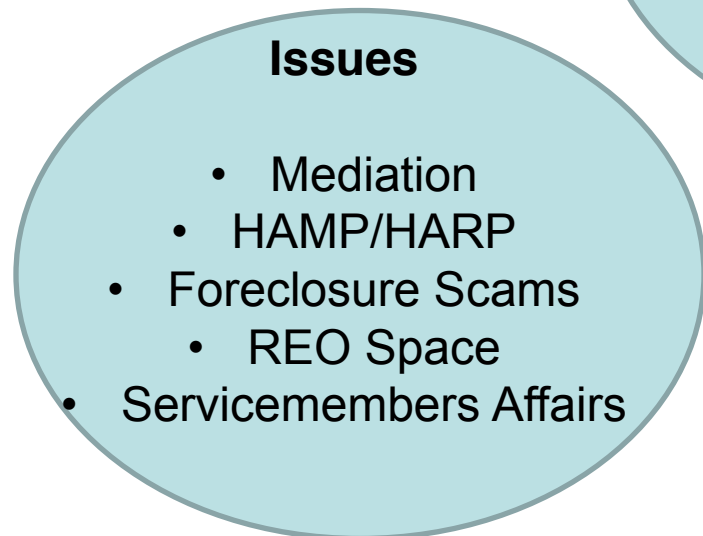
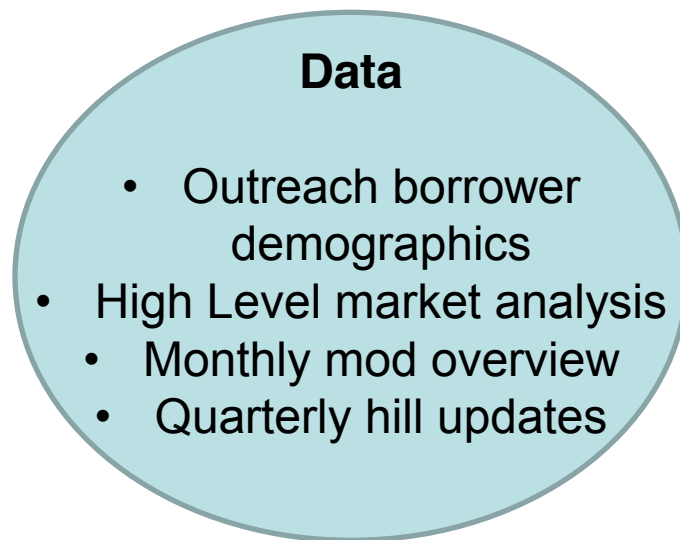
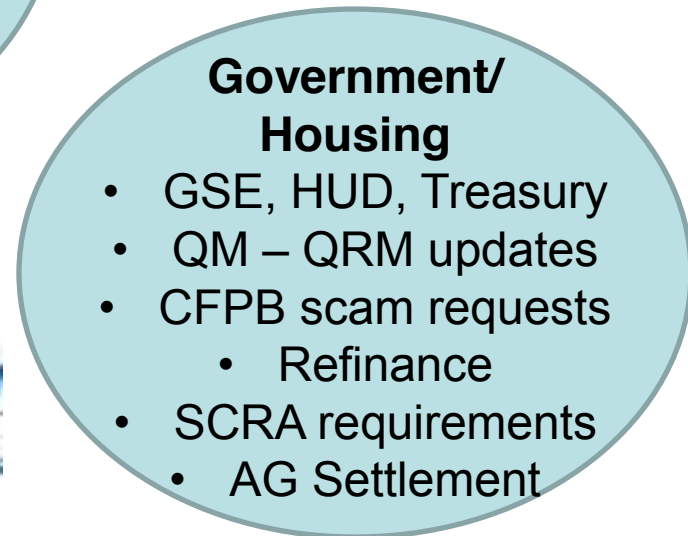
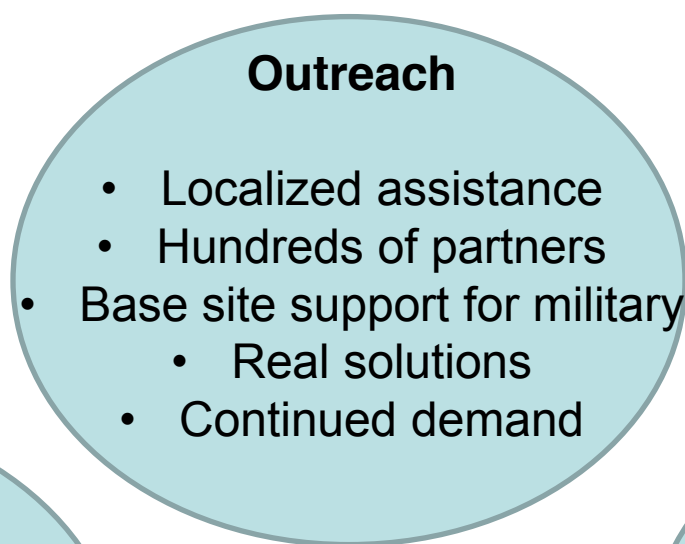


