

Important information on your  
short sale approval enclosed.  
Please read.

**Notice Date: March 20, 2013**

**Loan No.:** [REDACTED]

**Property Address:**

[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

Dear [REDACTED]:

As your home loan servicer, we want you to understand the options available to you to avoid foreclosure on your property. We are pleased to inform you that the short sale on your property has been approved for the federal government's Home Affordable Foreclosure Alternatives (HAFA) short sale program.

### **What This Means to You**

Bank of America and/or its investors and insurers (if applicable) have agreed to accept a short sale for the above-referenced property and loan(s). This short sale approval is exclusive to the offer from the buyer referenced in this letter. Please accept this letter as Bank of America's demand for payment and also as the formal demand statement to be used by the closing agent. Please be aware that no additional statement will be issued.

The owner of your mortgage note, the mortgage insurer (if your loan is covered by mortgage insurance), and Bank of America waive their right to pursue collection of any deficiency following the completion of your short sale and your debt is considered settled. The deficiency is equal to: (1) the total amount due under the mortgage note and mortgage or deed of trust; less, (2) the net cash proceeds we receive from the closing of the short sale of your home, including any cash contribution you make. We estimate the amount of your deficiency to be: \$-68,761.99. We estimate the amount of the deficiency you will remain responsible to pay is \$0.

The amount of the deficiency that is forgiven will be reported to the Internal Revenue Service (IRS) on the appropriate 1099 Form or Forms and could be taxable as income to you. Currently, federal law provides for certain exceptions to tax liability when debt is forgiven in connection with a foreclosure prevention transaction. In order to know whether you qualify for one of these exceptions and what other tax impacts this transaction may have for you, we recommend that you contact your tax advisor. Additional information can also be found at [www.irs.gov](http://www.irs.gov).

Bank of America will report the debt to the credit reporting agencies as "paid in full for less than the full balance". To learn more about the potential impact of a short sale on your credit, visit [www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm).

Detailed below are the conditions of this approval, along with necessary next steps that will need to be completed by the dates and/or timeframes noted. Please read through all the information carefully, and call our Short Sale Team at 1.855.594.6170 if you have any questions.

### **Conditions of the Short Sale Approval**

The conditions of your short sale approval are as follows:

1. The sale and closing must comply with all terms and conditions of the short sale agreement between Bank of America and you as well as all terms and representations provided herein by you.
2. Any change to the terms and representations contained in this Request for Approval of Short Sale or the attached sales contract between you and the buyer must be approved by Bank of America in writing. Bank of America is under no obligation to approve such changes.
3. A HUD-1 settlement statement, which will be signed by you and the buyer at closing, must be provided to Bank of America not later than three business days before the closing date of May 30, 2013.

4. If you are currently in bankruptcy or you file bankruptcy prior to closing, you must obtain any required consent or approval of the bankruptcy court and provide that to [Insert Servicer] not later than three business days before the closing date of May 30, 2013.
5. Closing must take place no later than May 30, 2013 or this approval is void. If an extension is requested and/or approved, interest will be charged per day through closing.
6. The approved buyer(s) is/are [REDACTED] and the sales price for the property is \$123,300.00.
7. Another buyer cannot be substituted without the prior written approval of Bank of America. Furthermore, the buyer may not alter the capacity in which he will take title. For example, a buyer may not enter into a contract to purchase a property and then amend the contract to purchase the property as trustee for a trust or any other legal entity.
8. Closing costs have been negotiated and agreed upon with the authorized agent as of March 20, 2013.
  - a. Total closing costs not to exceed \$ 13,545.18.
  - b. Maximum commission paid \$ 7,398.00.
  - c. Maximum allowed to the junior lien holder N/A.
  - d. Maximum allowed for Homeowners Association (HOA) liens N/A (if applicable).
  - e. Maximum allowed for repairs N/A (if applicable).
  - f. Maximum allowed for termite inspection N/A (if applicable).

