



# TRUSTED REALTY & MORTGAGE

*We Modify Loans and Save Homes.*

## LOAN MODIFICATION APPLICATION

### **DOCUMENTATION NEEDED (for ALL parties including those on title)**

- Paystubs - past two pay periods (ALL borrowers)
- Most Recent 2 Years W2 (ALL borrowers)
- 2 Most Recent Bank Statements (all pages for all borrowers)
- Most Recent 2 Years 1040 Tax Returns (All pages)
- Profit and Loss for Self-employed borrowers
- 1099s for Self-employed borrowers
- Proof of other income (including room rent, etc., if applicable)
- Proof of Rental income (if applicable)
- Loan documents (Loan Notes)
- Copies of your Driver's License
- Copy of your Insurance Declaration Page
- Copy of Property Taxes bill
- Copies of Utility Bills, Credit Card Bills, Medical Bills, Collections
- Copies of ALL legal notices from your lender(s)
- Copies of Mortgage Statements-past three months on all properties
- Copies of Mortgage Note(s) for subject property
- Documented Hardship Letter (please refer to GUIDE)
- Signed Power of Attorney & Letter of Authorization
- Financial Worksheet

*NOTE: It is very important for us to have a complete and truthful package from you. The success rate is fully depended on proofs of your financial hardship. Once we receive all the information needed, our underwriting team will immediately start analyzing and working closing with our legal counsel on your case.*



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## STATEMENT OF INFORMATION

### BORROWER'S INFORMATION

\_\_\_\_\_  
Name: First and Last

\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_  
Social Security Number:

\_\_\_\_/\_\_\_\_/\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Number of Dependents

\_\_\_\_\_  
Ages

(\_\_\_\_)\_\_\_\_\_-\_\_\_\_\_  
Home Phone Number

(\_\_\_\_)\_\_\_\_\_-\_\_\_\_\_  
Cell Phone Number

\_\_\_\_\_  
Email

\_\_\_\_\_  
**Subject Property Address**

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
ZIP

\_\_\_\_\_  
Name of Employer

\_\_\_\_\_  
Position/Title

\_\_\_\_\_  
Monthly Gross Income

\_\_\_\_\_  
Years On Job

\_\_\_\_\_  
Employer Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
ZIP

### CO-BORROWER'S INFORMATION

\_\_\_\_\_  
Name: First and Last

\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_  
Social Security Number:

\_\_\_\_/\_\_\_\_/\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Number of Dependents

\_\_\_\_\_  
Ages

(\_\_\_\_)\_\_\_\_\_-\_\_\_\_\_  
Home Phone Number

(\_\_\_\_)\_\_\_\_\_-\_\_\_\_\_  
Cell Phone Number

\_\_\_\_\_  
Email

\_\_\_\_\_  
**Subject Property Address**

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
ZIP

\_\_\_\_\_  
Name of Employer

\_\_\_\_\_  
Position/Title

\_\_\_\_\_  
Monthly Gross Income

\_\_\_\_\_  
Years On Job

\_\_\_\_\_  
Employer Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
ZIP



## Borrower Financial Statement

Borrower Information					
Borrower Name		Social Security No.		Co-Borrower Name	
Borrower's Phone Number		Co-Borrower's Phone Number			
Daytime:		Evening:		Daytime:	
Evening:		Evening:			
Borrower Street Address:			Co-Borrower Street Address (if different):		
City:	State:	Zip:	City:	State:	Zip:
Financial Information					
	Amount	Initial if Correct		Update if Incorrect	
Total Monthly Income:	\$			\$	
Total Monthly Expenses and Debt <sup>i</sup>	\$			\$	

I/We agree that based on the above information I/we am/are not able to fulfill my/our current loan obligations. I/We agree the information above is accurate and understand that this information will be used in my/our request to Bank, to modify my/our current mortgage loan.

I/We agree that the financial information provided is an accurate statement of my/our financial status. I/We understand and acknowledge that any action taken by the lender of my/our mortgage loan on my/our behalf will be made in strict reliance on the financial information provided. I/We authorize verification or re-verification of any information contained in this Financial Statement at any time by the lender, its agents, successors and assigns, either directly or through a third party, including but not limited to a credit reporting agency, from any source named in this Financial Statement or otherwise submitted in connection therewith. My/Our signature(s) below grant(s) the lender the authority to contact my/our real estate agent (if applicable), credit counseling service representative (if applicable) or any third party with respect to matters represented in this Financial Statement.

