

Important Information Regarding Cooperative Short Sale Pilot

Bank of America is committed to helping homeowners avoid foreclosure.

As most of our partners are aware we have been diligently working to develop alternative short sale programs to solve some of the fundamental issues inherent in the traditional short sale process. Prior to rolling out the government's Home Affordable Foreclosure Alternatives (HAFA) Short Sale program in April we'd begun a pilot program we refer to as a Cooperative Short Sale. It is structured similarly to HAFA in that we work with the homeowner and agent prior to marketing the property to gain agreement on the terms of the short sale so that once an offer is received the approval is streamlined. The objective is to utilize this program for customers that do not qualify or fallout of the HAFA program. HAFA is always considered first and no HAFA eligible loans will be included in the program.

The Cooperative Short Sale program is still being developed and tested. Under the current pilot we are proactively reaching out to homeowners who have been pre-screened to meet specific eligibility requirements. Examples of the eligibility requirements include asset reviews, no second liens or MI on the loan, and participating investors. Based on our pre-review, these customers may have limited documentation required for the program. We have other versions of the program for customers who fall into segments that may require more documentation. This very limited population of customers is notified via letter if they have been selected for inclusion in any test programs. Additionally, various execution methods have been used during testing including 3rd party organizations and internal teams handling all communications. Note that although these methods are useful to quickly rollout a small pilot they are not always feasible for full scale rollout.

Other similarities of the pilot program to HAFA include:

- We will work with the customer prior to listing the home to help establish the listing price using a valuation to determine fair market value.
- We will ask that the property be actively marketed for 120 days. If it does not sell in that time, we will consider a deed-in-lieu of foreclosure to satisfy the mortgage.
- Since the appraisal and qualifications are completed upfront, short sale approval will take less than two weeks to complete.

Results from the pilots will be used to design the upcoming expansion of the program. Announcements will be made when we expand this program beyond the pilot and will outline details of the program.

Thank you for your continued support of distressed homeowners as we all work together to help make short sales a more positive experience for homeowners, homebuyers, and the agents that support them.