

This is your Trial Period Plan.  
You're on your way toward  
an affordable mortgage payment.

To accept our offer,  
make your first payment today.

AMITYVILLE, NY 11701

Loan Number:

October 22, 2012

Dear

We are pleased to tell you that **you are approved to enter into a Trial Period Plan under the federal government's Home Affordable Modification Program**. This is the next step toward qualifying for affordable mortgage payments. Please read this letter so that you understand all the steps you need to take to permanently modify your mortgage, starting with your first Trial Period Plan payment.

#### What you need to do

To accept this offer, you must make new monthly Trial Period Plan payments in the exact amount shown below in place of your normal monthly mortgage payment. Each payment must be made in the exact amount of your Trial Period Plan payment and in a timely manner.

**Send in your monthly Trial Period Plan payments — instead of your normal monthly mortgage payments — as follows:**

1 <sup>st</sup>	payment: \$2,349.69 by 12/01/12
2 <sup>nd</sup>	payment: \$2,349.69 by 01/01/13
3 <sup>rd</sup>	payment: \$2,349.69 by 02/01/13

- Make each of the above payments on time and in the amount shown. Payment coupons are included in this package if you wish to send your payment in the mail. You can also call 1.800.669.6650 and we can deduct your payment directly from your checking account. (There are no fees to make your payment by phone during your trial period.)
- It is important that you carefully review the enclosed *Frequently Asked Questions and Additional Trial Period Plan Information and Legal Notices*.
- If you successfully make all of your Trial Period Plan payments, and return any additional documents that may be required, you may receive a Modification Agreement explaining your loan modification terms that must be signed, notarized (if required) and returned to us. At that time, your modification will be officially permanent. (Your existing loan and loan requirements remain in effect and unchanged during the Trial Period Plan.) **We must receive each payment on time and in the month in which it is due. If you miss a payment or do not comply with any of the other terms of your trial period, this offer will end and your loan will not be modified under the Home Affordable Modification Program.** If your last trial period payment is made in the last half of the month it is due, we may extend your Trial Period Plan by an extra month.
- Once you have successfully made each of the payments above by their due dates, you have submitted two signed copies of your Modification Agreement, and we have signed the Modification Agreement, your mortgage will be permanently modified in accordance with the terms of your Modification Agreement.

If you cannot afford the Trial Period Plan payments shown above but want to remain in your home, or if you have decided to leave your home but want to avoid foreclosure, please call 1.800.669.6650. Additionally, please visit [www.bankofamerica.com/homeloanassistance](http://www.bankofamerica.com/homeloanassistance) for more information.

ANNE AUGELLO  
Home Loan Team  
Bank of America, N.A.



Bank of America  Home Loans

**P.S. We want to help you stay in your home. Please make your first Trial Period Plan payment today.**

Enclosures: (1) Frequently Asked Questions (2) Additional Trial Period Plan Information and Legal Notices (3) Payment Coupons

If you are currently in a bankruptcy proceeding, or have previously obtained a discharge of this debt under applicable bankruptcy law, this notice is for information only and is not an attempt to collect the debt, a demand for payment, or an attempt to impose personal liability for that debt. You are not obligated to discuss your home loan with us or enter into a loan modification or other loan-assistance program. You should consult with your bankruptcy attorney or other advisor about your legal rights and options.

Bank of America, N.A. is required by law to inform you that this communication is from a debt collector. However, the purpose of this communication is to let you know about your potential eligibility for a loan modification program that may help you bring or keep your loan current through affordable payments.

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Legal Services

**Q. What else should I know about this offer?**

- If you make your new payments on time each month, **we will not conduct a foreclosure sale.**
- You will not be charged any fees for this Trial Period Plan or a permanent modification. However, third party fees such as attorney fees, recording fees, etc. may occur and you will be responsible for payment.
- If your loan is modified, we will waive all unpaid late charges.
- Entering into a Trial Period Plan for a loan modification or accepting a permanent loan modification can affect your credit. The actual effect will depend on a variety of factors. Visit [www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm) for more information about your credit and how to improve it.
- You may be required to attend credit counseling.