HOPE NOW Alliance

*Coalition for Excellence in Homeowner Education
(CXHE)*

Faith Schwartz, Executive Director of HOPE NOW



Current State

- **48.3 mm first liens being serviced**
 - 2.47 mm seriously delinquent borrowers
 - Avg. 3 foreclosure starts to 1 foreclosure sale in 2012
 - Delinquencies continue to decline
- **2012 HopeNow – MHA events have drawn over 12,000 participants, the Brooklyn event had almost 600.**
 - In NYC 49% of the attendees were first time applicants; 31% previously denied
 - In 2012 – 62% of homeowners were delinquent or in imminent default, while 20% were current borrowers
- **In 2012, 84% of outreach borrowers were employed, although national rates remain elevated at 8.2%**
- **Mods are more aggressive and re-default rates have declined to 8.9%**
- **HAMP has been broadened and extended through 2013**
 - Military personnel given broader coverage, including PCS and Short sales
 - Increase of foreclosure prevention tools available in the marketplace
- **HARP continues to be effective, with 519,339 refinances year to date (July figure)**

Current & Future Policy Questions

- **CFPB (January 21, 2013)**
 - Final Rule: Appraisals (TILA – FIRREA)
 - Final Rule: High Cost Mortgages (HOEPA)
 - Final Rule: Mortgage Standards (TILA-Reg Z) (RESPA-RegX)
 - Final Rule: Copies of Appraisals or other Valuations
 - Final Rule: Ability to Repay (ATR) Rule – QM –QRM
- **After January 21, 2013**
 - TILA/RESPA disclosure integration
- **GSE**
 - The Future of GSE's?
 - Increased G-fees – **15 to 30 bps increase up front for NY**
 - Reps and Warrants
 - Single Securitization Platform
 - Reigning in Private Capital
- **OCC**
 - OCC Consent Orders (Mortgage Servicing Standards)
 - OCC Independent Foreclosure Review
 -
- **AG Settlement**
 - Consumer Relief
 - SCRA
 - Mortgage Servicing Standards
- **Basel III**

GSE G-fee State Level Adjustments

State	Foreclosure Timeline in Days	Estimated Avg "Unable to Market" Time in Days	Total Time to Obtain Marketable Title in Days	Cost per Day Relative to National Average	Rank (Total Time*Cost)
NY	820	0	820	112%	54
NJ	750	0	750	113%	53
CT	690	0	690	109%	52
FL	660	0	660	111%	51
IL	480	60	540	118%	50

Source: FHFA Notice No. 2012-N-13

Modifications Life to Date

	Q3-Q4 2007	2008	2009	2010	2011	H1-2012	Apr-12	May-12	Jun-12	Jul-12	"Life to Date" Total
Total Completed Modifications	206,240	961,355	1,239,428	1,758,469	1,047,922	385,468	56,784	61,321	63,400	82,769	5,679,292
HAMP Permanent Modifications ¹	N/A	N/A	66,938	512,712	353,677	110,144	15,167	17,590	17,192	16,767	1,060,238
Proprietary Modifications Completed ²	206,240	961,355	1,172,490	1,245,757	692,385	274,824	41,617	43,731	46,208	66,002	4,619,054

¹Source - Making Home Affordable. Estimated.

