35**

**Old Rate: 5.838**

**Months Behind: 9**

**New Payment: \$1,741.25**

**New Rate Trial plan.**

**Estimated Month Savings: \$1,018.10**

**Estimated Yearly Savings including back payments: \$37,051.35**



Loan Number

JUNE 30, 2009

**You may be able to make your payments more affordable.  
Act now to get the help you need!**

Loan #:

Property Address:

Dear [REDACTED]

**You may qualify for a Home Affordable Modification Trial Period Plan – a way to make your payment more affordable.**

We have enclosed a customized Home Affordable Modification Trial Period Plan ("Trial Period Plan"). If you qualify under the federal government's Home Affordable Modification program and comply with the terms of the Trial Period Plan, we will modify your mortgage loan and you can avoid foreclosure.

### **STEP 1 PROVIDE THE INFO WE NEED TO HELP YOU**

Detailed instructions on what you need to do to take advantage of this offer are set forth on the enclosed document entitled "Complete Your Checklist." Generally, you will need to:

- *Explain the financial hardship that makes it difficult for you to pay your mortgage loan using the required Hardship Affidavit (enclosed).*
- *Submit the required documentation of your income. (If you submitted the required documentation within the last 30 days, you do not have to resubmit this documentation unless it has changed).*
- *Make timely monthly trial period payments. (If your loan is in foreclosure, your trial period payments must be made with certified funds.)*

The monthly trial period payments are based on the income information that you previously provided to us. They are also our estimate of what your payment will be IF we are able to modify your loan under the terms of the program. If your income documentation does not support the income amount that you previously provided in our discussions, two scenarios can occur:

- 1) Your monthly payment under the Trial Period Plan may change
- 2) You may not qualify for this loan modification program

If you do not qualify for a loan modification, we will work with you to explore other options available to help you keep your home or ease your transition to a new home.

### **STEP 2 LET US KNOW THAT YOU ACCEPT THIS OFFER**

Please let us know no later than **JULY 30, 2009** that you accept the Trial Period Plan by returning the signed Trial Period Plan, along with other required documents and first payment. Now is the time to act. We are ready to help you. Please take the steps outlined on the enclosed document "Complete Your Checklist."

Additionally, you may receive a phone call from one of our representatives following your receipt of this letter to discuss our offer. Please take advantage of that opportunity to start a dialog and get the help you need. More importantly, please don't hesitate to call us directly if you have any questions at **(800) 723-3004**.

Sincerely,

**EMC MORTGAGE CORPORATION**

We are attempting to collect a debt, and any information obtained will be used for that purpose.

Attachments: Complete Your Checklist, Important Program Info, Frequently Asked Questions, Two copies of the Trial Period Plan, Hardship Affidavit, and IRS Form 4506-T.



Loan Number

COMPLETE YOUR CHECKLIST

Information we need to help you modify your mortgage payments.

**Act Now!**

**To accept this offer, and see if you qualify for a Home Affordable Modification, send the 5 items listed below to EMC MORTGAGE CORPORATION, no later than JULY 30, 2009. Use the return envelope(s) provided for your convenience.**

- 1. Two copies of the enclosed Trial Period Plan signed by all borrowers, ,
- 2. Your first month's trial period payment in the amount of \$1,741.25 (if loan is in foreclosure, certified funds are required). Note that there may be a separate envelope enclosed for you to mail your first payment back to us.
- 3. The enclosed Hardship Affidavit completed and signed by all borrowers (no notary required),
- 4. A signed and dated copy of the IRS Form 4506-T (Request for Transcript of Tax Return) for each borrower (borrowers who filed their tax returns jointly may send in one IRS Form 4506-T signed and dated by both of the joint filers) . (Note: please do not send this form directly to the IRS.)
- 5. Documentation to verify all of the income of each borrower (including any alimony or child support that you choose to rely upon to qualify). This documentation should include:

**For each borrower who is a salaried employee:**

- Copy of the most recent filed federal tax return with all schedules; and
- Copy of the two most recent pay stubs.

**For each borrower who is self-employed:**

- Copy of the most recent filed federal tax return with all schedules, and
- Copy of the most recent quarterly or year-to-date profit/loss statement.