**Q. Why did I receive this offer after receiving and/or accepting a Trial Period Plan for a modification program that is not the Home Affordable Modification Program (HAMP)?**

If you requested to be reconsidered for HAMP, we have determined that you are now eligible to participate in a HAMP Trial Period Plan. This program may provide you with more with favorable terms. As such, your existing Trial Period Plan will be canceled and considered null and void. Even if you made trial period payments under the existing program, you will start a new trial period under HAMP. To accept the HAMP Trial Period Plan offer, you need to make each of your monthly trial period payments on time and in the exact amount shown on your payment coupons. You are not required to sign and return any documents to accept the HAMP Trial Period Plan offer.

**Q. Why is there a trial period?**

The trial period offers you immediate payment relief. Making all of your payments in the exact amount specified during this trial period will demonstrate that you can afford the modified payments and that they work within your budget. Making a payment greater than your trial payments may indicate that you do not need assistance and can also prevent you from qualifying for a permanent modification. Note: This is only a temporary Trial Period Plan. Your existing loan requirements remain in effect and unchanged during the trial period and you will continue to receive monthly statements that will show the payment amount based on your original home loan agreement. However, please pay the new Trial Period Plan payment amount instead of your original payment amount or you may not qualify for a permanent modification.

**Q. How was my new payment in the trial period determined?**

Your Trial Period Plan payment is approximately 31% of your total gross monthly income, which we determined to be \$7,576.11 based upon the income documentation you provided. If the loan is successfully modified, your new payment also will be based on 31% of your gross income. In addition, if your existing payment includes mortgage insurance premiums, this amount will also be added to your payment. If we were able to permanently modify your loan today, we estimate your modified interest rate would be 2.000%. Your final modified interest rate may be different.

The modified payment should be sufficient to pay the principal and interest as well as property taxes, insurance premiums and other permissible escrow fees based on our recent analysis of these costs. Your modified monthly payment may change if your property taxes and insurance premiums change. If you did not have an escrow account before, the timing of your tax and insurance bills may require that you make a payment to cover any such bills when they come due. This is known as an escrow shortage. Your loan has an escrow shortage of \$2,022.88, this can either be paid in a lump sum when the loan is modified or over the next 60 months in an amount of \$33.71, per month in addition to your modified monthly mortgage payment. If you wish to pay the total shortage as a lump sum, please contact 1.800.669.6650.

**Q. When will I know if my loan can be modified permanently and how will the modified loan balance be determined?**

If you make all of your Trial Period Plan payments on time, return any additional documents that we may require, and your loan continues to meet the eligibility requirements set forth for the Home Affordable Modification Program, you may receive a Modification Agreement explaining the terms of the modified loan. Any difference between the amount of the trial period payments and your regular home loan payments will be added to the balance of your loan along with any other past due amounts as permitted by your loan documents. While this will increase the total amount that you owe, it should not significantly change the amount of your modified mortgage payment as that is determined based on your total monthly gross income, not your loan balance.

**Q. Are there incentives that I may qualify for if I am current with my new payments?**

If your loan is modified, you can earn a pay-for-success incentive for every month that you make on-time payments beginning with the Trial Period Plan payments. Depending on your modified monthly payment, you may accrue up to \$1,000 each year for five years for a total of \$5,000. This important benefit, *which will be applied to your principal balance each year after the anniversary date of your first Trial Period Plan payment due date*, will help you earn equity in your home by reducing the amount that you owe. However, you must remain current on your loan. You will lose this benefit if your modified loan loses good standing, which means that the equivalent of three full monthly payments are due and unpaid on the last day of any month, at any time during this five year period. If you lose this benefit, you will lose all accrued, unapplied incentive payments.

