

Supplemental Directive 10-15

November 3, 2010

Making Home Affordable Program – Case Escalation Process/Dodd-Frank Act NPV Notices

In February 2009, the Obama Administration introduced the Making Home Affordable (MHA) Program, a plan to stabilize the housing market and help struggling homeowners get relief and avoid foreclosure. In March 2009, the Treasury Department (Treasury) issued uniform guidance for loan modifications by participants in MHA across the mortgage industry and subsequently updated and expanded that guidance. Under MHA, servicers are required to meet specific requirements designed to assist borrowers in understanding the program requirements and processes. These requirements are outlined in Section 2.1 of Chapter II of the *Making Home Affordable Program Handbook for Servicers of Non-GSE Mortgages (Handbook)*.

This Supplemental Directive provides guidance to servicers on the process required for handling certain borrower inquiries and disputes related to the MHA Program. This guidance also outlines the servicer's obligations for tracking borrower inquiries and disputes and conducting reviews in a timely fashion, whether received directly from a borrower or indirectly from the Homeowners HOPE™ Hotline (HOPE™ Hotline) through MHA Help or the HAMP Solution Center (HSC).

In addition, this Supplemental Directive provides guidance to servicers on implementation requirements for Section 1482(a) and (b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203) (Dodd-Frank Act). To implement Section 1482(a) of the Dodd-Frank Act, Section 2 of Chapter II of the *Handbook*, which prescribes the format, content and timing of notices that must be provided to borrowers requesting consideration for the Home Affordable Modification Program (HAMP), is being revised to include:

- A list of borrower and mortgage-related Net Present Value (NPV) input fields and the values used in the NPV calculation to evaluate the borrower's first lien mortgage loan.
- Changes to the process by which borrowers request NPV inputs.
- Guidance relating to borrowers who dispute the property value used by the servicer for the "Property Value" input in the NPV calculation.

To implement Section 1482(b) of the Dodd-Frank Act, this Supplemental Directive provides information related to the development of a public web-based NPV calculator based on HAMP NPV model (Borrower NPV Calculator). The Borrower NPV Calculator will assist borrowers in evaluating their potential eligibility for HAMP prior to application and in evaluating the NPV result and value inputs provided by the servicer to the borrower in a Non-Approval Notice. The Borrower NPV Calculator will be available in spring 2011.

This Supplemental Directive applies to servicers of mortgage loans that are not owned or guaranteed by Fannie Mae or Freddie Mac (Non-GSE Mortgages) or insured or guaranteed by a federal agency, such as the Federal Housing Administration or Rural Housing Service. This guidance amends and supersedes the notated portions of the *Handbook*. This Supplemental Directive is effective February 1, 2011.

This Supplemental Directive covers the following topics:

- Treasury’s Borrower Support Centers
- Servicer Escalated Case Management
- Escalation Resolution Process
- Non-Approval Notices
- Disputed Property Value Input
- Borrower NPV Calculator
- NPV Requirements for Disputed Inputs
- Program Reporting Requirements
- Compliance

Treasury’s Borrower Support Centers

The HOPE™ Hotline, a 24-hour telephone help-line operated by the non-profit, Homeownership Preservation Foundation, provides homeowners with free foreclosure prevention information and housing counseling referrals. Under contract with Fannie Mae, in its capacity as Program Administrator for the MHA Program, the HOPE™ Hotline assists borrowers with a preliminary assessment of their eligibility for MHA Programs and also connects borrowers with detailed program or denial questions to MHA Help, a team of housing counselors dedicated exclusively to working with borrowers and servicers to resolve MHA escalated cases. Treasury established a similar resolution resource, HSC, to manage escalated cases received from housing counselors, government offices, and other third parties acting on behalf of a borrower.

