

Bank of America, N.A.  
c/o AMS Servicing, LLC  
P.O Box 456  
DEPEW, NY 14043

~~XXXXXXXXXXXX~~  
~~XXXXXXXXXXXX~~  
~~XXXXXXXXXXXX~~  
El Cerrito, CA 94530

Date: 11/8/2013  
Loan Number: XXXX~~XXXX~~  
Property Address:  
~~XXXXXXXXXXXX~~  
EL CERRITO, CA 94530

Dear ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

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

**What This Means to You as the Seller**

Bank of America, N.A. 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, N.A.'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, and that you should share this document with your real estate agent.

Bank of America, N.A. and/or its investors and/or insurers will accept less than the amount due on your current mortgage and release you from any further responsibility for your outstanding mortgage balance. Please note if the short sale does not close, then we will pursue all remedies under our note and mortgage.

Detailed below are the conditions of this approval, along with necessary next steps to be completed by the dates and/or timeframes noted. Please read all the information carefully, and call your short sale specialist at 1.716.989.2666 if you have any questions.

**Conditions of the Short Sale Approval**

The conditions of your short sale approval are as follows:

1. You must comply with all terms and conditions of the Short Sale Notice, if applicable.
2. Regardless of who is eligible to receive the relocation assistance, you will be required to execute a Request for Mortgage Assistance document, which includes the Hardship Affidavit and the Dodd-Frank Certification, in order to participate in the HAFA program.  
In order to participate, your hardship must meet one of our eligibility criteria. Examples of hardship criteria include, but are not limited to:
  - We determine that your property has a Combined Loan-to Value (CLTV) that is greater than 100%. This means the balance of your loan is greater than the current value of your property.
  - You have demonstrated an inability to make current contractual payments.
  - Your FICO Credit Score is lower than 620.
3. Any changes to the terms and conditions contained in this Short Sale Notice, if applicable, or the sales contract between you and the buyer must be approved by the servicer in writing. The servicer is under no obligation to approve such changes. Similarly, any changes to the facts or representations that you have stated in your Short Sale Notice must be approved by Bank of America, N.A. in writing.
4. A HUD-1 Settlement Statement, which will be signed by you and the buyer at closing, must be provided to the servicer no later than one business day before the closing date of 12/23/2013.

5. 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 Bank of America, N.A. not later than three business days before the closing date of 12/23/2013.
6. Closing must take place no later than 12/23/2013 or this approval is void. If an extension is requested and/or approved, interest will be charged per day through closing.
7. The approved buyer(s) is/are ~~JAMES W. FRYER/KRISTINE~~ and the sales price for the property is \$359,000.00.
8. Another buyer cannot be substituted without the prior written approval of Bank of America, N.A.. The buyer may not alter how 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.
9. Closing costs have been negotiated and agreed upon with the authorized agent as of 11/8/2013.
  - a. Total closing costs not to exceed \$43,916.80.
  - b. Maximum commission paid \$21,540.00.
  - c. Maximum allowed to the subordinate lien holder \$0.00.
  - d. Maximum allowed for Homeowners Association (HOA) liens \$0.00 (if applicable).
  - e. Maximum allowed for repairs \$0.00 (if applicable).
  - f. Maximum allowed for termite inspection \$150.00 (if applicable).

Please be aware that any additional fees that were not approved on 11/8/2013 will not be covered by Bank of America, N.A., and will become the sole responsibility of the real estate agent, the buyer or the seller to pay at closing. The amount approved was \$22,226.80.