In addition, once your loan is permanently modified, you may be eligible to have some of your principal forgiven on a deferred basis. So long as your modified loan remains in good standing, we will forgive a portion of the principal balance of your loan each year on the anniversary of your first Trial Period Plan payment date for three years. You will lose this benefit if your modified loan loses good standing at any time during this three year period, including all accrued and unapplied amounts. Any principal forgiveness will be reported to the Internal Revenue Service and may have tax consequences. Therefore, you are advised to seek guidance from a tax professional. Please contact 1.800.669.6650 if you do not want principal forgiveness, we may have other modification options for you.

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

If your loan is modified, your interest rate and monthly principal and interest payment will be fixed for the life of your loan unless your initial modified interest rate is below current market interest rates. In that case, the below market interest rate will be fixed for five years. At the end of the fifth year, your interest rate may increase by 1% per year until it reaches a cap. The cap will equal the market rate of interest being charged by mortgage lenders on the day your modification agreement is prepared (the Freddie Mac Primary Mortgage Market Survey® rate for 30-year, fixed-rate conforming mortgages). Once your interest rate reaches the cap it will be fixed for the remaining life of your loan. Your new monthly payment will include an escrow for property taxes, hazard insurance and other escrowed expenses. If the cost of your homeowners insurance, property tax assessment or other escrowed expenses increases, your monthly payment will increase as well.

**Q. How will you achieve an affordable payment?**

There are several different ways we may modify the terms of your loan to reach an affordable payment. The specific terms of your modification will be set forth in your Modification Agreement, but the modifications to your existing loan may include one or more of the following to achieve a modified payment equal to 31% of your gross monthly income.

- Your loan may be brought current by capitalizing past due amounts. This means we may add past due interest, servicing expenses paid to third parties (and taxes and insurance which may have been paid on your behalf) to your principal. Unpaid late fees will be waived at the time of modification.
- We may forgive a portion of your principal up front or offer you an interest-free forbearance of principal that may be forgiven in annual increments over three years, if you remain in good standing, which means that the equivalent of three full monthly payments cannot become due and unpaid on the last day of any month, at any time during this five year period. Principal forbearance delays the repayment of principal until the loan is paid off through sale or refinancing. However, the amount we are forbearing may be forgiven. Please note: there may be tax implications to this forgiveness. You may want to consult a tax professional regarding your individual tax situation.
- Your interest rate may be reduced to as low as 2%, if necessary, to achieve a payment that you can afford. Each borrower's interest rate will only be reduced to a point sufficient to reach a modified payment equal to 31% of the borrower's gross monthly income. Not all borrowers will need a rate reduction to 2% to achieve a monthly mortgage payment that is affordable.
- Your loan payments may be recalculated over a longer period even though the maturity date will not change. This will help lower your monthly payments, but it will result in your having a lump sum payment, known as a balloon payment, which will continue to accrue interest until you pay off the modified loan.
- We may forbear or defer a portion of your unpaid principal balance. This is called principal forbearance. The amounts subject to this forbearance will not accrue interest for the remainder of the life of the loan. At the end of the loan term or at the time the loan is paid off through sale or refinancing, any remaining deferred amount becomes due.

Your permanent Modification Agreement may not contain all of these terms, or may contain different terms. The key terms of your permanent Modification Agreement will be designed to provide you with affordable monthly mortgage payments.

**Q. Could I end up with a balloon payment?**

Yes. If principal forbearance (see definition above) is required to achieve an affordable monthly mortgage payment, the principal forbearance amount would not be part of the interest-bearing, unpaid principal balance on your loan, but you would still be responsible for the balance. That amount would constitute a balloon payment that does not accrue interest and is not due until you pay off your loan, refinance or sell your home. In addition, if your loan term cannot be extended, but your payment is calculated over a longer term, there will be additional principal owed when you pay off your loan, refinance, or sell your home.

**Q. What happens if I am unable to make payments during the trial period?**

If you are unable to make each payment in the month in which it is due, you will not be eligible for a modification under the Home Affordable Modification Program. However, you may be eligible for other foreclosure-prevention options.



