

CCO Mortgage, a Division of RBS Citizens NA
Home Affordable Foreclosure Alternative (HAFA) Matrix

All servicers that 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 CCO Mortgage and does not represent any determination by the Treasury as to the servicer's compliance with 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 CCO Mortgage.

Updated March 2013

Servicer Disclaimer –The matrix below is a summary of the requirements related to Treasury's HAFA program for mortgage loans owned and or serviced by CCO Mortgage, a division of RBS Citizens NA. Individual short sales are subject to all conditions of the HAFA program and CCO Mortgage, a division of RBS Citizens NA policies related to the HAFA program.

<p>WHY SHOULD A BORROWER CONSIDER A HAFA SHORT SALE?</p>	<p>If the borrower owes more on the mortgage than the home is worth and is unable to keep up with the mortgage payments, a HAFA-eligible short sale may:</p> <ul style="list-style-type: none"> • Help the borrower avoid foreclosure • Allow the borrower to owe nothing more on the mortgage once the home is sold • Provide financial assistance of \$3,000 to help with relocation expenses for the resident of the property and potential occupied investment tenant properties
<p>ELIGIBILITY REQUIREMENTS</p>	<p><u>HAFA Basic Eligibility</u></p> <ul style="list-style-type: none"> • The loan must be owned by CCO Mortgage, a division of RBS Citizens NA or by a private investor and serviced by CCO Mortgage, a division of RBS Citizens NA • The mortgage is one of the following: <ul style="list-style-type: none"> ○ Currently Owner-Occupied ○ Currently Tenant-Occupied ○ Currently Vacant ○ Not condemned • The first mortgage was issued before January 1, 2009 • Mortgage delinquency or default is reasonably foreseeable • The unpaid principal balance is no more than: <ul style="list-style-type: none"> ○ \$729,750 for a single family property ○ \$934,200 for 2 units ○ \$1,129,250 for 3 units ○ \$1,403,400 for 4 units <p><i>Note: Loan is not eligible for the HAFA short sale program if there are more than 4 units on the property</i></p>

<p>ELIGIBILITY REQUIREMENTS CONTINUED</p>	<ul style="list-style-type: none"> • The borrower must have a documented financial hardship, evidenced by a signed Hardship Affidavit or Request for Mortgage Assistance (RMA), in which the borrower has expressed that he or she does not have sufficient liquid assets to make the monthly mortgage payment <ul style="list-style-type: none"> ○ Service members citing a Permanent Change of Station order as the basis for their financial hardship when requesting HAFA are eligible even if their income has not decreased, so long as the borrower does not have sufficient liquid assets to make their monthly mortgage payments • The borrower has already been considered for Home Affordable Modification and one of the following is true: <ul style="list-style-type: none"> ○ Borrower does not qualify for a Trial Period Plan (HAMP Tier 1 or Tier 2) ○ Borrower has not successfully completed the Trial Period Plan and is not being evaluated for another modification (i.e. HAMP Tier 2 or proprietary modification) ○ Borrower is delinquent on the Home Affordable Modification, missing at least two consecutive payments and is not being evaluated for another modification (i.e. HAMP Tier 2 or proprietary modification) • Subordinate Liens <ul style="list-style-type: none"> ○ It is the responsibility of the borrower to deliver a clear marketable title to the purchaser or investor and to work with listing broker, settlement agent and/or lien holders to clear title impediments ○ CCO Mortgage, a division of RBS Citizens NA is permitted to negotiate with subordinate lien holders on behalf of the borrower upon receiving authorization from the borrower ○ A mortgage loan does not qualify for HAFA unless the subordinate lien holder/s waives their right to collect additional funds from the borrower. (i.e. cash contribution or promissory note) • Mortgage Insurance <ul style="list-style-type: none"> ○ A mortgage loan does not qualify for HAFA unless the mortgage insurer waives any right to collect additional funds from the borrower (cash contribution or a promissory note) • Foreclosure <ul style="list-style-type: none"> ○ Once a foreclosure sale has occurred the loan is no longer eligible ○ If a foreclosure sale date is scheduled within the next 60 days the loan is not eligible for a HAFA short sale • Re-Sale Restrictions <ul style="list-style-type: none"> ○ Upon execution of the HAFA short sale closing, it is prohibited that the resale of the property not take place within 30 calendar days and prohibiting a resale for more than 120% if the HAFA short sale price between 31 and 90 calendar days of the HAFA closing
<p>DOCUMENTATION REQUIREMENTS</p>	<p><u>Preapproved Short Sale Notice</u></p> <ul style="list-style-type: none"> • Hardship Affidavit/Request for Mortgage Assistance • Dodd Frank Form • Evidence of residency if the borrower is requesting relocation incentive compensation <ul style="list-style-type: none"> ○ CCO Mortgage, a division of RBS Citizens NA may request one or more of the following to confirm principal residence: tax return, tax bill, utility bill, driver’s license, resident card or bank statements