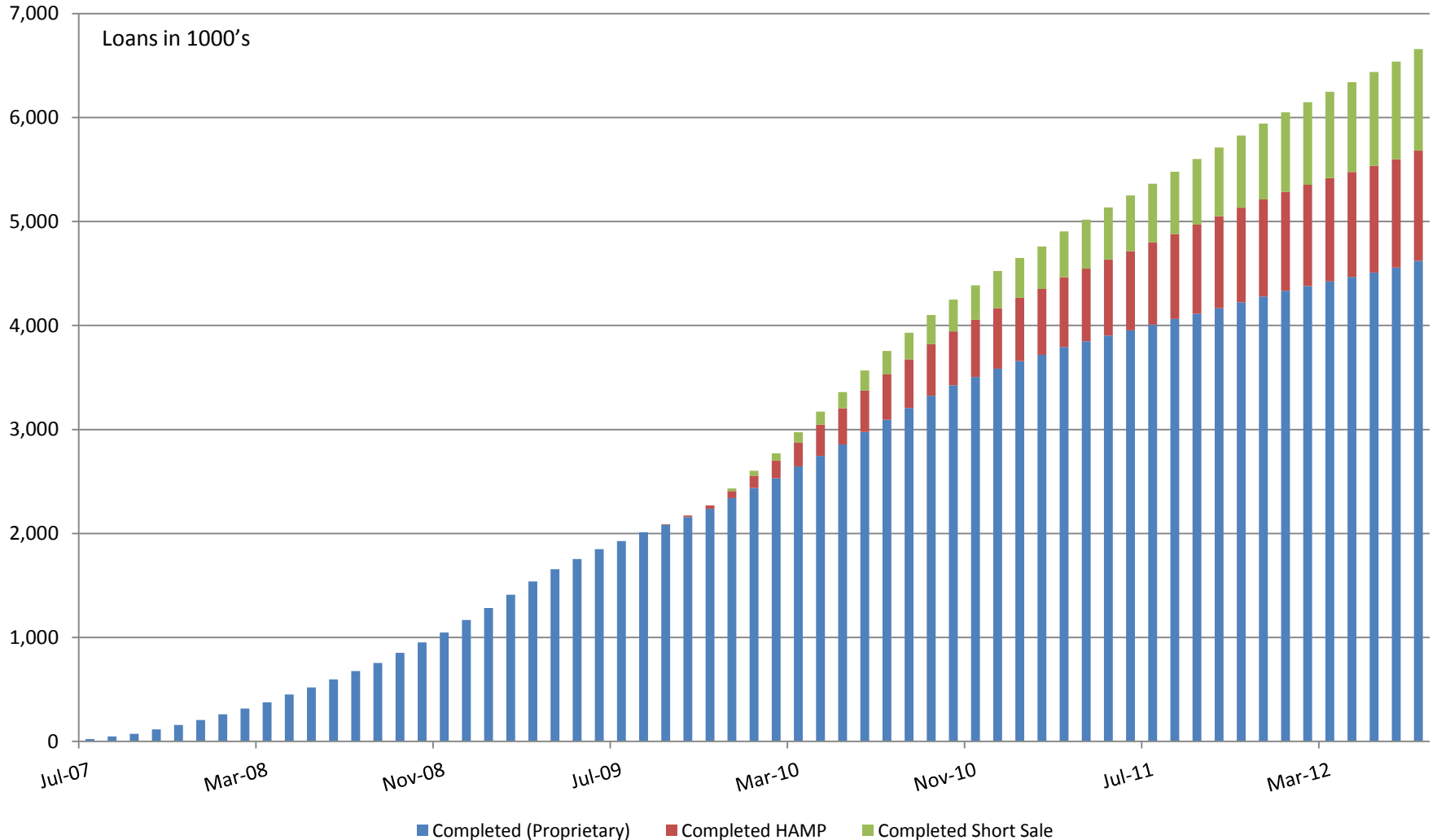
²Extrapolated. Modifications Completed was revised in December 2009 to include Current Modifications and specifically exclude HAMP.