Specially trained personnel at MHA Help and HSC handle Escalated Cases (as defined below under Servicer Escalated Case Management), evaluating the circumstances and status of a borrower’s request for assistance under an MHA Program and working with the servicer to identify and resolve the case in a manner consistent with MHA program guidelines. To facilitate review and response to cases escalated to servicers by HSC and MHA Help, servicers must report to HSC or MHA Help the status of referred Escalated Cases and, upon request, provide all necessary information required to assess the borrower’s Escalated Case, including, but not limited to:

- Debt and income inputs, assumptions, and calculations used to evaluate the borrower;
- Name of the investor/guarantor and Pool ID if the reason for denial is “Investor/Guarantor Not Participating,” unless restricted by confidentiality;
- Correspondence by either the borrower or the servicer relative to the applicable MHA Program evaluation;
- Timeline of events constructed by the servicer relative to the applicable MHA Program evaluation; and

- Other relevant data relied upon by the servicer in conducting the evaluation.

Servicers must permit calls with MHA Help or HSC to be recorded for quality control and training purposes.

Servicer Escalated Case Management

All servicers are required to have written procedures and personnel in place to provide timely and appropriate responses to borrower inquiries and disputes that rise to the level of an “Escalated Case,” which includes, but is not limited to:

- Allegations that the servicer did not assess the borrower for the applicable MHA Program(s) according to program guidelines;
- Inquiries regarding inappropriate program denials or the content of a Non-Approval Notice;
- Initiation or continuance of foreclosure actions in violation of program guidelines; or
- Cases referred to the servicer by HSC and MHA Help.

The servicer may handle Escalated Cases received from HSC, MHA Help, a borrower, an authorized advisor, Treasury, other federal agencies or elected officials (each, a Requestor).

Staffing Requirements

Servicers must designate one or more persons to comply with the requirements of this Supplemental Directive and to handle inquiries that rise to the level of an Escalated Case. Servicers must be sufficiently staffed to manage the escalation case load in accordance with the timing requirements of the Escalation Resolution Process below. The staff handling the Escalated Cases must be trained on the servicer’s case escalation procedures, knowledgeable about MHA program guidelines and possess the necessary authority to achieve a case resolution in accordance with guidance of this Supplemental Directive.

For those servicers that are required to report data to the Program Administrator via the HAMP Weekly Servicer Survey, the staff handling the Escalated Cases must be servicer personnel that are independent from the servicer personnel that made the initial MHA eligibility determination on the loan.

Accessibility

The staff handling Escalated Cases must be accessible directly by phone and electronic mail. In addition, the staff must have access to all pertinent borrower documentation and information in the servicing system and/or mortgage file and be capable of sending and receiving documentation and information that will support the resolution of an Escalated Case.

Escalation Resolution Process

The servicer must review each Escalated Case received from a Requestor against the information and documentation in the servicing system and/or mortgage file and data reported to the HAMP Reporting Tool to determine the accuracy of the inquiry and reach a resolution. As necessary, the

servicer's evaluation will include, but is not limited to, review or recalculation of the HAMP modification waterfalls and NPV testing.

Timing

Escalated Cases should be date stamped upon receipt. Within five business days following receipt of an Escalated Case from a Requestor, the servicer must acknowledge the inquiry in writing via e-mail, fax or mail and must provide the Requestor and, as applicable, the borrower:

- A case reference name or number;
- A date by which the servicer will resolve the Escalated Case and provide a response (Resolution Date), which may not exceed 30 calendar days from the date the inquiry was received; and
- A toll-free escalation contact phone number at the servicer.

If the servicer fails to comply with the requirement to resolve the Escalated Case by the Resolution Date, the servicer must provide an updated status to the Requestor and, as applicable, the borrower, on the Resolution Date and every 15 calendar days thereafter until the Escalated Case is resolved.

Suspension of Foreclosure Sale

A servicer may not conduct a scheduled foreclosure sale unless and until the Escalated Case is resolved in accordance with the requirements of this Supplemental Directive, and all other MHA Program guidelines.