- By checking this box I/we understand that by signing the modification agreement I/we give Bank, FSB permission to request a 4506-T to verify my/our income in order to approve or deny the loan modification on my/our current Bank, FSB mortgage.
- By checking the box I/we confirm that my/our assets have not materially changed since the loan was originated.

By: \_\_\_\_\_  
Signature of Borrower

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Signature of Co-Borrower

Date: \_\_\_\_\_

<sup>i</sup> Monthly expenses include items such as mortgage payments, home maintenance, automobile loans, other loan payments, alimony, child support, utilities, telephone, groceries, dry cleaning, spending money, cable TV, entertainment, school tuition, HOA fees, etc.



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## FINANCIAL WORKSHEET

<u>ASSETS</u>	<u>BORROWER</u>	<u>CO-BORROWER</u>	<u>TOTAL</u>
Checking Account	\$	\$	\$
Savings Account	\$	\$	\$
Cash	\$	\$	\$
Certificates of Deposits (CDs)	\$	\$	\$
Stocks/Bonds/Mutual Funds	\$	\$	\$
401K/IRA/Retirement Account	\$	\$	\$
(REO) - Primary Home	\$	\$	\$
(REO) - Other Real Estate	\$	\$	\$
Automobile 1	\$	\$	\$
Automobile 2	\$	\$	\$
Other Assets	\$	\$	\$
		<b>Total Net Value Assets</b>	\$

<u>MONTHLY INCOME</u>	<u>BORROWER</u>	<u>CO-BORROWER</u>	<u>TOTAL</u>
Gross Income	\$	\$	\$
Overtime/Commission/Bonuses	\$	\$	\$
Rental Income	\$	\$	\$
Other Income: Child Support/Alimony	\$	\$	\$
LESS: Federal Income Tax	\$	\$	\$
LESS: State Income Tax	\$	\$	\$
<b>Monthly Net Income</b>	\$	\$	\$

<u>MODIFICATION REQUEST</u>	<u>PROPERTY TYPE</u>
_____ 1 <sup>st</sup> Mortgage - Lender Name: _____	_____ SFR                      _____ Townhouse / Condo
_____ 2 <sup>nd</sup> Mortgage - Lender Name: _____	_____ Duplex                      _____ Tri-Plex
_____ Same Lender - Lender Name: _____	_____ Four-Plex                      _____ Other

\_\_\_\_\_ Borrower Initial                      \_\_\_\_\_ Co-Borrower Initial

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621 Tully Road, Suite 211, San Jose, CA 95111 \* Tel (408) 512-1115 \* Fax (408) 228-9544



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## FINANCIAL WORKSHEET *continue...*

<u>MONTHLY EXPENSES</u>	<u>Total Balance</u>	<u>Monthly Payment</u>
<i>Primary Mortgage</i>	\$	\$
<i>Other Mortgage</i>	\$	\$
<i>Homeowner Insurance</i>	\$	\$
<i>Hazard Insurance(Flood / Earthquake)</i>	\$	\$
<i>Property Tax</i>	\$	\$
<i>Auto Loan 1</i>	\$	\$
<i>Auto Loan 2</i>	\$	\$
<i>Auto Insurance</i>	\$	\$
<i>Auto Maintenance</i>		\$
<i>Gas/Parking</i>		\$
<i>Credit Cards 1</i>	\$	\$
<i>Credit Cards 2</i>	\$	\$
<i>Utilities</i>	\$	\$
<i>Cell Phone Bill</i>	\$	\$
<i>Insurance:</i>		
<i>Medical / Dental</i>	\$	\$
<i>Life Insurance</i>	\$	\$
<i>Household Expenses (Food / Toiletries)</i>		\$
<i>Child Care</i>		\$
<i>School Tuition / Education</i>	\$	\$
<i>Alimony / Child Support</i>		\$
<i>Clothing</i>		\$
<i>Other Expenses</i>	\$	\$
<b>Total Expense</b>	\$	\$

\_\_\_\_\_ Borrower Initial      \_\_\_\_\_ Co-Borrower Initial

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## FINANCIAL WORKSHEET *continue...*

<b><u>DECLARATIONS</u></b> <i>Please check all that applies.</i>	
a. There <b>NO</b> outstanding judgments against you. _____	b. You have <b>NOT</b> been declared bankrupt nor in active Bankruptcy or hearing. _____
c. Foreclosure proceedings have <b>NOT</b> started and an auction date has <b>NOT</b> been set. _____	d. You have <b>NOT</b> recently been offered a modification by the bank. _____
e. You are currently <b>NOT</b> in a loan modification agreement with other servicer. _____	f. You <b>DO NOT</b> have a Neg AM loan. _____
g. Do you own any additional properties? _____	
<i>If YES, please list them and provide current mortgage statement.</i>	
Add'l Property #1: _____	
<i>Street Address</i>	<i>City</i> <i>State</i> <i>ZIP</i>
Add'l Property #2: _____	
<i>Street Address</i>	<i>City</i> <i>State</i> <i>ZIP</i>