4.62 mm Proprietary Modification Since Mid-2007

1.04 mm HAMP Modifications

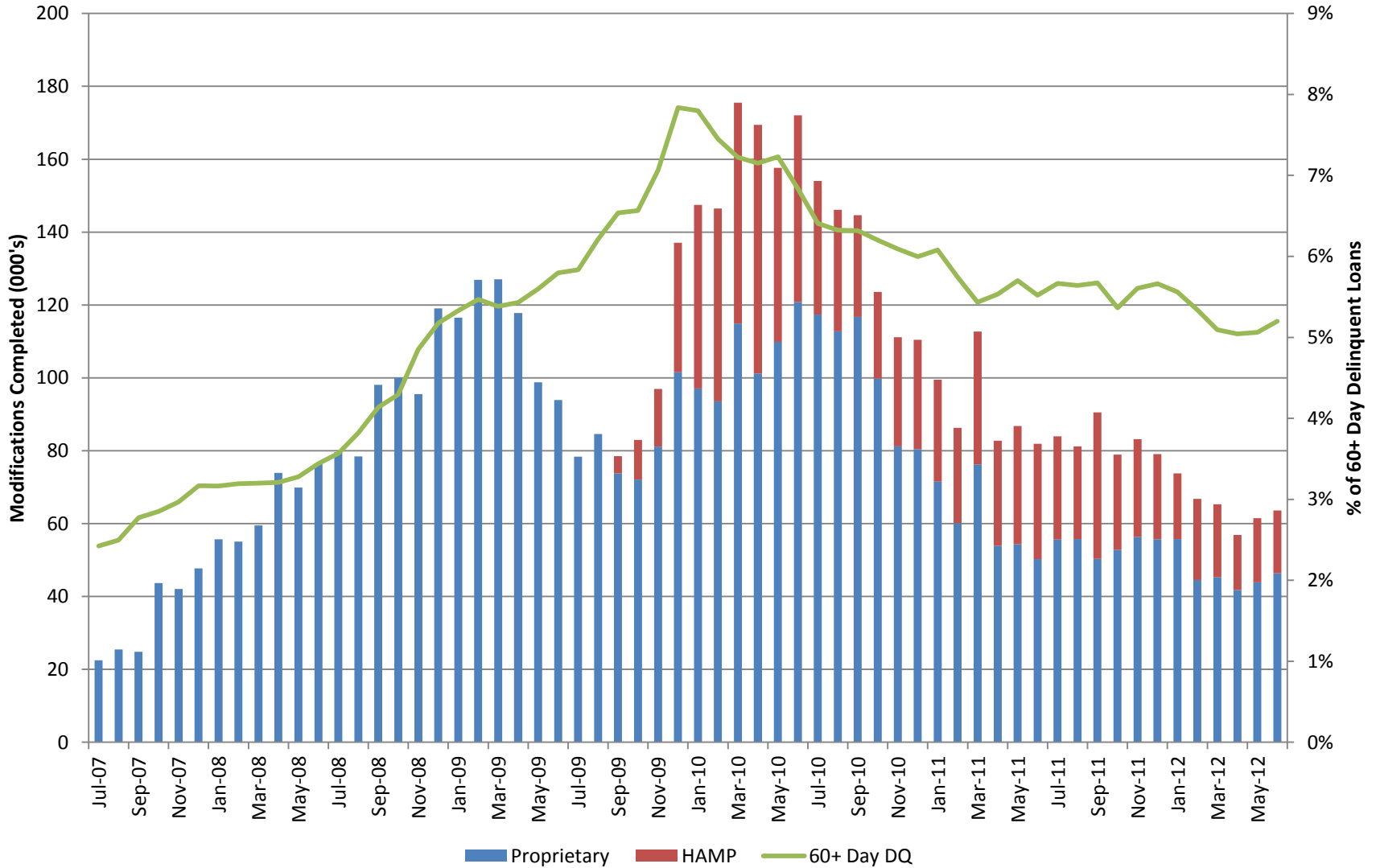
974,006 Short Sales



9/21/2012

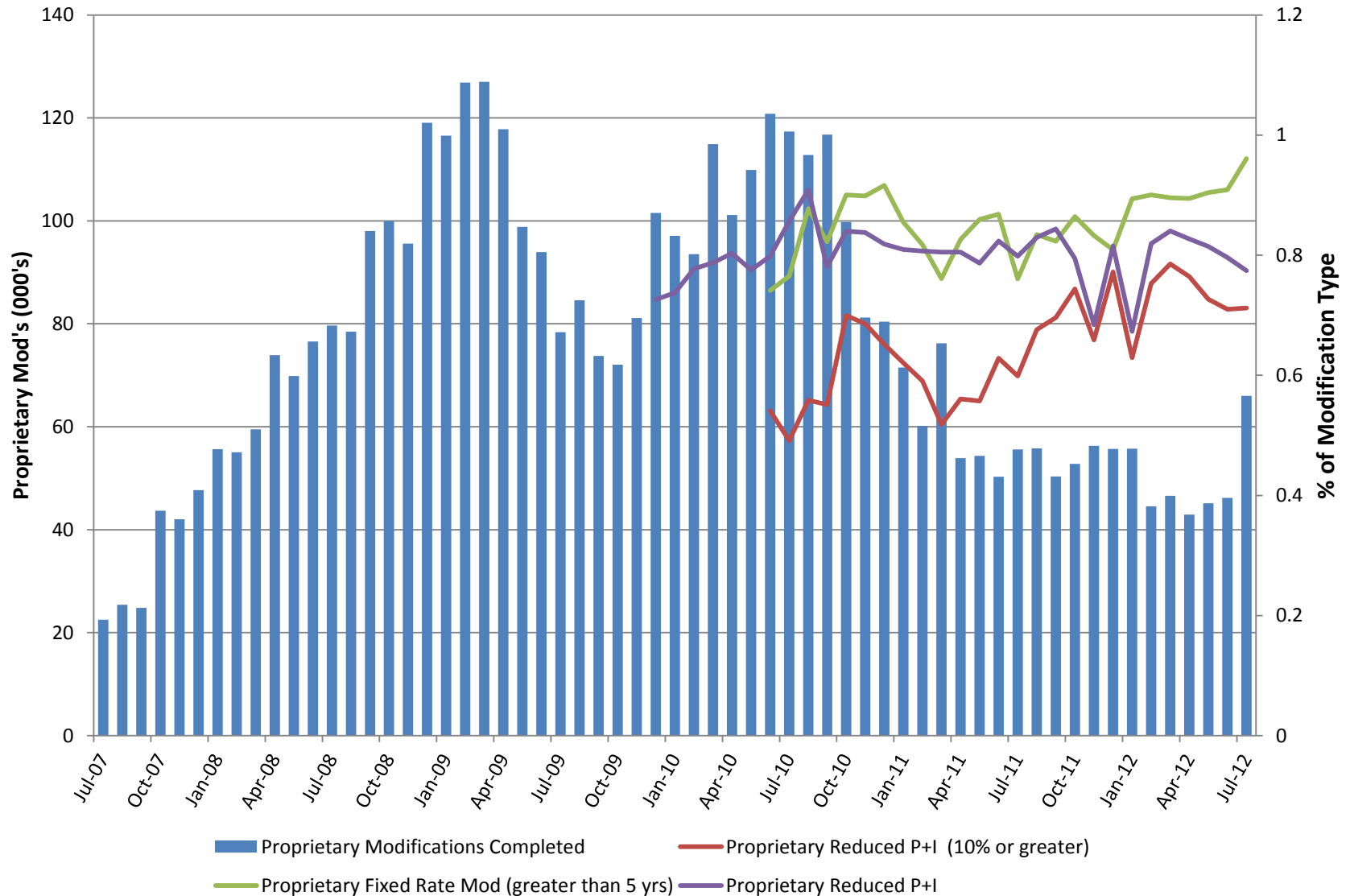
www.hopenow.com

Modifications Completed vs. 60+ Day Delinquency Rate (thousands of loans)