Authorization

Servicers must ensure that a borrower's information, including personally identifiable information (PII), is not disclosed to any individual or entity, including the Requestor, unless the borrower and co-borrower have each authorized release of such information in writing. By signing a Request for Modification and Affidavit (RMA) or Hardship Affidavit, a borrower and co-borrower each authorizes the servicer to disclose PII and the terms of any MHA agreements to (i) representatives of Treasury; (ii) personnel of Fannie Mae as the Program Administrator and Freddie Mac as the Compliance Agent; (iii) any investor, insurer, guarantor or servicer that owns, insures, guarantees or services the first lien or subordinate lien mortgage loan(s); (iv) companies that perform support services in conjunction with MHA; and (v) any HUD-certified housing counselor. If a servicer is in receipt of an RMA or Hardship Affidavit signed by the borrower(s), no additional release is needed to disclose such information to MHA Help or HSC.

Case Resolution

An Escalated Case is considered to be resolved when the inquiry has been reviewed in accordance with the applicable MHA program guidelines and the servicer:

- Determines that there is no change in the original determination or identifies a proposed resolution that corresponds to one of the Resolution Categories listed below;
- Documents the proposed resolution in the servicing system and/or mortgage file, including a date the resolution was reached;

- Within 10 business days of identifying the proposed resolution, communicates in writing to the Requestor and, as applicable, the borrower, the proposed resolution and next steps (if applicable, this communication may be a trial period plan notice, modification agreement or short sale or deed-in-lieu agreement); and
- Takes the first action to implement the resolution.

The Resolution Categories are as follows:

- HAMP/2MP Trial
- HAMP/2MP Permanent Modification
- Alternative Modification
- Payment/Forbearance Plan
- Borrower Current
- Loan Payoff
- Short Sale/Deed in Lieu
- Foreclosure Initiated/Pending
- Foreclosure Completed
- Action Not Allowed – Bankruptcy in Process
- Non-MHA Issue(s)
- No Change in Original Determination

If the case was referred by HSC or MHA Help, the servicer may not consider the case resolved unless HSC or MHA Help concurs with the proposed resolution, with evidence of this concurrence retained in the servicing file.

Substantially Similar Cases

Servicers are not required to review a case, and a case will not be deemed an Escalated Case, when the substance of the inquiry pertains to the same borrower and loan and is substantially similar to a previously resolved Escalated Case. When a case is referred by HSC or MHA Help and the servicer has determined that the referral constitutes a substantially similar case, HSC or MHA Help must concur with the determination with evidence of this concurrence retained in the servicing file. The servicer must document in the servicing system and/or mortgage file the decision not to review a substantially similar case.

Non-Approval Notices

Dodd-Frank NPV Notice Requirements

When a borrower is not approved for a trial period plan or permanent modification, servicers are required to send a Non-Approval Notice to the borrower explaining the reason for non-approval and, in some cases, to provide the borrower with an opportunity to submit evidence to the servicer that information used by the servicer in the evaluation was inaccurate. In addition to the requirements of Section 2.3.2 of Chapter II of the *Handbook*, when a borrower is not approved for a trial period plan or permanent modification and an NPV evaluation was performed, whether or not the NPV result was negative, the Non-Approval Notice must also include the NPV input values used in the NPV evaluation as listed in the NPV Data Input Fields and Values chart set forth in Exhibit A to this Supplemental Directive. All Non-Approval Notices must include an e-

mail address and mailing address for communicating with the servicer if the borrower wishes to dispute the reasons for a non-approval determination and to submit written evidence.

Disputed NPV Input Values for NPV Negative Non-Approvals

The purpose of providing the NPV input values is to allow a borrower who is ineligible because the transaction is NPV negative the opportunity to correct any information that may impact the evaluation of the borrower's eligibility. The borrower has 30 calendar days from the date of the Non-Approval Notice to submit written evidence to the servicer that one or more of the NPV input values is inaccurate. If the borrower wishes to dispute more than one NPV input, the written evidence for each input being disputed must be provided to the servicer at the same time. If the borrower identifies material inaccuracies in the NPV input values, the servicer may not conduct a foreclosure sale until the inaccuracies are reconciled.