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

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Co-Borrower Signature*

\_\_\_\_\_  
*Date*



# TRUSTED REALTY & MORTGAGE

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## Borrowers' Certification and Authorization

### CERTIFICATION

The Undersigned certify the following:

1. I/We have requested for a loan modification service through **TRUSTED REALTY & MORTGAGE**. In applying for the loan modification, I/We completed an application containing various information on the purpose of the loan modification, employment and income information, and the assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentations in the loan application or other documents, nor did I/We omit any pertinent information.
2. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.

### AUTHORIZATION TO RELEASE INFORMATION

To Whom It May Concern:

1. I/We have requested for loan modification service through **TRUSTED REALTY & MORTGAGE**. As part of the application process, **TRUSTED REALTY & MORTGAGE** and the mortgage guaranty insurer (if any), may verify information contained in my/our application and in other documents required in connection with the loan.
2. This form will serve to acknowledge that the captioned mortgagor has authorized our broker, **TRUSTED REALTY & MORTGAGE**, to act in their behalf to resolve their mortgage problems. This is in accordance with the Title 24 of the CFR 203.500 (HUD). A copy of this authorization may be accepted as an original.

### Mortgagor / Borrower(s)

Borrower:	Co-Borrower:
Social Security #:	Social Security #:
Property Address:	
City: State: ZIP:	

### Mortgagee / Lender

LENDER:		Loan Number:	Current Balance:	
			\$	
Interest Rate:	Mtg. Payment:	Impound:	Interest Only:	
%	\$	YES / NO	YES / NO	
Mtg. Type:	Adjustment Date:	Mos. Late:	Total Arrears:	
FIXED ARM				
NOD Filed:	Date NOD Filed:	Years Owned:	Estimated Value:	
YES / NO				
Property Address:				
City: State: ZIP:				

Borrower Signature

Date

Co-Borrower Signature

Date

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# Hardship Letter

One of the items your lender or servicer will ask for during the loan workout or [loan modification](#) process is a hardship letter. A hardship letter is a written explanation as to what “event” has caused you to fall behind on your mortgage and it vital in helping you [stop foreclosure](#).

This letter acts much like an outline or biography of your current “life” issues that are affecting your ability to meet your financial obligations.

Please keep in mind that you are composing the hardship letter for your lender or servicer and because of the foreclosure crisis, they are extremely busy and back logged. So, with that in mind, do not write a book because most likely it will not get the attention of an over worked, \$12 an hour loss mitigation employee. Keep it short and to the point. Usually 1 or at maximum 2 pages is more than enough to get your point across.

## **Here is an example list of hardships that lenders consider during the loan workout process:**

- Adjustable Rate Mortgage Reset- Payment Shock (uncommon, but we will see more lenders accept this in the future)
- Illness
- Loss of Job
- Reduced Income
- Failed Business
- Job Relocation
- Death of Spouse or CO-Borrower
- Death
- Incarceration
- Divorce
- Marital Separation
- Military Duty
- Reduced Income
- Medical Bills
- Damage to Property (natural disaster or unnatural)
- Other (Please Specify)

Now that you understand what your lender or servicer is looking for, it’s time to sit down and write a hardship letter. I made it easy for you by giving you a couple templates below that you can use as a boiler plate for your own letter. **Make sure you make it unique to your situation.**

Remember that your hardship letter is only one piece of the loan workout process, but key in helping you [avoid foreclosure](#). You will still need to jump a few hurdles with your lender before they will approve you any kind of work out plan.



**Example Hardship Letter #1:**

Name: (Your Name)

Address: (Your Address)

Lender Name: (Your Lender)

Loan #: (your Loan #)

To Whom It May Concern:

I am writing this letter to explain my unfortunate set of circumstances that have caused us to become delinquent on our mortgage. We have done everything in our power to make ends meet but unfortunately we have fallen short and would like you to consider working with us to modify our loan. Our number one goal is to keep our home and we would really appreciate the opportunity to do that.