Proprietary Modifications

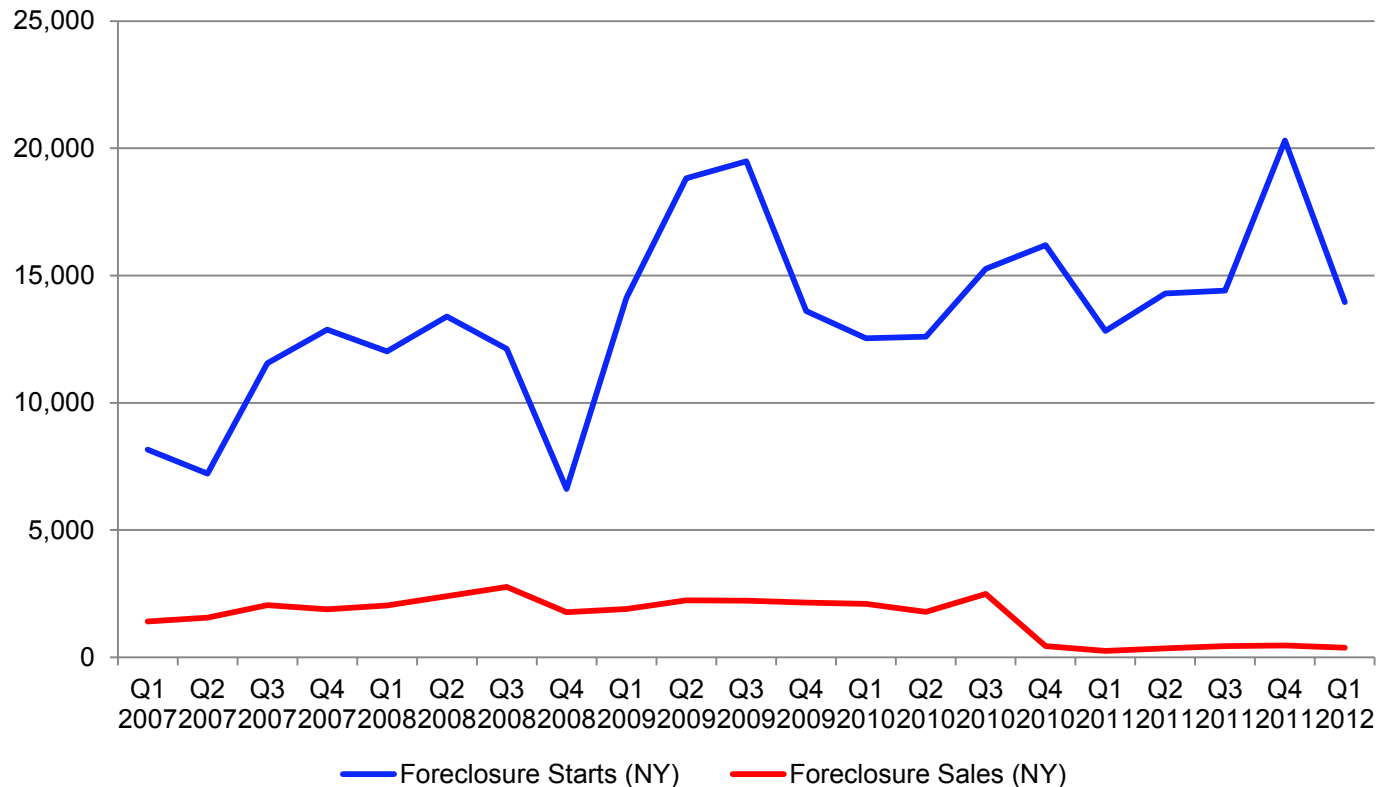
More Aggressive Year over Year





A Case Example

Foreclosure Starts v Foreclosure Sales (New York)