<p>DOCUMENTATION REQUIREMENTS CONTINUED</p>	<p><u>Preapproved Short Sale Notice Continued</u></p> <ul style="list-style-type: none"> • Subordinate lien status documentation <ul style="list-style-type: none"> ○ Payoff quote from subordinate lien holder ○ Full release of the lien • Financial documentation, if required by the private investor or mortgage insurance company • Third-Party Authorization, if applicable • Signed HAFA Affidavit <p><u>Sales Contract executed prior to the Pre-Approval of a HAFA Short Sale</u></p> <ul style="list-style-type: none"> • Signed offer to purchase contract with all related addenda • Buyer’s Proof of Funds / Buyer Prequalification Letter • Active listing agreement between borrower and real estate agent • United States Department of Housing and Urban Development (HUD) or other settlement statement • Financial documentation, if required by the private investor or mortgage insurance company • RMA/Hardship Affidavit • Dodd Frank Form <p><u>Imminent Default (less than 60 days past due)</u></p> <ul style="list-style-type: none"> • Financial documentation, i.e. the two most recent pay stubs for each borrower and the most recent bank statement, including all pages (even if they are blank)
<p>VALUATIONS</p>	<p><u>Establishing Property Value</u></p> <p>CCO Mortgage, a division of RBS Citizens NA will independently establish property value and an approved list price. CCO Mortgage, a division of RBS Citizens NA will provide the borrower with instructions regarding the list price and any permissible price reductions. The home's selling price may be based on either:</p> <ul style="list-style-type: none"> • An appraisal performed in accordance with standard appraisal practices • One or more Broker Price Opinions (BPO), one of which must be dated within 120 days of the Short Sale Notice <p><u>To Dispute Valuations</u></p> <ol style="list-style-type: none"> 1. The borrower or his or her agent needs to gather supporting documentation including: <ul style="list-style-type: none"> ○ Borrower name and subject property address ○ A summary detailing the concern regarding the property valuation ○ A copy of the active listing agreement between the borrower and his or her real estate agent ○ A recent (less than one month old) Comparative Market Analysis of the property, with interior and exterior photos ○ At least 5 comparables 2. The borrower or their agent should contact the assigned Relationship Manager to request a review of the property value and submit documentation 3. CCO Mortgage, a division of RBS Citizens NA will respond to the borrower or the borrower’s agent