**Q. Is housing counseling required for a modification under the Home Affordable Modification Program?**

Borrowers whose payments are past due are strongly encouraged to contact a housing counselor approved by the U.S. Department of Housing and Urban Development (HUD) to help them understand all of their options and to create a workable budget plan. These services offered by HUD-approved housing counselors are free. Housing counseling is required for borrowers whose total monthly debts are very high in relation to their income (equal to or more than 55% of their gross monthly income). If counseling is required for you, a page entitled "Housing Counseling" will be included in this package. If this page is not included, counseling is not required.

**Q. How will a modification of my loan affect the Mortgage Insurance on my loan?**

Mortgage Insurance (MI) is typically required on loans for which the original loan amount is greater than 80% of the original value of the property. MI coverage protects lenders and investors against a financial loss when borrowers default.

If you did not already have MI on your loan before the modification, you will not be required to obtain it as a result of the modification. If you currently have MI, and the modified principal balance changes as a result of the modification, your MI premiums may change as well. Furthermore, the date that you may request cancellation of the MI may change. For loans on single-family primary residences, federal law allows you to request that MI be canceled on either:

- The date the principal balance on your loan is scheduled to reach 80% of the original value of the property, or
- The date the principal balance is reduced to 80% of the original value of the property based on actual payments.

**Q. What happens if I have Borrowers Protection Plan®?**

If you have Borrowers Protection Plan with your mortgage, you complete this Trial Period Plan and receive a permanent modification, your Borrowers Protection Plan will remain on your modified loan. If your Plan remains in place, your monthly fee for the Plan and the amount of any benefits under the Plan will be adjusted according to your new modified loan payment amount. However, the Plan will not remain in place if you notify us of your request to cancel or your Borrowers Protection Plan has already been cancelled or terminated in accordance with its terms. You may cancel your Borrowers Protection Plan at any time by calling 1.866.554.2676. If you notify us of your request to cancel your Borrowers Protection Plan within the 60 days after the date your permanent modification becomes effective, you will receive a refund of any Borrowers Protection Plan fees you pay with respect to any period after that effective date.

For details of your plan, please refer to the Borrowers Protection Plan Addendum you received when you closed your loan or contact us at 1.866.554.2676. If after reviewing your plan you find that you have experienced a qualifying event that may be eligible for benefits under Borrowers Protection Plan, please contact us immediately by calling 1.866.317.5116.

**Q. What happens if I have other optional products or credit insurance?**

If, after your loan closed, you purchased an optional product such as accidental death insurance or Privacy Assist, where you agreed to have the cost for the optional product added to your mortgage payment, please contact us at 1.800.641.5298 to discuss the choices you may have.

If you have credit insurance, please contact us at 1.800.288.7647 to discuss your credit insurance plan.

**Q. Are there additional resources where I can find information about the Home Affordable Modification Program?**

Call the Homeowner's HOPE™ Hotline at **1.888.995.HOPE (4673)**. This Hotline can help with questions about the program and offers access to free HUD-certified counseling services in English and Spanish. Or you may visit [bankofamerica.com/mha](http://bankofamerica.com/mha) or [makinghomeaffordable.gov](http://makinghomeaffordable.gov) for more information.



**Q. What if I am aware of fraud, waste, mismanagement or misrepresentations affiliated with the Troubled Asset Relief Program?**

Please contact SIGTARP at 1.877.SIG.2009 (toll-free), 1.202.622.4559 (fax) or [sigarp.gov](http://sigarp.gov) and provide them with your name, our name as your servicer, your property address, loan number and reason for escalation. Mail can be sent to: Hotline Office of the Special Inspector General for Troubled Asset Relief Program, 1801 L Street NW, Washington, DC 20220.



