

Hardship Documentation Requirements for Foreclosure Prevention Alternatives

Hardship	Documentation Requirements
Unemployment	<ul style="list-style-type: none"> ▪ No hardship documentation required.
Reduction in income: Hardship that has caused a decrease in income due to circumstances outside the borrower's control (for example,, elimination of overtime, reduction in regular working hours, a reduction in base pay)	<ul style="list-style-type: none"> ▪ No hardship documentation required.
Increase in housing expenses: Hardship that has caused an increase in housing expenses due to circumstances outside the borrower's control	<ul style="list-style-type: none"> ▪ No hardship documentation required.
Divorce or legal separation; Separation of borrowers unrelated by marriage, civil union, or similar domestic partnership under applicable law	One of the following: <ul style="list-style-type: none"> ▪ Divorce decree signed by the court; ▪ Separation agreement signed by the court; ▪ Current credit report evidencing divorce, separation, or that the non-occupying borrower has a different address; or ▪ Recorded quitclaim deed evidencing that the non-occupying borrower or co-borrower has relinquished all rights to the property.
Death of a borrower or death of either the primary or secondary wage earner in the household	One of the following: <ul style="list-style-type: none"> ▪ Death certificate, or ▪ Obituary or newspaper article reporting the death.
Long-term or permanent disability; Serious illness of a borrower/co-borrower or dependent family member	One of the following: <ul style="list-style-type: none"> ▪ Doctor's certificate of illness or disability, ▪ Medical bills, OR ▪ Proof of monthly insurance benefits or government assistance (if applicable).
Disaster (natural or man-made) adversely impacting the property or borrower's place of employment	One of the following: <ul style="list-style-type: none"> ▪ Insurance claim, ▪ Federal Emergency Management Agency grant or Small Business Administration loan, or ▪ Borrower or employer property located in a federally- declared disaster area.

Distant employment transfer / Relocation	<p>For active duty servicemembers: Notice of Permanent Change of Station (PCS) or actual PCS orders.</p> <p>For employment transfers/new employment:</p> <ul style="list-style-type: none"> ▪ Copy of signed offer letter or notice from employer showing transfer to a new employment location; ▪ Paystub from new employer; or ▪ Written explanation (if neither item listed above is applicable).. <p>In addition, documentation that reflects the amount of any relocation assistance provided, if applicable (<i>not required for those with PCS orders</i>).</p>
Business Failure	<ul style="list-style-type: none"> ▪ Tax return from the previous year (including all schedules) AND ▪ Proof of business failure supported by one of the following: <ul style="list-style-type: none"> • Bankruptcy filing for the business, • Two months' recent bank statements for the business account evidencing cessation of business activity, or • Most recent signed and dated quarterly or year-to-date profit and loss statement.
Other: a hardship that is not covered above.	<ul style="list-style-type: none"> ▪ Written explanation describing the details of the hardship and relevant documentation.