**For each borrower who has income such as social security, disability or death benefits, pension, public assistance, or unemployment:**

- Copy of most recent federal tax return with all schedules and W-2 or copies of two most recent bank statements.
- Copy of benefits statement or letter from the provider that states the amount, frequency and duration of the benefit. Social security, disability, death or pension benefits must continue for at least 3 years to be considered qualifying income under this program. Public assistance or unemployment benefits must continue for at least 9 months to be considered qualifying income under this program.

**For each borrower who is relying on alimony or child support as qualifying income:**

- Copy of divorce decree, separation agreement or other written agreement or decree that states the amount of the alimony or child support and period of time over which it will be received. Payments must continue for at least 3 years to be considered qualifying income under this program.
- Proof of full, regular and timely payments; for example deposit slips, bank statements, court verification or filed federal tax return with all schedules.

**For each borrower who has rental income:**

- Copies of most recent two years filed federal tax returns with all schedules, including Schedule E—Supplement Income and Loss. Rental income for qualifying purposes will be 75% of the gross rent.

If you have other types of income, cannot locate required documents, or have questions about the documentation required, please contact us at (800) 723-3004.

**You must send in both signed copies of the Trial Period Plan, all required income documentation, and your first trial period payment by JULY 30, 2009 or the offer made in the Trial Period Plan may be void and you may no longer qualify for a modification. If you cannot provide the documentation within the time frame provided, please contact us to request an extension of time to gather your documents.**

Keep a copy of all documents for your records. Don't send original income documentation as copies are acceptable.

**Your remaining trial period payments in the amount of \$1,741.25 per month will be due on the dates indicated in the Trial Period Plan. These payments should be sent instead of, not in addition to, your normal monthly mortgage payment. If the trial period payments are made in amounts different from the amount stated your loan may not be modified.**

**if you cannot afford the trial period payments shown above, but want to remain in your home, or if you want to leave your home and avoid foreclosure, please call us at (800) 723-3004. We may be able to help you.**



Loan Number 1-2009

**IMPORTANT PROGRAM INFO**

Learn More About the Home Affordable Modification Program

**NO FEES.** There are no fees under the Home Affordable Modification program.

**TRIAL PERIOD PLAN/MODIFICATION AGREEMENT.** The Trial Period Plan is the first step. Once we are able to confirm your income and eligibility for the program, we will finalize your modified loan terms and send you a loan modification agreement ("Modification Agreement"), which will reflect the terms of your modified loan. In addition to successfully completing the trial period, you will need to sign and promptly return to us both copies of the Modification Agreement or your loan can not be modified.

**NEW PRINCIPAL BALANCE.** Past due amounts as of the end of the trial period, including unpaid interest, real estate taxes, insurance premiums and certain assessments paid on your behalf to a third party, will be added to your mortgage loan balance (the "Past Due Arrearage Amount"). If you fulfill the terms of the trial period including, but not limited to, making the trial period payments, we will waive ALL unpaid late charges at the end of the trial period.

**ESTIMATED MONTHLY PAYMENT.** At this time, we are not able to calculate precisely the Past Due Arrearage Amount or the amount of the modified loan payment that will be due after successful completion of the trial period. However, based on information we currently have, your trial period payment should be close to your modified loan payment. As we near the end of the trial period, we will calculate any past due amount to determine your new permanent monthly payment and other modified loan terms. We can offer you the ability to make electronic payments during the trial period to make it easy for you to stay current. You may continue to receive a monthly statement with your old payment that does not reflect your Trial Period Payments, so we encourage you to sign up for these electronic payments. If you qualify for a final modification, we will also offer you the option of making your monthly payments electronically.

If you still want to mail your trial period payments, mail them to:

**CHASE/EMC PAYMENT PROCESSING  
PO BOX 660753  
DALLAS, TEXAS 75266-0753**

**ESCROW ACCOUNT.** The terms of your Trial Period Plan and your Modification Agreement will require us to set aside a portion of your new monthly payment in an escrow account for payment of your property taxes, insurance premiums and other required fees. Your current loan may also require escrows. If it does not, the previous waiver of escrows is cancelled under your Trial Period Plan. We will draw on this account to pay your real estate taxes and insurance premiums as they come due. Please note that your escrow payment amount will adjust if your taxes, insurance premiums and/or assessment amounts change, so the amount of your monthly payment that we must place in escrow will also adjust as permitted by law. This means that your monthly payment may change after the Modification Agreement becomes effective.

