

[Servicer Logo]

[Date]

[Borrower Name]

[Borrower Address]

[Borrower Address]

IMPORTANT MORTGAGE NOTIFICATION

**EARNED INCENTIVES CAN LOWER YOUR
MORTGAGE PAYMENT**

Loan Number: [Insert Loan number]

Congratulations on the success of your mortgage modification through the Home Affordable Modification Program[®] (HAMP)! You have remained in good standing under your mortgage for the past six years and have had the opportunity to earn as much as \$10,000 in pay for performance incentives through HAMP. These incentives were applied to reduce your outstanding principal balance. As a result, by making your mortgage payments on time at the scheduled amount, you may pay-off your loan earlier, which will reduce the amount of interest you pay over the life of the loan.

Option to Lower Your Monthly Payment

You now have the option to lower your monthly payment through a one-time recast (or re-amortization) of the interest-bearing portion of your loan. With a recast (or re-amortization), your scheduled interest rate(s) will not change, but your principal and interest payment will decrease based on the lower unpaid principal balance (after all earned incentives are applied) that will be paid over the remaining term of your loan. If you choose to recast your loan and make the recast payment, you will not pay off your loan early. In addition, you will pay more interest over the life of the loan than if you did not accept the recast and continued making your regularly scheduled payment.[†]

Below is a table illustrating what your estimated monthly mortgage payment would be as of [Date], both with and without a recast:

	Without Recast	With Recast
Current Interest Rate¹	X.00%	X.00%
A. Monthly Principal and Interest Payment¹	\$ _____	\$ _____
B. Estimated Monthly Escrow Payment²	\$ _____	\$ _____
Total Monthly Payment³	\$ _____	\$ _____
Total Interest Paid over Remaining Life of Loan⁴	\$ _____	\$ _____

^{1.} The interest rate and monthly principal and interest payment shown above is as of [Date], and does not reflect future interest rate increases that may occur as set forth in your HAMP modification agreement.

* If your modified mortgage loan includes a deferred balance, a recast of the interest-bearing balance does not change the deferred unpaid principal balance, which remains due in accordance with the terms of your HAMP modification agreement.

[†] If you choose to recast your loan, you may still make monthly payments or one-time payments in excess of the recast payment without any prepayment penalty.

2. Your monthly payment includes an escrow amount for property taxes, hazard insurance and other escrowed expenses (if applicable), which, if they increase, may also increase your monthly payment. The escrow payment amounts shown are based on current data and represent a reasonable estimate of expenditures for escrow obligations; however, escrow payments may be adjusted periodically in accordance with applicable law.
3. Your total monthly payment is calculated by adding the amounts shown in (A.) principal and interest and (B.) escrow.
4. The total interest paid over the life of the loan reflects future interest rate increases, if any, set forth in your HAMP modification agreement.

[For borrowers who have additional interest rate step-ups, insert the following:]

Interest Rate Reminder

We also remind you that under the terms of your mortgage modification, your interest rate is scheduled to increase, up to 1% each year, until the interest rate reaches a cap of [Cap%].

Note: In addition, servicers may, but are not required to, include an adjusted payment schedule related to the interest rate step ups, in accordance with the requirements set forth in Chapter II, Section 9.7 of the MHA Handbook] If you choose to recast your modified mortgage, your estimated new payment schedule would be:

Interest Rate	Interest Rate Change Date	Monthly Principal and Interest Payment Amount	Monthly Escrow Payment Amount‡	Total Monthly Payment‡	Recast Payment Begins On	Number of Monthly Payments
[3.00%]	00/00/0000	\$0000.00	\$000.00, may adjust periodically	\$000.00, may adjust periodically	00/00/0000	[Insert months remaining in year 6]
[4.00%]	00/00/0000	\$0000.00	May adjust periodically	May adjust periodically	00/00/0000	[12]
[5.00%]	00/00/0000	\$0000.00	May adjust periodically	May adjust periodically	00/00/0000	[12]
[6.00%]	00/00/0000	\$0000.00	May adjust periodically	May adjust periodically	00/00/0000	[Insert Remaining months]

‡ The escrow payments may be adjusted periodically in accordance with applicable law and therefore the total monthly payment may change accordingly.

What you need to do.....

- **If you want your mortgage loan recast:**
You must [Insert action borrower must take to be eligible for and accept the recast offer (e.g., borrower must be current, etc...), which must be no fewer than 30 calendar days from the date of this notice, including any documentation required by Servicer].
- **If you do not want your mortgage loan recast:**
No further action is required.

[Servicers not subject to the counseling requirements of Ch II, Sec 6.7 of the MHA Handbook insert the following:]

Additional Assistance Provided!

You may also contact the Homeowner's HOPE Hotline by calling 1-888-995-HOPE. The Hotline can help with questions about the Home Affordable Modification Program and offers access to free HUD-approved counseling services in English or Spanish (other languages are available on request). It is available 24 hours a day/7 days a week.

[Servicers subject to the counseling requirements of Ch II, Sec 6.7 of the MHA Handbook insert the language above, or use the following:]

Additional Assistance Provided!

We have engaged [insert Agency], a HUD-approved counseling organization specializing in consumer housing education to provide you with free financial counseling, to help you remain current on your mortgage. To take advantage of this opportunity, call us directly for more information at [XXX-XXX-XXXX] and we can connect you with [Agency].

Questions?

If you have any questions about this recast offer or would like to request an amortization schedule, please contact [**Servicer**] toll-free at [**Phone Number**]. We are available [**Hours of Operation**].

Sincerely,

[Signature]

[Contact Name]

[Servicer Disclosures]