Please be aware that any additional fees that were not approved on March 20, 2013 will not be covered by Bank of America, and will become the sole responsibility of the agent, the buyer or the seller to pay at closing. The amount approved was \$123,300.00.

9. Net proceeds to Bank of America to be no less than \$109,754.82.
10. If you are entitled to receive any proceeds based on a claim for damage to the property under any policy of insurance, including homeowner's, lender-placed, casualty, fire, flood, etc., or if you are entitled to receive other miscellaneous proceeds, as that term is defined in the deed of trust/mortgage (which could include Community Development Block Grant Program (CDBG) funds), the proceeds should have been disclosed before we considered the request for short sale. If we receive a check for insurance or miscellaneous proceeds that were not previously disclosed, Bank of America will have the right to keep the proceeds and apply them to Bank of America's loss after the short sale. Similarly, we would have the right to claim the proceeds to offset our losses if they were not previously disclosed and were sent directly to the borrower.
11. The property is being sold in "as is" condition. As a result, no repairs will be made or be paid out of the proceeds, unless specifically stated otherwise.
12. There cannot be any liens or claims to the property other than those recognized and accounted for in the HUD-1 approval, on which this approval is based. Prior to releasing any funds to holders of subordinate liens/mortgages, the closing agent must obtain a written commitment from the subordinate lien holder that it will release you from all claims and liability relating to the subordinate lien in exchange for receiving the agreed upon payoff amount.
13. There are to be no transfers of property within 90 calendar days of the closing of this transaction. If the closing agent is aware of any agreement whereby the buyer is to transfer title or possession of the property to any entity, including the borrower or a third party, the closing agent must obtain the prior written approval of Bank of America.
14. Bank of America does not charge you for statement, demand, recording, and reconveyance (release of lien) fees on short payoff transactions. These should not be included in your settlement statement. Bank of America prepares and records its own release of lien.
15. All funds must be wired. Please be advised that any other form of payment of funds will be returned. Payoff funds must be received within 48 business hours of the HUD-1 settlement date.
16. If the closing is delayed and the investor/insurer agrees to an extension of the original closing date, you will be responsible for any daily fees through the new date(s) of closing, extension fees and foreclosure sale postponement fees. You will be responsible for any additional costs or fees over the stated approved amounts.
17. The closing agent must upload a completed Assignment of Unearned Premium and Important Notice Regarding Income Tax Reporting (enclosed) along with the final settlement statement to the short sale processing system 72 business hours before closing.
18. We may terminate this agreement at any time and pursue the remaining amount due under the mortgage note and mortgage or deed of trust if we believe there has been:
  - a. Any fraud, misrepresentation, and/or material omission;

- b. A material change to the terms of the short sale transaction or a different buyer; or
- c. The transaction does not comply with our requirements, policies, or procedures.

Fraud Prevention: Bank of America is committed to taking the strongest action, including criminal referrals, against parties who, by their acts, victimize the selling homeowner, create an increased risk of loss to the bank, compromise federal foreclosure relief programs, or are acting outside of their applicable licensing requirements of good ethical conduct. Any party is encouraged to report any suspicious activity on this transaction to Bank of America's mortgage fraud hotline at [mortgagefraudhotline@bankofamerica.com](mailto:mortgagefraudhotline@bankofamerica.com).

**To ensure the privacy and protection of your information, please contact us at 1.866.880.1232 (or contact your Bank of America rep) to learn how you can securely email confidential information to us.**