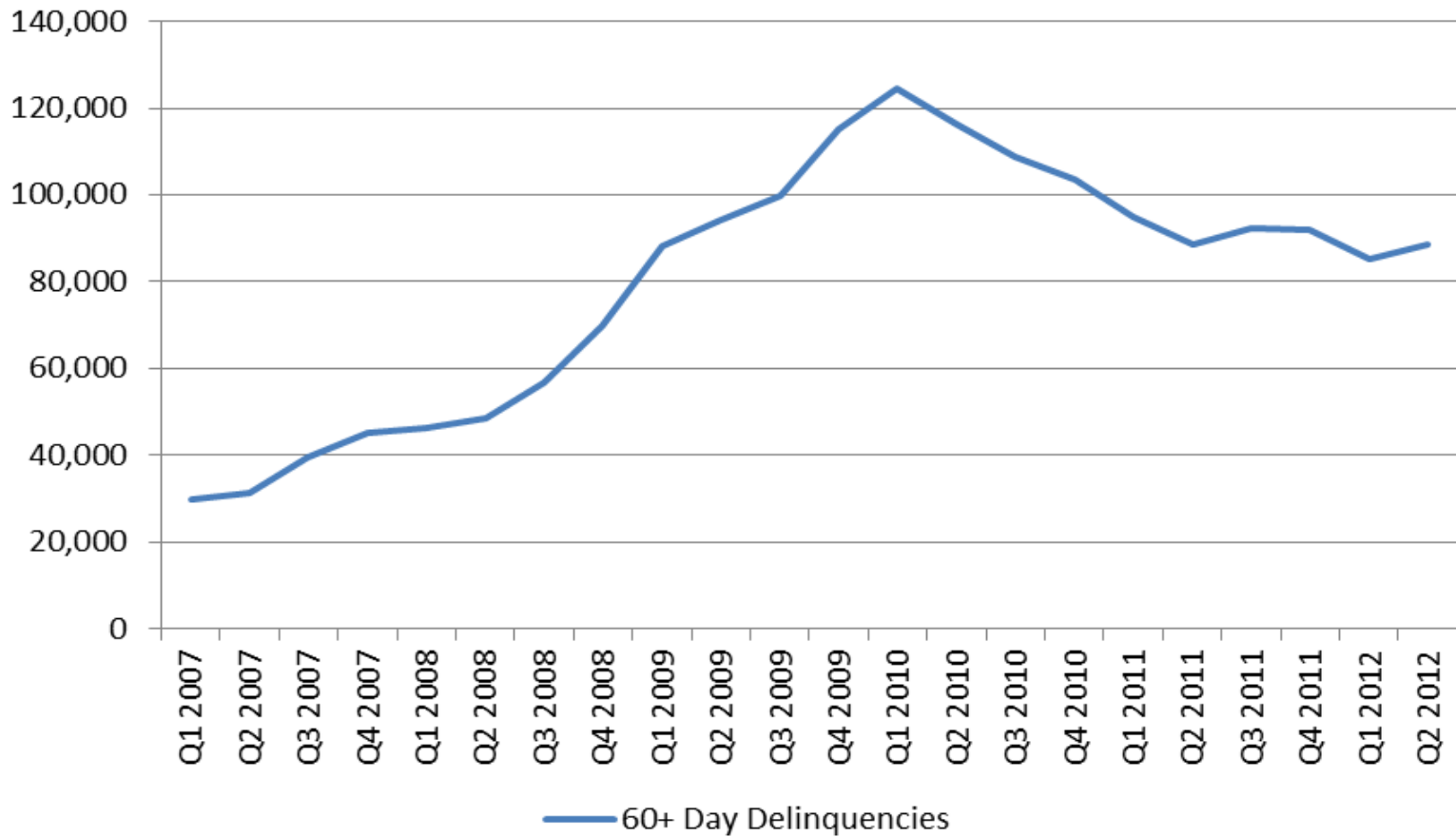


Data Source: HOPE NOW Alliance Survey data, estimated to cover 70% of the market

NY Foreclosure Fraud Prevention Act – Pending

- Class A misdemeanor – deception by authorizing, executing, offering or presenting material false statements
- In Q2 2012 New York had 35 foreclosure starts to every one foreclosure sale and timelines exceeded 1,000 days
- In Q2 2012 the entire state had 447 foreclosure sales

New York 60+ Day Delinquencies



Data Source: HOPE NOW Alliance Survey data, estimated to cover 70% of the market

Down 29% since peak in Q1-2010 of 124,000 60+ day delinquencies (excludes loans where foreclosure has been initiated)