**ESCROW SHORTAGE.** Due to the timing of your tax and insurance payments, prior unpaid advances that we have made from your escrow account, or, in the case of a new escrow account, the need to make initial deposits to ensure funds are available to make tax and insurance payments when due, there may be a shortage of funds in your escrow account at the end of the trial period. If we notify you that a shortage exists, you must pay this amount in accordance with the Home Affordable Mortgage Program Guidelines, your loan documents, and applicable law, which may include requiring repayment over a 60 month period. If you wish to pay all or any portion of the shortage in a lump sum prior to the time the final modification becomes effective, please contact us. If you currently have lender-placed hazard or flood insurance on your property, you should consider obtaining your own insurance, which will likely be more affordable.

**BORROWER INCENTIVE.** If your monthly mortgage payment (principal, interest, property taxes, hazard insurance, flood insurance, condominium association fees and homeowner's association fees, as applicable, but excluding mortgage insurance) is reduced through the Home Affordable Modification Program by six percent or more and if you make your monthly mortgage payments on time, you will accrue a monthly benefit equal to the lesser of: (i) \$83.33 or (ii) one-half of the reduction in your monthly mortgage payment. As long as your mortgage loan does not become 90 days delinquent, we will apply your accrued monthly benefit to your mortgage loan and reduce your principal balance after each of the first through fifth anniversaries of the month in which the Trial Period Plan is executed. If your modified mortgage loan ever becomes 90 days delinquent, you will lose all accrued but unapplied principal reduction benefits and will no longer be



eligible to accrue additional principal reduction benefits even if the mortgage loan is later brought current. **Loan Number** If you qualify for the modification under the Home Affordable Modification Program but do not qualify for the incentives, we will let you know at the time the final modification is offered and give you the opportunity to consider other options.

**CREDIT COUNSELING.** If you have very high levels of debt you will be required to obtain credit counseling under the Home Affordable Modification program.

**CREDIT REPORTING.** During the trial period, we may continue to report your loan as delinquent to the credit reporting agencies even if you make your trial period payments on time. However, after your loan is modified, we will only report the loan as delinquent if the modified payment is not received in a timely manner.

**BANKRUPTCY.** IF YOU ARE CURRENTLY SUBJECT TO THE PROTECTIONS OF ANY AUTOMATIC STAY IN BANKRUPTCY, OR HAVE OBTAINED A DISCHARGE IN A BANKRUPTCY PROCEEDING, NOTHING IN THE TRIAL PERIOD PLAN, ANY FINAL MODIFICATION AGREEMENT, OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THIS OFFER SHALL BE CONSTRUED AS AN ATTEMPT BY US TO IMPOSE PERSONAL LIABILITY FOR THE LOAN.

**OTHER LOAN FEATURES.** By accepting the Trial Period Plan you agree that any assumption feature, bi-weekly payment feature, or any "Timely Payment Rewards" program applicable to your loan are cancelled as of the date the trial period begins. We may require that all trial period payments and continuing payments under a final Modification Agreement be paid on the first of each month.



Loan Number

## FREQUENTLY ASKED QUESTIONS

**Q. How long will it take to process my modification request and determine if I qualify for the program?**

It may take up to 30 days for us to receive and review your documents. We will process your modification request as quickly as possible. Please note, however, that your modification will not be effective unless you meet all of the applicable conditions, including making all trial period payments.

**Q. What if my trial period payment is less than the payment I currently owe on my loan?**

We will add the difference between the monthly payment that you currently owe on your loan and the trial period payment to your loan balance and allow you to pay it over the remainder of the modified loan term.

**Q. What do you do with my first trial period payment if I do not qualify for the program?**

Your first trial payment will be applied to your existing loan in accordance with the terms of your loan documents. If you don't qualify for the program, we will help you evaluate other options to help you keep your home or ease your transition to a new home.

**Q. Will a foreclosure occur if I participate in the Home Affordable Modification program?**

As long as you comply with the terms of the Trial Period Plan, we will not start foreclosure proceedings or conduct a foreclosure sale if foreclosure proceedings have started. However, until you return all of the required trial period conditions, including the Trial Period Plan and first trial period payment, we may continue to collect on the loan. If you fail to comply with the terms of the Trial Period Plan and do not make other arrangements, your loan will be enforced according to its original terms, which could include foreclosure.