VALUATIONS CONTINUED	<p><u>Price Reduction Review During Marketing Period</u></p> <p>List price reviews initiated by the borrower or the borrower’s agent during the 120-day marketing period are subject to the approval of CCO Mortgage, a division of RBS Citizens NA.</p>														
PAYMENTS DURING MARKETING PERIOD	<p>Partial payments may be required if it is determined that the income can support it, payment not to exceed 31% total Debt to Income Ratio (DTI)</p>														
DEED-IN-LIEU (DIL) POLICY / SPECIAL PROGRAMS	<p><u>Deed-In-Lieu</u></p> <p>Subject to investor and insurer approval, the borrower is allowed a DIL if their short sale marketing period expires without an acceptable offer, with the following requirements:</p> <ul style="list-style-type: none"> • Borrower must provide clear and marketable title • There must be no adverse change in property condition during the DIL process • Property must be left in broom clean condition • Occupants must vacate the property within 30 days of the DIL agreement • If the property involved is rental property, the borrower must provide a signed Non-Owner Occupant Certification from each occupant who may receive relocation assistance payment because they will be required to relocate • The borrower must also provide proof that the property is the primary residence of the non-owner occupant(s). Acceptable documentation includes a lease agreement, copies of utility or phone bills, etc. <p><u>Special Programs</u></p> <ul style="list-style-type: none"> • None 														
TIMELINES	<table border="1"> <thead> <tr> <th data-bbox="358 1161 1187 1199">Activity</th> <th data-bbox="1187 1161 1550 1199">Timeframe</th> </tr> </thead> <tbody> <tr> <td data-bbox="358 1199 1187 1236">Submission of required income/eligibility documentation</td> <td data-bbox="1187 1199 1550 1236">14 calendar days</td> </tr> <tr> <td data-bbox="358 1236 1187 1274">Eligibility Review to Issuance of SSN</td> <td data-bbox="1187 1236 1550 1274">30 calendar days</td> </tr> <tr> <td data-bbox="358 1274 1187 1312">Borrower return of SSN</td> <td data-bbox="1187 1274 1550 1312">14 calendar days</td> </tr> <tr> <td data-bbox="358 1312 1187 1379">Marketing period</td> <td data-bbox="1187 1312 1550 1379">120 calendar days from mailing of SSN</td> </tr> <tr> <td data-bbox="358 1379 1187 1417">Submission of purchase contract</td> <td data-bbox="1187 1379 1550 1417">7 calendar days</td> </tr> <tr> <td data-bbox="358 1417 1187 1455">Servicer’s approval of purchase contract</td> <td data-bbox="1187 1417 1550 1455">30 calendar days</td> </tr> </tbody> </table>	Activity	Timeframe	Submission of required income/eligibility documentation	14 calendar days	Eligibility Review to Issuance of SSN	30 calendar days	Borrower return of SSN	14 calendar days	Marketing period	120 calendar days from mailing of SSN	Submission of purchase contract	7 calendar days	Servicer’s approval of purchase contract	30 calendar days
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CONTACT INFORMATION	<p>For general HAFA questions, valuation appeals, transaction status, or escalation of complaints:</p> <p>Phone: 1-877-745-7366 or Mail: CCO Mortgage Attn: Loss Mitigation 10561 Telegraph Road Glen Allen, VA 23060</p>														
THIRD PARTY VENDORS	<p>CCO Mortgage may engage third parties to act on the Bank’s behalf:</p> <ul style="list-style-type: none"> Real estate agents or broker Appraisers Property Preservation vendors 														

Key Terms and Definitions:

- **Acknowledge of Request for a Short Sale (ARSS):** Combines specific information from the SSN and the Acknowledgement letter. It is used in lieu of both the SSN and the Acknowledgement letter when the borrower has an executed sales contract and requests a short sale prior to CCO Mortgage, a division of RBS Citizens NA sending an SSN
- **Home Affordable Foreclosure Alternative (HAFA):** A part of the Making Home Affordable (MHA) Program that provides financial incentives to borrowers and CCO Mortgage, a division of RBS Citizens NA for utilizing a short sale or Deed-in-Lieu to avoid a foreclosure on an eligible loan
- **Home Affordable Modification Program (HAMP):** Enables borrowers who meet eligibility requirements to avoid foreclosure by modifying loans to a level that is affordable and sustainable for the long-term
- **Short Sale:** Allows the borrower to list and sell the mortgaged property with the understanding the net proceeds from the sale may be less than the total amount due on the mortgage
- **Short Sale Notice (SSN):** Outlines the roles and responsibilities of the borrower and CCO Mortgage, a division of RBS Citizens NA in the short sale listing process and provides key marketing terms, such as a list price, monthly payment requirements, and the duration of the agreement
- **Home Affordable Foreclosure Alternative Affidavit:** A condition of the closing on any HAFA Short Sale transaction. The parties making representations regarding the arms-length transaction, property occupancy and the accuracy of the HUD-1 Statements well as acknowledge limitations on the future sale of the property. Must be signed by all parties associated with the short sale transaction