9/21/2012

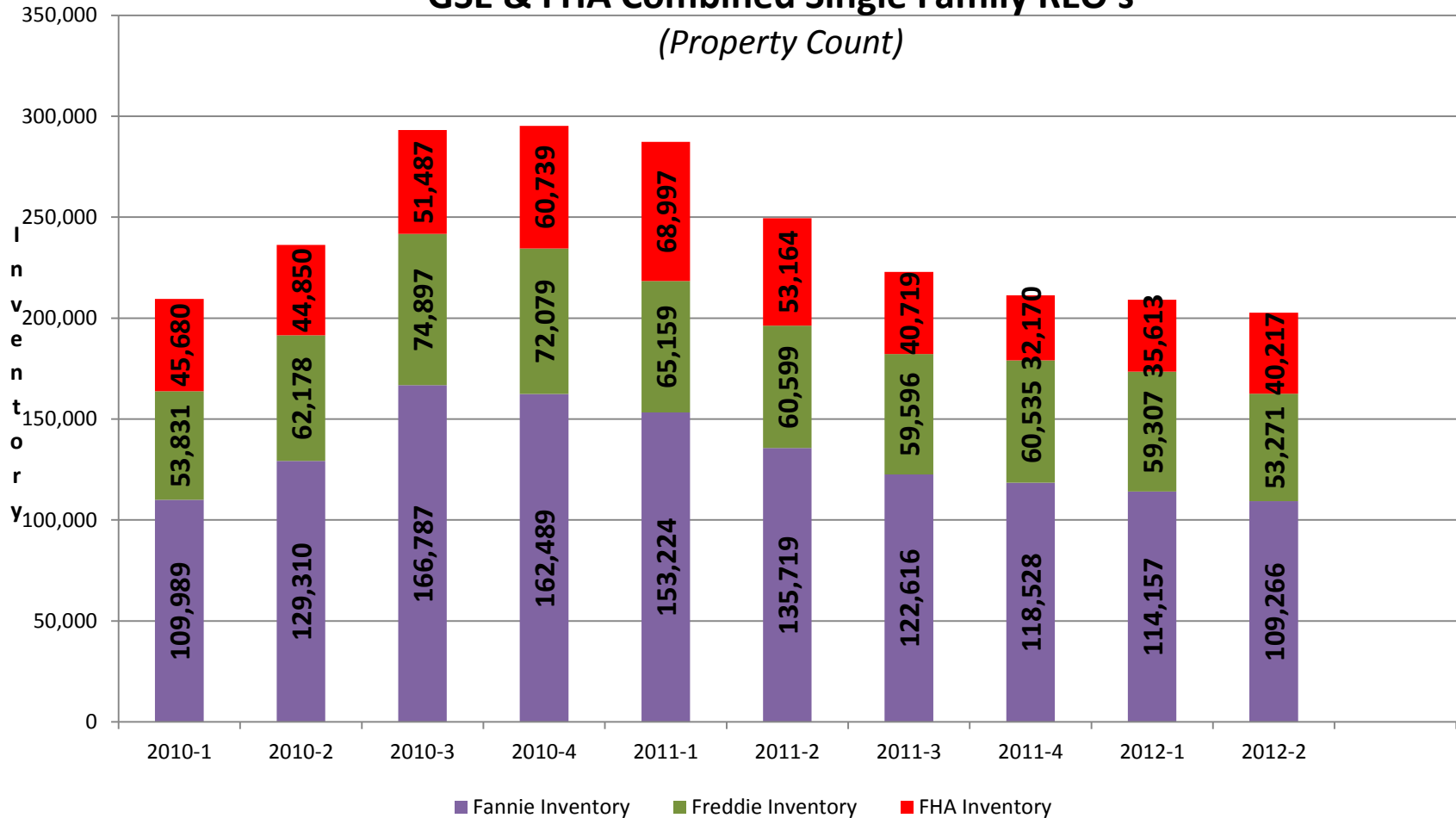
www.hopenow.com

Other State and Local Jurisdictional Measures

- NV – Oct. 2011 passed AB 284
 - Foreclosure filings require: deed-of-trust, the mortgage note, assignment of the note and amount outstanding
 - Possible felony charges for violation
 - Foreclosure starts declined 51% from Q3-2011 to Q4-2011
- MA – Jun. 2012, Supreme Judicial Court opinion on Eaton v. FNMA
 - Opinion similar to NV AB 284, where courts require proof from ‘note-owner’ to invoke power of sale
 - Prospective application, will create complexities of foreclosing
- MA – Aug. 2012, An Act to Prevent Unlawful and Unnecessary Foreclosures
 - Mandatory modification review prior to foreclosure
- CA – Signed July 11, 2012, Homeowners Bill of Rights
 - No dual tracking (mod – foreclosure), extensive proof of ability to foreclose: chain of title, designates SPOC, allows borrowers private right of action, robo-signed document at county recorder will have penalties.
- CA – San Bernardino -- Eminent Domain – Pending
 - Repurchase notes under eminent domain as a blight-prevention mechanism and public good.
 - San Bernardino files Chapter 9 bankruptcy protection on 07/11/2012
- **Mediation**
 - Programs have been adopted in 25 states, and California, Michigan and Oregon have initiatives that require further documentation or discussion prior to foreclosure, but do not meet the definition of mediation, as no neutral third party presence is required.

Government REO Inventory Outlook

GSE & FHA Combined Single Family REO's
(Property Count)



START

Refinance
HARP 2.0
Streamline Re-fi

HOPE NOW Foreclosure Prevention August 13, 2012



This is meant to serve as broad guidance and does NOT consider ALL eligibility requirements. The majority of these options remain discretionary and respondent to investor guidelines. Please reach out to a HUD certified counselor or your mortgage holder to discuss your specific situation.

- HARP 2.0 -- Home Affordable Refinance Program
 - HAMP -- Home Affordable Modification Program
 - HAMP UP Home Affordable Unemployment Program
 - FHA -- Federal Housing Administration
 - PRA -- Principle Reduction Alternative
 - Fannie -- Fannie Mae
 - Freddie -- Freddie Mac
 - PLS -- Private Label Security
 - HAFA -- Home Affordable Foreclosure Alternative
 - DIL -- Deed-in-Lieu
- ¹ Forbearance may be included under HAMP UP
² Hardest Hit Funds: Appropriated to 19 states, review state specific eligibility (through 2017)
³ Principal Reductions can be used between Step 1 and Step 2 of Tier 1 and 2
⁴ Eligible for PCS Servicemember as primary option if required