**Q. What happens to my trial period payments if I do not comply with the terms of the Trial Period Plan?**

Your trial period payments will be applied to your existing loan according to the terms of your loan documents.

**Q. If I get a Home Affordable Modification, can my modified loan terms ever revert to the original loan terms?**

No. This is one of the advantages of the Home Affordable Modification program. Once your loan is modified, the new terms stay in place for the remainder of your loan.

**Q. Do all borrowers have to sign the Trial Period Plan and other documents?**

Unless a borrower or co-borrower is deceased, all borrowers who signed the original loan documents or their duly authorized representative(s) must sign the Trial Period Plan, the Modification Agreement and all other required modification documents. Contact your servicer if it would be difficult or impossible for you to comply with this requirement.



Loan Number

Investor Loan #

## HOME AFFORDABLE MODIFICATION TRIAL PERIOD PLAN (Step One of Two-Step Documentation Process)

Trial Period Plan Effective Date: **JULY 01, 2009**

Borrower ("I"):

Lender ("Lender"):

Date of first lien Security Instrument ("Mortgage") and Note ("Note"): **March 01, 2007**

Loan Number:

Property Address ("Property"):

If I am in compliance with this Trial Period Plan (the "Plan") and my representations in Section 1 continue to be true in all material respects, then the Lender will provide me with a Home Affordable Modification Agreement ("Modification Agreement"), as set forth in Section 3, that would amend and supplement (1) the Mortgage on the Property, and (2) the Note secured by the Mortgage. The Mortgage and Note together, as they may previously have been amended, are referred to as the "Loan Documents." Capitalized terms used in this Plan and not defined have the meaning given to them in the Loan Documents.

If I have not already done so, I am providing confirmation of the reasons I cannot afford my mortgage payment and documents to permit verification of all of my income (except that I understand that I am not required to disclose any child support or alimony unless I wish to have such income considered) to determine whether I qualify for the offer described in this Plan (the "Offer"). I understand that after I sign and return two copies of this Plan to the Lender, the Lender will send me a signed copy of this Plan if I qualify for the Offer or will send me written notice that I do not qualify for the Offer. This Plan will not take effect unless and until both I and the Lender sign it and Lender provides me with a copy of this Plan with the Lender's signature.

1. **My Representations.** I certify, represent to Lender and agree:
- A. I am unable to afford my mortgage payments for the reasons indicated in my Hardship Affidavit and as a result, (i) I am either in default or believe I will be in default under the Loan Documents in the near future, and (ii) I do not have sufficient income or access to sufficient liquid assets to make the monthly mortgage payments now or in the near future;
  - B. I live in the Property as my principal residence, and the Property has not been condemned;
  - C. There has been no change in the ownership of the Property since I signed the Loan Documents;
  - D. I am providing or already have provided documentation for all income that I receive (and I understand that I am not required to disclose any child support or alimony that I receive, unless I wish to have such income considered to qualify for the Offer);
  - E. Under penalty of perjury, all documents and information I have provided to Lender pursuant to this Plan, including the documents and information regarding my eligibility for the program, are true and correct; and
  - F. If Lender requires me to obtain credit counseling, I will do so.

<sup>1</sup> If there is more than one Borrower or Mortgagor executing this document, each is referred to as "I". For purposes of this document words signifying the singular (such as "I") shall include the plural (such as "we") and vice versa where appropriate.



Loan Number 0

2. **The Trial Period Plan.** On or before each of the following due dates, I will pay the Lender the amount set forth below ("Trial Period Payment"), which includes payment for Escrow Items, including real estate taxes, insurance premiums and other fees, if any, of U.S. \$1,741.25.

Trial Period Payment #	Trial Period Payment	Due Date On or Before
1	\$1,741.25	07/01/2009
2	\$1,741.25	08/01/2009
3	\$1,741.25	09/01/2009

The Trial Period Payment is an estimate of the payment that will be required under the modified loan terms, which will be finalized in accordance with Section 3 below.

