

## ServisOne dba BSI Financial Services Home Affordable Foreclosure Alternative (HAFA) Matrix

All servicers that have signed agreements with the U.S. Department of the Treasury (Treasury) to participate in the Home Affordable Modification Program (HAMP) must consider eligible borrowers who do not qualify for HAMP for other foreclosure prevention options including Home Affordable Foreclosure Alternatives (HAFA) which includes short sale and deed-in-lieu. However, each servicer has some discretion in determining additional eligibility criteria and certain program rules. In order to assist borrowers and their representatives in understanding any unique components of a servicer's HAFA Policy, Treasury, has developed this HAFA Matrix.

The summary information in this matrix is prepared solely by ServisOne dba BSI Financial Services and does not represent any determination by the Treasury as to the servicer's compliance with the Treasury's policies and guidance for HAFA. Treasury does not endorse any language or policy described in this matrix. Any questions regarding the information contained in this matrix should be directed solely to ServisOne dba BSI Financial Services.

**Updated 2/25/16**

<p><b>WHY SHOULD A CUSTOMER CONSIDER A HAFA SHORT SALE or DEED IN LIEU?</b></p>	<p>If the customer owes more on the mortgage than the property is worth and is unable to keep up with the mortgage payments, a HAFA short sale may:</p> <ul style="list-style-type: none"> <li>• Help the customer avoid foreclosure.</li> <li>• Allow the customer to owe nothing more on the mortgage once the home is sold.</li> <li>• Provide financial assistance of \$10,000 to help with relocation expenses for the person occupying the property as a primary residence if they are required to vacate as a condition of the HAFA short sale.</li> </ul>
<p><b>ELIGIBILITY REQUIREMENTS</b></p>	<p><b>Basic Eligibility</b></p> <ol style="list-style-type: none"> <li>1. The Borrower(s) must be HAMP-eligible. HAFA can be considered if HAMP was not completed due to one of the following reasons:             <ol style="list-style-type: none"> <li>A. The modification was not approved based on MHA guidelines;</li> <li>B. Fourteen (14) days after being notified of eligibility for HAMP review, the borrower(s) declined to participate in the program;</li> <li>C. Modification was offered but the borrower(s) did not accept; or</li> <li>D. The loan was approved for a HAMP trial period plan, but the terms of the plan were not completed.</li> </ol> </li> <li>2. The Mortgage loan is greater than 60 days delinquent or default is reasonably foreseeable.</li> </ol>

	<ol style="list-style-type: none"> <li>3. The unpaid principal balance is no more than: <ol style="list-style-type: none"> <li>A. \$729,750 for 1 unit;</li> <li>B. \$934,200 for 2 units;</li> <li>C. \$1,129,250 for 3 units; and</li> <li>D. \$1,403,400 for 4 units.</li> </ol> </li> <li>4. The property is the borrower's primary residence or has been owner occupied in the last 12 months.</li> <li>5. Mortgage was originated on or before January 1, 2009.</li> <li>6. Borrower(s) may not have more than two (2) months of PITI in assets.</li> <li>7. Current Loan-to-Value (LTV) ratio of the property is greater than 100%.</li> <li>8. Borrower(s) is able to document a financial hardship. Borrowers that are 90+ days delinquent and have a FICO score below 620 will be deemed to have a pre-determined hardship.</li> <li>9. BSI Financial Services has received a request for consideration of a Short Sale on or before December 31, 2016.</li> </ol> <p>In addition to the basic eligibility requirements above, individual investor or mortgage insurance requirements must be met. Mortgage insurance or investor approval must be obtained prior to BSI Financial Services offering a HAFA short sale if BSI Financial Services does not have delegated authority.</p> <p>*Real Estate commission is not to exceed 6% of contract sales price.</p> <p><b>Note:</b> Eligibility is dependent on individual participation in these programs. Not all investors participate; therefore, not all loans are eligible for HAMP and/or HAFA.</p>
<p><b>DOCUMENTATION REQUIREMENTS</b></p>	<p><b>Preapproved Short Sale</b></p> <ol style="list-style-type: none"> <li>1. Hardship Affidavit (including Dodd Frank Certification/Request for Mortgage Assistance (RMA))</li> <li>2. Short Sale Affidavit</li> <li>3. Evidence of residency</li> <li>4. Dodd Frank Certification (tenant or non-borrower)</li> <li>5. Subordinate lien status documentation</li> <li>6. Income and asset documentation</li> <li>7. 4506-T or 4506T-EZ</li> <li>8. Third Party Authorization, if applicable</li> <li>9. Military borrowers who have Service Members Civil Relief Act foreclosure protection or have been on active duty within the last 12 months are required to sign a waiver to pursue a short sale.</li> </ol>