Forbearance
Repayment Plan
HAMP UP¹
HHF²

If non-MHA participant

FHA Loss Mit

HAMP Tier 1

Fannie/Freddie
HHF²

PRA³

HAMP Tier 2

PLS Mod

Balance Sheet Mod

Freddie Mod

Fannie Mod

HAFA Short Sale⁴
DIL

Mediation

Proprietary Short Sale⁴
DIL

Rental Option

Note Sale

Auction
Sheriff's Sale

We encourage homeowner's to utilize mediation and/or Hardest Hit Funds, contingent on state participation

Preferred Option

**Government Mod
(MHA Participant)**

Proprietary Mod

**Graceful
Exit**

Foreclosure

Refinance (Primary Residence)
HARP 2.0 Employed; Current; LTV>80%;
 (GSE) Purchase date before 03/31/2009
Streamline Employed; Current; LTV<80%;
 (FHA - GSE) Back-end DTI<55%; Primary
 Residence
Traditional Discretionary; Employment
 (PLS) Required.

HAMP Tier I
Eligibility Owner Occupied;
 Primary Residence;
 UPB<\$729,750;
 LTV>115%;
 Employed;
 Originated before
 01/01/2009
Qualification Capitalize
 Drop interest to 2%
 Reamortize to 40 yr.
 Forbearance (ceiling)
 NPV+
 Target: DTI<31%

PLS -- Balance Sheet Mod
 Modifications made by PLS--Balance sheet
 loan holders are discretionary and must be compliant
 with company and/or investor guidelines.
 The modifications will generally be comprised of a
 combination of the aforementioned programs

HABA (MHA Participants)
Eligibility
 12 mo. since origination;
 Documented Hardship;
 Primary residence;
 UPB<729,750;
 No purchase of new
 home in last year
Short Sale
Deed-In-Lieu

Forbearance/Repayment Plan
GSE 6 mo. - 12 mo.
FHA 12 Mo.-Special Forbearance
PLS
Balance Sheet Discretionary--HAMP UP possible
 Documented Hardship; MHA participants may
 be eligible for HAMP--UP credit

**Principal Reduction
Alternative (PRA)**
Eligibility Owner Occupied; Primary Residence;
 UPB<\$729,750; LTV>115%
 Employed; Originated before
 01/01/2009
 Between Step 1 & 2 of HAMP
 Discretionary; PLS -- Balance Sheet -- GSE

Fannie/Freddie Mod
Eligibility 12 mo. since origination;
 Documented Hardship;
 Owner occupied;
 Non-owner occupied;
 NTMLTV>80%;
 Employed
Qualification Capitalize
 Set interest to fixed rate
 Reamortize to 40 yr.
 MTMLTV>=115%; Forbearance
 Target Rate:
 10%<Back-End-DTI<55%
 P+I Reduction > 10%

**Proprietary Short Sale
and Deed-In-Lieu**
 Proprietary graceful exit alternatives
 are discretionary and must be compliant
 with company/investor guidelines
 and local, state and federal laws.

FHA Loss Mit
Eligibility 12 mo. since origination;
 1st Lien 60+ day DQ;
 Owner occupied;
 Not in foreclosure;
 Income to support Mod
Qualification Capitalize
 Drop interest to PMMS
 Reamortize to 30 yr.
 HAMP if ineligible

HAMP Tier II
Eligibility Owner Occupied;
 Non-Owner Occupied;
 UPB<\$729,750;
 LTV>115%
 Employed;
 Originated before
 01/01/2009
Qualification Capitalize
 Drop interest to PMMS
 Reamortize to 40 yr.
 Forbearance (no ceiling)
 NPV+
 Target: Back-End DTI<55%
 P+I Reduction > 10%

**Pre-REO -- Rental Option
Note Sale**
 Pilot programs in place, still seeking
 more guidance and demonstration of effectiveness

Foreclosure Sale
Auction
Sheriff's Sale



Hope Now Partnerships

A Model for Leveraging Local support (Las Vegas, NV)

Federal	Military
<p>Department of Housing and Urban Development (HUD)</p> <p>Making Home Affordable (MHA)</p> <p>Veterans Administration (VA)</p>	<p>Nellis Air Force Base</p> <p>Creech Air Force Base</p>
Non-Profit	State/Local
<p>Community Development Program center of Nevada</p> <p>Consumer Services of NV</p> <p>Consumer Credit Counseling Services</p> <p>Fight Fraud Taskforce</p> <p>Financial Guidance Center-First Time Homebuyers Program</p> <p>Housing for Nevada</p> <p>Legal Aid of Southern Nevada</p> <p>National Investment Division of Housing Counseling</p> <p>Neighborhood Housing Services of Southern Nevada</p> <p>Nevada Jobs Connect</p> <p>Nevada Legal Services</p> <p>Women's Development Center</p> <p>Greater Las Vegas Association of Realtors</p>	<p>Nevada Foreclosure Mediation Program</p> <p>City of Las Vegas</p> <p>Governor Brian Sandoval</p> <p>State of Nevada</p> <p>Division of Insurance</p> <p>Financial Institutions Division</p> <p>First Time Homebuyers</p> <p>Hardest Hit Funds</p> <p>Mortgage Lending Division</p> <p>Real Estate Division</p>

9/21/2012