## Relocation Assistance

If the closing of the short sale occurs in accordance with this agreement, you will be entitled to relocation assistance of \$3,000 to assist with moving, rental and relocation expenses. We will instruct the settlement agent to pay you from the sale proceeds at the same time that all other payments, including the payoff of our first mortgage, are disbursed by the settlement agent. A maximum of \$3,000 per household is provided for the relocation assistance, regardless of the number of residents in the home. The HUD-1 settlement statement must show the full \$3,000 as a credit and show any authorized transaction costs paid out of the relocation assistance as charges to you. Once all of your responsibilities under the Terms and Conditions have been completed and the property has been vacated, we will mail a check within 5 business days to the mailing address we have on file for you. In addition to paying for relocation expenses, the relocation assistance payment may be used to pay for property transaction costs (such as an overdue utility bills on the property, or minor repairs made as a result of being identified during a property inspection as requested in writing). The relocation payment may not be used for the release of subordinate mortgage or non-mortgage liens recorded against the property and are not be required by us to use the relocation assistance to pay any transaction expenses. Relocation assistance may be considered income and must be reported to the IRS on Form 1099C. You should contact the IRS or your tax preparer to determine if you have any tax liability.

## What You Should Know

The owner of your mortgage note, the mortgage insurer (if your loan is covered by mortgage insurance), and Bank of America waive their right to pursue collection of any deficiency following the completion of your short sale and your debt is considered settled. The deficiency is equal to: (1) the total amount due under the mortgage note and mortgage or deed of trust; less, (2) the net cash proceeds we receive from the closing of the short sale of your home, including any cash contribution you make.

We estimate the amount of your deficiency to be \$-68,761.99. We estimate the amount of the deficiency you will remain responsible to pay is \$0.

The amount of the deficiency that is forgiven will be reported to the Internal Revenue Service (IRS) on the appropriate 1099 Form or Forms and could be taxable as income to you. Currently, federal law provides for certain exceptions to tax liability when debt is forgiven in connection with a foreclosure prevention transaction. In order to know whether you qualify for one of these exceptions and what other tax impacts this transaction may have for you, we recommend that you contact your tax advisor. Additional information can also be found at [www.irs.gov](http://www.irs.gov).

Bank of America will report the debt to the credit reporting agencies as "paid in full for less than the full balance". To learn more about the potential impact of a short sale on your credit, visit [www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm). We will record a lien release once the final transfer of title of the property is completed, if all of the terms and conditions of this Agreement are met.

If the terms and conditions of the short sale approval are not met, we will cancel the approval of this offer and continue the foreclosure process as permitted by the mortgage documents.

**Important Instructions for You and Your Agent**

1. Please complete the enclosed Assignment of Unearned Premium and Important Notice Regarding Income Tax Reporting and provide this information to your closing agent.
2. The closing agent will need to upload the completed Assignment of Unearned Premium, Important Notice Regarding Income Tax Reporting, and a certified copy of the final estimated settlement statement to the short sale processing system **72 business hours prior to closing**. Please note that you cannot close without final approval of the closing costs.
3. Payoff funds must be wired (unless otherwise specified) and must be received **within 48 business hours of the HUD-1 settlement date**, per the instructions below. Reference Loan [REDACTED]

Bank of America, N.A.  
 275 Valencia Avenue  
 Brea, CA 92823  
 MRC Acct # 12357-47067  
 ABA 026-009-593

**Please note:** Wire transfers must include the loan number, borrower's names and property address. If the funds cannot be properly identified, they will be returned.

4. A certified signed copy of the final settlement statement must be uploaded to the short sale system **at the time of closing**.

We will record a lien release once the final transfer of title of the property is completed, if all of the terms and conditions of this Agreement are met.

If you have any questions please call your account specialist at 1.855.594.6170, 9:30 a.m. - 10:30 p.m. Eastern, Monday – Friday, and 11 a.m. - 4 p.m. Eastern, Saturday. Please continue to work closely with your real estate agent to finalize your short sale.

MATTHEW GONZALES 1.800.669.6650.  
 Home Loan Team  
 Bank of America, N.A.



\_\_\_\_\_  
 Signature of Bank of America Representative  
 Josh Sadighi

\_\_\_\_\_  
 Printed Name Bank of America Representative

Settlement Associate

\_\_\_\_\_  
 Title  
 03/20/2013

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Borrower Printed Name

\_\_\_\_\_  
 Borrower Signature

\_\_\_\_\_  
 Date

Bank of America 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 approval for this program to help you avoid foreclosure. 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.