### Additional Trial Period Plan Information and Legal Notices

The terms of your Trial Period Plan below are effective on the day you make your first Trial Period Plan payment, provided you have paid it on or before 12/01/12. You and we agree that:

If your loan was previously referred to foreclosure, we have made a request to the court or the foreclosure trustee to halt the foreclosure sale. In addition, if you accept participation in the program by making your first Trial Period Plan payment, we will make a request to the court or the foreclosure trustee to halt the foreclosure process as long as you make your required Trial Period Plan payments on time. If you do not comply with the terms of the Trial Period Plan and do not work with us to find other foreclosure prevention alternatives for which you may qualify, your loan will be serviced according to its original terms, which could include foreclosure.

If you do not comply with the terms of the Trial Period Plan, you will be sent a notice that your loan does not qualify. In most cases, you will have 30 days to review the reason your loan was not eligible and contact us to discuss any concerns or other foreclosure prevention alternatives that may be available to you. During this 30-day period (or any longer period required for us to review supplemental material you may provide in response to the non-approval notice), your loan may be referred to foreclosure or we may continue with pending foreclosure action. However, we will make a request to the court or your foreclosure trustee that no foreclosure sale will be conducted during the review period.

Do not ignore any foreclosure notices. Even if you are participating in a Trial Period Plan, to protect your rights under applicable foreclosure law, you may need to respond to foreclosure notices or take other actions. If you have any questions about the foreclosure process and the evaluation of your loan, contact 1.800.669.6650.

**During the trial period, we may accept and post your Trial Period Plan payments to your account and it will not affect foreclosure proceedings that have already been started.**

- The servicer's acceptance and posting of your new payment during the Trial Period Plan will not be deemed a waiver of the acceleration of your loan or foreclosure action and related activities, and shall not constitute a cure of your default under your loan unless such payments are sufficient to completely cure your entire default under your loan.
- You agree that Bank of America, N.A. will hold each of your Trial Period Plan payments that you make in a non-interest bearing account. Once there are enough funds in that account to make your full mortgage payment, we will apply the funds to your loan account to make that payment. At the end of your trial period, there could be funds left in that account because there is not enough to make a full mortgage payment. If so, we will apply those funds towards your unpaid principal balance at the time your loan is permanently modified.

**If your monthly payment did not include escrows for taxes and insurance, you are now required to do so:**

- You agree that any prior waiver that allowed you to pay directly for taxes and insurance is revoked. You agree to establish an escrow account and to pay required escrows into that account.

**Your current loan documents remain in effect; however, you may make the Trial Period Plan payments instead of the payment required under your loan documents:**

- You agree that all terms and provisions of your current mortgage note and mortgage security instrument remain in full force and effect and you will comply with those terms; and that nothing in the Trial Period 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.

**Trial Period Plan Mortgage Payment Coupons**

Your Trial Period Plan mortgage payments in the amount of \$2,349.69 will be due no later than 12/01/2012, 01/01/2013 and 02/01/2013 instead of -- not in addition to -- your regular monthly mortgage payment.

Please detach and include with your third month's Trial Period Plan modified mortgage payment:

[Redacted]  
**AMITYVILLE, NY 11701 1624**

Send your payment to:

Loan # [Redacted]  
Enclosed is my trial period mortgage payment amount of **\$2,349.69**

**Bank of America** Home Loans

Bank of America, N.A.  
Payment Processing  
P.O. Box 660833  
Dallas, TX 75266-0833

Please detach and include with your second month's Trial Period Plan modified mortgage payment:

[Redacted]  
**AMITYVILLE, NY 11701 1624**

Send your payment to:

Loan # [Redacted]  
Enclosed is my trial period mortgage payment amount of **\$2,349.69**.

**Bank of America** Home Loans

Bank of America, N.A.  
Payment Processing  
P.O. Box 660833  
Dallas, TX 75266-0833

Please detach and include with your first month's Trial Period Plan modified mortgage payment:  
(If you have already made your first month's trial period payment, please disregard this coupon.)

[Redacted]  
**AMITYVILLE, NY 11701 1624**

Send your payment to:

Loan # [Redacted]  
Enclosed is my trial period mortgage payment amount of **\$2,349.69**.

**Bank of America** Home Loans

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Dallas, TX 75266-0833

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