The main reason that caused us to be late is (insert reason here and don't be too lengthy and long winded) Soon after being late and our income not being nearly enough, we had fallen further and further behind. Now, it's to the point where we cannot afford to pay what is owed to (lender). It is our full intention to pay what we owe. But at this time we have exhausted all of our income and resources so we are turning to you for help.

(The approximate date of hardship and we believe that our situation is Temporary or will be Permanent.)

Our situation has got better because (reason here) and we feel that a loan modification would benefit us both. We would appreciate if you can work with us to lower or delinquent amount owed and or payment so we can keep our home and also afford to make amends with your firm.

We truly hope that you will consider working with us and we are anxious to get this settled so we all can move on.

Sincerely and Respectfully,

Borrower's Signature

Co-Borrower's Signature

Date

Date



**Example Hardship Letter #2:**

Name: (Your Name)

Address: (Your Address)

Lender Name: (Your Lender)

Loan #: (your Loan #)

To: Countrywide Mortgage account # 00000000

Re: Mortgage modification program

Due to the recent adjustment to the mortgage I currently have with your company, I am finding it very difficult to afford the new payment. I have a 3 year fixed rate which is now adjustable and is schedule to adjust again in Feb. 2008.

Considering my current income, there will be no way I can afford the increased payments come February. Hopefully there is way to renegotiate the terms of my current mortgage to avoid default and [help stop foreclosure](#) on my home.

Is it possible to have my current adjustable rate mortgage converted to a fixed rate? If this is not possible can the next rate change be postponed to a future date to allow me to hopefully refinance. Any other solutions you could provide would be greatly appreciated.

I have had no problem making my payments for over three years now and do not want that to change. My mortgage was originally written by another company and bought by Countrywide. The original mortgage terms are terrible but it was the only loan I was qualified for at the time. I was assured that refinancing would be no problem but that turned out not to be true due to the downturn of the housing industry.

The main problem is that my property is now worth about 5-10% less than what I paid for it which is preventing me from being able to refinance. I was researching on the internet and came across the Fannie Mae Announcement #06-18 (Oct. 4th 2006) regarding the servicing of Conventional [Mortgage Modifications](#).

I believe this addresses the situation I currently find myself in along with many other homeowners. Attached are recent pay stubs showing my current income.

Thanks you for your time and consideration.

Borrower's Signature

Co-Borrower's Signature

Date

Date



**Example Hardship Letter #3:**

Name: (Your Name)

Address: (Your Address)

Lender Name: (Your Lender)

Loan #: (your Loan #)

To whom it may concern,

We are writing this letter to explain the extreme hardship it will be for us when our loan adjusts from a 7.75% interest rate to a 10.75% interest rate in August 2008, thus, bringing up our payment up by approximately \$1695.00 per month on top of our 3720.00 payment (not including impounds). A monthly increase of this amount will ruin us financially and we will surely fall into foreclosure. Therefore, we are requesting that our adjustable rate loan be modified to a fixed rate loan at the current rate of 7.75% for the duration of the loan.

We tried to refinance out of this loan but cannot due to the fact that we cannot get the value on the property that we need in order to refinance.

To date we have made all of our mortgage payments on time and will continue to make all payments in full and on time. We are trying to be proactive because we want to preserve our good credit rating as well as our most important asset, our home.

Please find attached all of the information you need i.e. 2 most recent paystubs, 2 current bank statements and W-2's.

We appreciate your time and consideration in this matter.

Sincerely,

Borrower's Signature

Co-Borrower's Signature

Date

Date



**Example Hardship Letter #4:**

Name: (Your Name)

Address: (Your Address)

Lender Name: (Your Lender)

Loan #: (your Loan #)

To whom it may concern:

We are writing this letter to explain the extreme financial hardship it will be for our family when our loan adjusts from a 7.75% interest rate to a 10.75% interest rate in August 2008. This interest rate adjustment will cause our payment to dramatically increase in the amount of \$1695 per month on top of our current payment of \$4234.10 increasing the payment to \$5929.10 per month. Our current income does not support an increase of this magnitude. As a matter of fact, a monthly increase of this amount will ruin us financially and within a few short months of this adjustment we will surely fall into foreclosure as we will not be able to afford the monthly payment.

We conducted a counseling session with a woman named Deborah Winston (888-669-2227 x742) from 995-HOPE and submitted a monthly budget where we only have a surplus of \$158 per month after we pay all of our monthly obligations. According to the counselor we are currently utilizing 54% of our monthly income for housing costs which is way above the national average.