10. Net proceeds to Bank of America, N.A. to be no less than \$315,083.20.
11. If the closing of the short sale occurs in accordance with this agreement, you will be entitled to relocation assistance of \$16,674.99 which includes \$3,000 in HAFA relocation assistance, plus \$13,674.99 from Bank of America to assist with moving, rental and relocation expenses. We will instruct the closing 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 closing agent. One payment per household is provided for the relocation assistance, regardless of the number of residents in the house. The HUD-1 settlement statement must show the full \$16,674.99 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 five (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.
12. 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.
13. 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 borrower from all claims and liability relating to the subordinate lien in exchange for receiving the agreed upon payoff amount.
14. There are to be no transfers of property within 30 days of the closing of this transaction. For the period between 31 and 90 calendar days after the closing, the purchaser is prohibited from selling the property for a gross sales price greater than 120% of the HAFA short sale price. 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, N.A..
15. Bank of America, N.A. does not charge the borrower 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, N.A. prepares and records its own release of lien.
16. 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.
17. Bank of America requires this short sale transaction transferring ownership to the buyer named herein to be immediately recorded in public record within the applicable county where the property is located on the date which the transaction is consummated.
18. During the short sale process, servicing for this loan may be transferred to a different loan servicer. Servicing refers to collecting your principal, interest, and escrow payments, if any, as well as sending any monthly or annual statements, tracking account balances, and handling other aspects of your loan. We may assign, sell, or transfer the servicing of your loan while the loan is outstanding. You will be given advance notice before a transfer occurs.

Depending on the status of the short sale when the servicing of a loan is transferred, the new servicer may not be required to accept the terms and conditions of a short sale.

19. If the closing is delayed and the investor/insurer agrees to an extension of the original closing date, the borrower(s)/seller(s) will be responsible for any daily fees through the new date(s) of closing, extension fees and foreclosure sale postponement fees. The borrower(s)/seller(s) will be responsible for any additional costs or fees over the stated approved amounts.
20. The closing agent must send a completed Assignment of Unearned Premium and Important Notice Regarding Income Tax Reporting (enclosed) along with the final Settlement Statement by uploading to AMS4@AMS-Servicing.com or by faxing it to 1.516.506.4331 72 business hours before closing.
21. Bank of America, N.A. reserves the right to revoke and/or modify the terms and conditions of this short sale approval in the event that:
  - 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).

If the seller is 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 seller is 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, N.A. will have the right to keep the proceeds and apply them to Bank of America, N.A.'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.

## 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, N.A. waive their right to pursue collection of any deficiency following the completion of your short sale and your debt is considered settled.

This short sale transaction will create a deficiency because your total outstanding debt will not be paid in full from the proceeds of the sale. The deficiency will equal the remaining balance due under the mortgage note and mortgage or deed of trust, after subtracting (1) the amount of cash proceeds we receive from the closing of the short sale and (2) any cash contribution that you are required to make at or before the closing.

The estimated amount of your deficiency is \$144,204.39

The estimated amount of this deficiency you will be responsible for is \$0.00. These estimates represent the combined deficiency and remaining obligation for all of the loans referenced above. You are not required to make a cash contribution.

Notwithstanding any other term or statement in this letter, under this program the owner of your mortgage note, the mortgage insurer (if your loan is covered by mortgage insurance), and Bank of America, N.A. waive their right to pursue collection of any deficiency following the completion of your short sale and your debt is considered settled.

We will report any debt forgiven to the IRS. 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, N.A. 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 <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>.

We will continue to report your account to the major credit reporting agencies. Bank of America, N.A. 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 <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>.

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 your mortgage documents.

You can also seek assistance at no charge from U.S. Department of Housing and Urban Development-approved housing counselors by calling the HOPE Hotline Number (1.888.995.HOPE). Assistance in understanding this notice is available through the HOPE Hotline by asking for MHA HELP.

### Important Instructions for the Seller and Agent

- Please complete the enclosed Assignment of Unearned Premium and Important Notice Regarding Income Tax Reporting and provide this information to your closing agent.
- 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 system **72 business hours prior to closing**. Please note that you cannot close without final approval of the closing costs.
- If you have not already provided a signed RMA/Hardship Affidavit and HAFA Affidavit, these documents will be required prior to Bank of America granting final HUD approval.
- 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# ~~XXXXXXXXXXXXXXXXXXXX~~, ~~JEFFREY SMITH~~, ~~XXXXXXXXXX~~

Bank of America  
275 Valencia Avenue  
Brea, CA 92823  
MRC Acct # ~~XXXXXXXXXX~~  
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.