	<p><b>Request for Short Sale Approval when Submitting an Executed Sales Contract that has not been Preapproved</b>  Same documents as preapproved short sale <b>plus:</b></p> <ol style="list-style-type: none"> <li>1. Acknowledgment of Request for Short Sale (ARSS)</li> <li>2. Executed purchase/sale contract with all related addenda</li> <li>3. Buyer’s proof of funds/Buyer pre-qualification letter</li> <li>4. Active listing agreement between customer and real estate agent</li> <li>5. HUD-1 or other settlement statement</li> </ol> <p><b>Imminent Default-</b> Additional income or asset verification requirements for current borrowers at risk of imminent default.</p> <ol style="list-style-type: none"> <li>1. Financial documentation which includes, but is not limited to: <ol style="list-style-type: none"> <li>A. Two (2) most recent paystubs for each borrower</li> <li>B. Two (2) years most recent W2s</li> <li>C. Filed tax returns</li> <li>D. Two (2) months of bank statements for all accounts</li> <li>E. Any statements for other financial accounts (either two most recent monthly or most recent quarterly statement(s)).</li> </ol> </li> </ol>
<p><b>VALUATIONS</b></p>	<p><b>Establishing Property Value</b> –BSI Financial Services obtains a Brokers Price Opinion (BPO) completed by a third party vendor who is independent of the transaction. BSI Financial Services will review the BPO, as well as any other significant data to determine if the fair market value of the property.</p> <p><b>Disputed Valuations</b>– The borrower(s) or their agent must gather supporting documentation, including:</p> <ol style="list-style-type: none"> <li>1. Borrower name and contact information, subject property address and subject property APN or County Parcel ID;</li> <li>2. A narrative summary detailing the concern regarding the property valuation;</li> <li>3. A copy of the active listing agreement between the borrower(s) and his or her real estate agent;</li> <li>4. A recent (less than 30 days old) Comparative Market Analysis of the property, with interior and exterior photos; and</li> <li>5. At least five (5) comparable valuations</li> </ol> <p><b>Price Reduction Review During Marketing Period</b> – List price reviews initiated by the borrower or his or her agent during the 120-day marketing period are subject to BSI Financial Services’ approval.</p>

<b>MAXIMUM AMOUNT OF SALE PROCEEDS PAID TO SUBORDINATE MORTGAGE LIEN HOLDERS (AGGREGATE CAP)</b>	<ul style="list-style-type: none"> <li>BSI Financial Services on behalf of the investor, will authorize the settlement agent to allow a portion of the gross sale proceeds up to \$12,000 to be used as payment(s) to subordinate mortgage/lien holder(s) in exchange for a lien release and full release of customer liability.</li> </ul>
<b>PAYMENTS DURING MARKETING PERIOD</b>	<ul style="list-style-type: none"> <li>BSI Financial Services may require payments on a case by case basis (payment not to exceed 31% DTI unless borrower requests to make full payment).</li> </ul>
<b>DEED-IN-LIEU POLICY / SPECIAL PROGRAMS</b>	<p><b>Deed-In-Lieu</b> – After a property listed for short sale has been actively marketed for 120 days without results, a Deed-in-Lieu (DIL) will be considered.</p> <p>The additional conditions for a DIL approval are as follows:</p> <ol style="list-style-type: none"> <li>Agreement to vacate the property no less than 30 days from the date of the termination of the short sale agreement or the date of a separate DIL agreement;</li> <li>Property is left in broom-swept condition; and</li> <li>Delivery of clear and marketable title.</li> </ol>
<b>AVERAGE TIMELINES</b>	<ul style="list-style-type: none"> <li>Submission of required income/eligibility documentation – 14 calendar days;</li> <li>Acknowledgment of receipt of request for short sale or DIL – 10 business days;</li> <li>Eligibility Review to Issuance of Short Sale Notice – 30 calendar days;</li> <li>Obtaining property values (BPO and reconciled market value) – 15 business days;</li> <li>Borrower returns Short Sale Notice or Acknowledgment of Request for Short Sale and all required documents to BSI Financial Services – 14 calendar days;</li> <li>Marketing period (from date Short Sale Notice is mailed) – 120 calendar days;</li> <li>Submission of purchase contract and all documentation – 3 business days;</li> <li>BSI Financial Services’ approval/denial of purchase contract if consistent with pre-approved terms – 10 calendar days</li> <li>BSI Financial Services’ approval/denial of purchase contract if not consistent with pre-approved terms – 30 calendar days.</li> <li>Borrower’s submission of Hardship Affidavit or other offer documentation – 14 calendar days; and</li> <li>Escrow and Closing – no more than 60 calendar days after the Agreement expiration and no less than 45 calendar days from the sales contract date.</li> </ul>

<b>CONTACT INFORMATION</b>	<b>General HAFA Questions</b>  <b>HAMP Department</b> (866) 209-4178 – Toll Free  <a href="mailto:Hampdept@bsifinancial.com">Hampdept@bsifinancial.com</a> Please make the subject line: <u>HAFA Review and Loan Number of subject property</u>  <b>HOPE Hotline Number</b> 1-888-995-HOPE
<b>Disclaimer:</b> The content is intended to provide general information about the eligibility requirements for a short sale or deed-in-lieu of foreclosure under the Treasury's Home Affordable Foreclosure Alternative (HAFA) program. Eligibility may vary based on individual loan characteristics and investor and mortgage insurer requirements. Certain restrictions may apply on all programs.	