My husband, Kevin is the bread winner in the family and his income varies from paycheck to paycheck because of overtime, holiday pay (2 times per year) and uniform allowance. So, sometimes he makes his base pay of approximately \$7839 per month and other times he makes more than that depending on the overtime he works each month. However, overtime is never guaranteed so we cannot depend on the overtime in order to fulfill our monthly obligations.

I am currently receiving Social Security Disability in the amount of \$1435 and am also the payee for our son, Christian in the amount of \$717 per month. Also, I receive a check from Calpers for my disability retirement in the amount of \$829.74.

We would appreciate the opportunity to work out a loan modification where our interest rate will be frozen at the 7.75% interest rate for the DURATION of the loan, if the rate is just frozen for 2 to 5 years we will find ourselves in the same situation in a few short years from now.

Please take the time to review the information we submitted and consider our request. It is very important to us that we keep our account in good standing and preserve our credit rating as well as protect our main asset....our home.

Thank you in advance for your time and consideration in this matter. We are looking forward to working with Option One to resolve this situation. If you have any questions, please contact us at xxx-xxx-xxxx.

Sincerely,



**Example Hardship Letter #5:**

Address: (Your Address)

Lender Name: (Your Lender)

Loan #: (your Loan #)

To Whom It May Concern:

I am writing this letter to explain my unfortunate set of circumstances that have caused us to become delinquent on our mortgage. We have done everything in our power to make ends meet but unfortunately we have fallen short and would like you to consider working with us to modify our loan. Our number one goal is to keep our home and we would really appreciate the opportunity to do that.

There are several reasons that caused us to fall behind on our payments:

- a) On July 6, 2007 my husband, was laid off from his job with IBM. He no longer receives Unemployment Compensation from the State of Florida as of January 2008.
- b) Since July 2007, we went down to one income and were unable to keep up with the higher mortgage payments due to our escrow account from the beginning of 2007 being short on funds due to raised taxes and insurance coverage in Flagler County, FL.
- c) In November 2007 we had to fly out of State for a family emergency which did not enable us to make that months payment.
- d) Since we no longer have medical coverage, I had to pay for my visits to the doctor on several occasions due to prolonged and excessive menstruation. The Doctor Office would not see me, unless I had full payment at each visit.
- e) Since there is only one income in our household, but my husband helps me with my business while still looking for a comparable job, I must travel a lot. Gas prices have become extremely high, if I do not travel to do presentations and meet with clients I cannot assure growth.

It feels like catch up for those two months we fell behind on is almost impossible, I assure you we have every desire of retaining our home and repaying what is owed to Bank of America. But at this time we have exhausted all of our income and resources so we are turning to you for help.

Our situation is getting better because like I stated above, my husband and I have combined forces and we are working my business together in order to ensure stability and growth in our income and we feel that a loan modification would benefit us both. We would appreciate if you can work with us to lower our delinquent amount owed and/or our mortgage payment so we can keep our home and also afford to make amends with Bank of America.

We truly are looking forward to you working with us and we are anxious to get this settled so we all can move on.

Sincerely and Respectfully,



**Example Hardship Letter #6:**

Name: (Your Name)

Address: (Your Address)

Lender Name: (Your Lender)

Loan #: (your Loan #)

To Whom It May Concern:

I am writing this letter to explain my unfortunate set of circumstances that have caused us to become delinquent on our mortgage. We have done everything in our power to make ends meet but unfortunately we have fallen short and would like you to consider working with us to modify our loan. Our number one goal is to keep our home and we would really appreciate the opportunity to do that.

The main reason that caused us to be late is the reduction in my income. I work in the travel industry and that is one of the areas affected the current economic crisis. My fiancé and I also had a child this year. Because of this, my fiancé's income has been greatly reduced as well as she works in the real estate field and also watches our son full time. She has been trying to gain employment but jobs have been scarce.

We also experienced medical bills this year along with repairs in our home such as the hot water pipe bursting under our garage floor.

Soon after being late and our income not being nearly enough, we had fallen further and further behind. Now, it's to the point where we cannot afford to pay what is owed to Litton Loan Service. It is our full intention to pay what we owe. But at this time we have exhausted all of our income and resources so we are turning to you for help.

As you know, we had never been late on our payments until September 2008. This past summer my income was reduced but my paychecks are picking back up where they should be at this point. Since the purchase of our home, our resale value has declined approximately 20%. This has made it impossible to refinance for a lower rate.

I feel that a loan modification would benefit us both. We would appreciate if you can work with us to lower or delinquent amount owed and or payment so we can keep our home and also afford to make amends with your firm.

We truly hope that you will consider working with us and we are anxious to get this settled so we all can move on.

Sincerely and Respectfully,