

Chase Home Affordable Foreclosure Alternative (HAFA) Matrix

https://www.chase.com/chf/mortgage/hrm_hafa

All servicers that have signed agreements with the U.S. Department of the Treasury (Treasury) to participate in the Home Affordable Modification Program (HAMP) must consider non HAMP eligible borrowers 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 borrower 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 Chase and does not represent any determination by 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 Chase.

Updated September 2012

Servicer Disclaimer – Program requirements and eligibility for Fannie Mae, Freddie Mac, or any other investor owned loans may vary from Treasury’s HAFA program. The matrix below is a summary of the requirements related to Treasury’s HAFA program for mortgage loans owned by Chase. Individual short sales are subject to all conditions of the HAFA program and Chase’s 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
<p>ELIGIBILITY REQUIREMENTS</p>	<p><u>HAFA Basic Eligibility</u></p> <ul style="list-style-type: none"> • The loan must be owned by Chase or by a private investor and serviced by Chase. • The mortgage is one of the following: <ul style="list-style-type: none"> ○ Currently Owner-Occupied ○ Currently Tenant-Occupied ○ Currently Vacant • 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>

**ELIGIBILITY
REQUIREMENTS
CONTINUED**

- 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.
 - Servicemembers 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:
 - 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)
 - The borrower requests a short sale
- Subordinate Liens
 - 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.
 - Chase is permitted to negotiate with subordinate lien holders on behalf of the borrower upon receiving authorization from the borrower.
- Mortgage Insurance
 - 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
 - Once a foreclosure sale has occurred the loan is no longer eligible.
 - The loan is not eligible for a HAFA short sale if a foreclosure sale is scheduled within the next 60 days.

**DOCUMENTATION
REQUIREMENTS**

Preapproved Short Sale Agreement

- Hardship Affidavit/Request for Mortgage Assistance
- Evidence of residency if the borrower is requesting relocation incentive compensation
 - Chase 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.
- Dodd-Frank Certification
- Subordinate lien status documentation
 - Payoff quote from subordinate lien holder
- Financial documentation, if required by the private investor or mortgage insurance company
- Third-Party Authorization, if applicable
- Signed Arms Length Affidavit

<p>DOCUMENTATION REQUIREMENTS CONTINUED</p>	<p><u>Existing Offer Submitted Using an Alternative Request for Approval of Short Sale</u> All Short Sale Agreement documents plus:</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 <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> Chase will independently establish property value and an approved list price. Chase 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 Agreement <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 Short Sale Negotiator or Customer Assistance Specialist (CAS) to request a review of the property value and submit documentation. To obtain contact information regarding the borrower’s assigned Short Sale Negotiator or CAS, the borrower can reference the numbers listed in the “Contact Information” section. 3. Chase will respond to the borrower or the borrower’s agent. <p><u>Price Reduction Review During Marketing Period</u> List price reviews initiated by the borrower or the borrower’s agent during the 120-day marketing period are subject to Chase approval.</p>
<p>DEED-IN-LIEU POLICY / SPECIAL PROGRAMS</p>	<p><u>Deed-In-Lieu</u> Depending on the servicer of the borrower’s mortgage loan, borrower may be eligible for the HAFA Deed-In-Lieu program.</p>

<p>TIMELINES</p>	<ul style="list-style-type: none"> • Eligible borrowers will be accepted into this program until December 31, 2013. • Borrower submission of required income/eligibility documentation: 14 days • HAFA eligibility review: 10 days • Obtaining property values (Broker Price Opinion and Reconciled Market Value): 15 Days • Receipt of Request for Consideration to generation of Short Sale Agreement: 45 Days • Borrower returns Short Sale Agreement to Chase: 14 Days • Borrower returns Alternative Request for Approval Short Sale (ARASS) to Chase: 14 Days • Marketing period (from date Short Sale Agreement is mailed): 120 Days • Borrower submits offer with Request for Approval of Short Sale (RASS): 3 days • Chase’s approval/disapproval of offer after complete Request for Approval of Short Sale submission (RASS): 10 days • Chase’s approval/disapproval of offer after complete Alternative Request for Approval of Short Sale (ARASS): 45 days
<p>CONTACT INFORMATION</p>	<p><u>General HAFA Short Sale Questions</u> List Assist Specialist 1-866-233-5320</p> <p><u>Customer Assistance Specialist</u> 1-800- 848-9380</p> <p><u>HOPE Hotline Number</u> 1-888-995-HOPE</p> <p>For additional information, please visit www.chase.com/shortsale.</p>

Key Terms and Definitions:

- **Alternative Request for Approval of Short Sale (Alt-RASS or ARASS):** Combines specific information from the SSA and the RASS. It is used in lieu of both the SSA and RASS when the borrower has an executed sales contract and requests a short sale prior to Chase sending an SSA
- **Deed-in-Lieu (DIL):** Allows borrower to deed the property to Chase in lieu of foreclosure as an exit strategy in specific circumstances
- **Home Affordable Foreclosure Alternative (HAFA):** A part of the Making Home Affordable (MHA) Program that provides financial incentives to borrowers and Chase 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
- **Request for Approval of a Short Sale (RASS) -** The RASS is sent to the borrower along with the Short Sale Agreement (SSA). This document should be returned to Mortgage Banking within three (3) days of an executed purchase offer. This document provides the terms of the short sale transaction and, together with the contract, provides settlement instructions to the settlement agent.
- **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 Agreement (SSA):** Outlines the roles and responsibilities of the borrower and Chase 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