

TO: John Anderson COMPANY:



Bank of America Corporation  
4161 Piedmont Parkway  
Greensboro, NC 27410  
NC4-105-03-84  
866-468-3402 Business

LMO 300 – HAFA 2<sup>nd</sup> Lien Approval Notification

June 23, 2011

[Redacted]

Loan Number: [Redacted]

[Redacted]

Dear [Redacted]

Important information on your short sale approval notice enclosed.

BAC Home Loans Servicing, LP, the Bank of America company that services your second mortgage, wants to provide you with information to help you make the right decision regarding the above-referenced subordinate or second mortgage. After reviewing your subordinate lien request, we are pleased to let you know that the short sale offer is **accepted** under the federal government's Home Affordable Foreclosure Alternatives (HAFA) Short Sale Program.

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

We have agreed to accept \$6,000.00 as a short payoff ("Short Sale") for the above-referenced property and mortgage loan. Please accept this letter as a demand for payment and also as the formal demand statement to be used by the closing agent; therefore you must forward a copy of this letter to your closing agent. Please be aware that no additional statement will be issued. BAC Home Loans Servicing, LP will accept less than the amount due on the current second mortgage and, upon receipt of payment, will release you from any further responsibility for the outstanding mortgage balance.

The final HUD-1 should show the required funds for the short sale of your second mortgage and the above referenced amount should be taken from the proceeds of the home sale to be remitted to us by the closing agent. Since the proceeds will be taken from the sale of the home, there is no additional funds that will be needed at this time.

**What You Should Know**

Upon receipt of \$6,000.00 and a signed copy of the final short sale HUD-1 Form along with this letter (signed dated, and notarized), BAC Home Loans Servicing, LP will issue a release of the subordinate lien and charge off the remaining debt as an uncollectable balance. The difference between the remaining amount of principal owed and the amount that we receive from the sale must be reported to the Internal Revenue Service (IRS) on Form 1099C, as debt forgiveness. In some cases, debt forgiveness can be taxed as income. Therefore, we encourage you to contact the IRS or your tax preparer to discuss any potential tax liability.

We will continue to report your account to the major credit reporting agencies. When the transaction is completed, we will report that your loan was "paid in full for less than the full balance. We have no control over, or responsibility for, the impact of this report on your credit score. Visit <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm> to learn more about credit scores.

**Next Steps**

- 1. Please confirm your acceptance of the terms stated in this letter by signing and dating below. Please return the letter to us by August 23, 2011 and mailing it to us at:

**Bank of America  
4161 Piedmont Parkway  
Greensboro, NC 27410  
Attention: Diane Hardy  
Recovery Team  
NC4-105-03-84**

TO: John Anderson COMPANY:

2. Within 48 hours of the HUD-1 settlement date, the closing agent must send the payoff funds by one of the following methods:

a. Overnight a certified check made payable to **Bank of America** with a copy of this agreement to:

**Bank of America  
4161 Piedmont Parkway  
Greensboro, NC 27410  
Attention: Diane Hardy  
Recovery Team  
NC4-105-03-84**

b. Wire payoff funds per the instructions below. Reference loan# [REDACTED],  
Wire Account [REDACTED] and Routing [REDACTED]

**Please note:** Wire transfers must include the loan number, borrower's name(s) and property address. Please be advised that if these funds cannot be properly identified, they will be returned to the sender.

3. Once we have received the payment specified in this letter and a signed copy of the final Short Sale HUD-1 Form along with this letter (signed, dated, and notarized), we will release the 2<sup>nd</sup> lien, waive any deficiency balance and send the appropriate 1099 form. If there are additional proceeds after the first lien is paid in full, and there are no other liens ahead of the above-reference loan, the additional proceeds will be added to the above amount.

We are here to help. Should you have any questions or need additional information, please call 1.866.468.3402 Monday – Thursday 8:00-9:00 EST, Friday 8:00-5:00 EST. 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.

Adrian K. Fleming  
Home Loans Recovery Department  
BAC Home Loans Servicing, LP

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**By signing below, the undersigned hereby acknowledges and agrees to the terms stated in the above letter and understands that after the application of short sale proceeds that the status of the subordinate mortgage loan will be reported to the credit bureaus as paid in full for less than the full balance.**  
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\_\_\_\_\_  
(Borrower)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary

\_\_\_\_\_  
(Co-Borrower)

\_\_\_\_\_  
Date

BAC Home Loans Servicing, LP is required by law to inform you that this communication is from a debt collector. However, the purpose of this communication is to let you know about your potential eligibility for this program to help you avoid foreclosure.