- A certified 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 short sale specialist at 1.716.989.2666, 10:15 a.m.-7 p.m. Eastern, Monday-Friday. We look forward to working with you to complete your short sale.

Home Affordable Foreclosure Alternative (HAFA) Team  
Bank of America, N.A.



\_\_\_\_\_  
Signature of Bank of America, N.A. Representative

Craig Lindauer

\_\_\_\_\_  
Printed Name Bank of America, N.A. Representative

EVP, Operations

\_\_\_\_\_  
Title

11/8/2013

\_\_\_\_\_  
Date

**MILITARY PERSONNEL/SERVICEMEMBERS:**

If you or your spouse is a member of the military, please contact us immediately. The federal Servicemembers Civil Relief Act and comparable state laws afford significant protections and benefits to eligible military service personnel, including protections from foreclosure as well as interest rate relief. For additional information and to determine eligibility please contact our Military Assistance Team toll free at 1.877.430.5434. If you are calling from outside the U.S. please contact us at 1.817.685.6491.

In order to expedite the short sale process, Bank of America, N.A. is working with a third party company, AMS Servicing, LLC. Federal law requires that we communicate to you that Bank of America, N.A. and AMS Servicing, LLC are debt collectors. However, the purpose of this communication is to let you know about your potential eligibility 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 is not an attempt to collect, 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-assistance program. You should consult with your bankruptcy attorney or other advisor about your legal rights and options.

\* The relocation assistance payment is calculated based on the appraised value of your property and the program rules. If the property is the principal residence of a tenant or other occupant, the occupant may be eligible to receive \$3,000 of the relocation assistance. If you are eligible for an amount above the \$3,000 HAFA relocation assistance, the additional amount will be paid you. The payment will be delivered at the time of closing if you comply with all terms and conditions of the Short Sale Notice, which include but are not limited to the following: a full walk-through appraisal must be completed and you must satisfy all subordinate liens and provide clear title for the property. If you do not comply with all terms and conditions of the Short Sale Notice, you will not receive the relocation assistance payment. The amount of any relocation assistance will be reported to the Internal Revenue Service (IRS) on the appropriate 1099 Form or Forms. We suggest that you contact the IRS or your tax preparer to determine if you have any tax liability. In order to receive the relocation assistance, the property must close by April 30, 2014.

**ASSIGNMENT OF UNEARNED PREMIUM REFUND**

A short sale was completed on the property: ~~XXXXXXXXXX~~ DR, EL CERRITO, CA 94530 The transaction closed on 12/23/2013.

I/We, the insured, hereby request cancellation of our hazard insurance (e.g. homeowners, flood, hail, windstorm, etc.) effective on the closing date. Please refund the unearned portion of the premium directly to:

Bank of America, N.A.  
Mail Stop: TX2-982-03-02  
7105 Corporate Dr.  
Plano, TX 75024  
REFERENCE Account No: ~~XXXXXXXXXX~~

I/We, the insured, hereby relinquish any claim to these funds.

~~XXXXXXXXXX~~ Signature \_\_\_\_\_ Date Signed \_\_\_\_\_

~~XXXXXXXXXX~~ Signature \_\_\_\_\_ Date Signed \_\_\_\_\_

**Important Notice to Seller Regarding Income Tax Reporting**

To provide you with the total interest you paid on your mortgage and/or reported to the IRS at year-end, Bank of America, N.A. will need your new mailing address. Please complete the information below.

~~XXXXXXXXXX~~  
~~XXXXXXXXXX~~  
~~XXXXXXXXXX~~

**Current Mailing Address:**

~~XXXXXXXXXX~~  
El Cerrito, CA 94530

**New Mailing Address:**

Street: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP \_\_\_\_\_

Telephone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_