During the period (the "Trial Period") commencing on the Trial Period Effective Date and ending on the earlier of: (i) the first day of the month following the month in which the last Trial Period Payment is due (the "Modification Effective Date") or (ii) termination of this Plan, I understand and acknowledge that:

- A. TIME IS OF THE ESSENCE under this Plan;
- B. Except as set forth in Section 2.C. below, the Lender will suspend any scheduled foreclosure sale, provided I continue to meet the obligations under this Plan, but any pending foreclosure action will not be dismissed and may be immediately resumed from the point at which it was suspended if this Plan terminates, and no new notice of default, notice of intent to accelerate, notice of acceleration, or similar notice will be necessary to continue the foreclosure action, all rights to such notices being hereby waived to the extent permitted by applicable law;
- C. If my property is located in Georgia, Hawaii, Missouri, or Virginia and a foreclosure sale is currently scheduled, the foreclosure sale will not be suspended and the lender may foreclose if I have not made each and every Trial Period Payment that is due before the scheduled foreclosure sale. If a foreclosure sale occurs pursuant to this Section 2.C., this agreement shall be deemed terminated;
- D. The Lender will hold the payments received during the Trial Period in a non-interest bearing account until they total an amount that is enough to pay my oldest delinquent monthly payment on my loan in full. If there is any remaining money after such payment is applied, such remaining funds will be held by the Lender and not posted to my account until they total an amount that is enough to pay the next oldest delinquent monthly payment in full;
- E. When the Lender accepts and posts a payment during the Trial Period it will be without prejudice to, and will not be deemed a waiver of, the acceleration of the loan or foreclosure action and related activities and shall not constitute a cure of my default under the Loan Documents unless such payments are sufficient to completely cure my entire default under the Loan Documents;
- F. If prior to the Modification Effective Date, (i) the Lender does not provide me a fully executed copy of this Plan and the Modification Agreement; (ii) I have not made the Trial Period payments required under Section 2 of this Plan; or (iii) the Lender determines that my representations in Section 1 are no longer true and correct, the Loan Documents will not be modified and this Plan will terminate. In this event, the Lender will have all of the rights and remedies provided by the Loan Documents, and any payment I make under this Plan shall be applied to amounts I owe under the Loan Documents and shall not be refunded to me; and



Loan Number \_\_\_\_\_

G. I understand that the Plan is not a modification of the Loan Documents and that the Loan Documents will not be modified unless and until (i) I meet all of the conditions required for modification, (ii) I receive a fully executed copy of a Modification Agreement, and (iii) the Modification Effective Date has passed. I further understand and agree that the Lender will not be obligated or bound to make any modification of the Loan Documents if I fail to meet any one of the requirements under this Plan.

3. **The Modification.** I understand that once Lender is able to determine the final amounts of unpaid interest and any other delinquent amounts (except late charges) to be added to my loan balance and after deducting from my loan balance any remaining money held at the end of the Trial Period under Section 2.D. above, the Lender will determine the new payment amount. If I comply with the requirements in Section 2 and my representations in Section 1 continue to be true in all material respects, the Lender will send me a Modification Agreement for my signature which will modify my Loan Documents as necessary to reflect this new payment amount and waive any unpaid late charges accrued to date. Upon execution of a Modification Agreement by the Lender and me, this Plan shall terminate and the Loan Documents, as modified by the Modification Agreement, shall govern the terms between the Lender and me for the remaining term of the loan.

4. **Additional Agreements.** I agree to the following:

- A. That all persons who signed the Loan Documents or their authorized representative(s) have signed this Plan, unless a borrower or co-borrower is deceased or the Lender has waived this requirement in writing.
- B. To comply, except to the extent that they are modified by this Plan, with all covenants, agreements, and requirements of Loan Documents, including my agreement to make all payments of taxes, insurance premiums, assessments, Escrow Items, impounds, and all other payments, the amount of which may change periodically over the term of my loan.
- C. That this Plan constitutes notice that the Lender's waiver as to payment of Escrow Items, if any, has been revoked, and I have been advised of the amount needed to fully fund my Escrow Account.
- D. That all terms and provisions of the Loan Documents remain in full force and effect; nothing in this Plan shall be understood or construed to be a satisfaction or release in whole or in part of the obligations contained in the Loan Documents. The Lender and I will be bound by, and will comply with, all of the terms and provisions of the Loan Documents.

In Witness Whereof, the Lender and I have executed this Plan.

\_\_\_\_\_  
Lender **EMC MORTGAGE CORPORATION**

By: \_\_\_\_\_

\_\_\_\_\_  
Date

X \_\_\_\_\_  
Borrower

(Seal) Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

X \_\_\_\_\_  
Borrower

(Seal) Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