If the evidence submitted by the borrower is valid and material to the NPV outcome, the servicer must perform the NPV calculation with the corrected input values as outlined below in NPV Requirements for Disputed Inputs. Following the re-evaluation, the servicer must provide the updated NPV outcome and input values to the borrower.

Alternatively, the borrower may, as directed in the Non-Approval Notice, request assistance from MHA Help prior to contacting the servicer to evaluate whether the borrower's disputed NPV inputs would change the NPV outcome from negative to positive. Using the disputed inputs provided by the borrower, MHA Help will conduct a preliminary NPV re-evaluation and will provide the borrower with the printed NPV result, which should be provided by the borrower to the servicer when requesting a formal re-evaluation by the servicer. If the borrower is represented by a trusted advisor, that advisor may also request the preliminary NPV re-evaluation from HSC.

A borrower or trusted advisor acting on behalf of a borrower may only request one NPV re-evaluation from MHA Help or HSC prior to contacting the servicer. If the re-evaluation performed by the servicer, MHA Help or HSC using the disputed borrower inputs returns a negative NPV result, the borrower is not eligible for additional appeals of other inputs. Although the borrower may seek assistance from MHA Help or HSC, the borrower must still make its written request to the servicer within 30 calendar days from the date of the Non-Approval Notice.

The Borrower NPV Calculator will allow the borrower or an authorized advisor to independently conduct an NPV evaluation that approximates the servicer's NPV evaluation. Treasury will release guidance about the use and availability of the Borrower NPV Calculator and revised model language for Non-Approval Notices in the near future. Until such time, servicers should continue to use the model language set forth in Exhibit A of the *Handbook*.

Disputed Property Value Input

When a borrower is not approved for a trial period plan or permanent modification because the transaction is NPV negative and the borrower believes that the property value input used by the servicer in the NPV evaluation differs from the fair market value of the property as of the date

the NPV model was initially run (NPV Date), the borrower may request an NPV re-evaluation. The borrower must, within 30 calendar days from the date of the Non-Approval Notice, provide the servicer with a recent estimate of the property value and a reasonable basis for that estimate at the same time that the borrower provides evidence of all other disputed NPV value inputs. Upon receipt of the written request, the servicer must perform a preliminary NPV re-evaluation using the borrower's estimate of property value (along with any other material disputed inputs).

If the preliminary re-evaluation performed by the servicer (or MHA Help or HSC as noted above) results in a positive NPV result, the servicer must offer the borrower the opportunity to request an appraisal of the property. The appraisal will establish the fair market value of the property as of the NPV Date and is required to complete the final NPV re-evaluation. The borrower must, no later than 15 calendar days from the date of notification that the preliminary NPV result is positive, remit a \$200 deposit against the full cost of the appraisal in a manner acceptable to the servicer. The balance of the actual appraisal cost will be added to the borrower's total arrearage under the loan.

The appraisal must be completed in accordance with the Uniform Standards of Professional Appraisal Practice by an appraiser that is not affiliated with the servicer and is licensed in the state where the property is located. Servicers are not required to obtain a new appraisal if the original NPV property value input was established by an appraisal performed in accordance with the standards listed above. The servicer must provide a copy of such appraisal to the borrower.

Upon receipt of the appraisal, the servicer must perform a final NPV re-evaluation using the appraised value and any other NPV input values materially disputed by the borrower. The servicer must provide the final NPV outcome and input values to the borrower and, based on the NPV outcome, proceed in accordance with program guidelines. If the re-evaluation with the new appraised value results in a trial period plan, the balance of the actual appraisal cost will be capitalized in conjunction with the permanent modification.

Borrower NPV Calculator

Treasury is in the process of developing a web-based Borrower NPV Calculator to implement the requirements of Section 1482(b) of the Dodd-Frank Act. The Borrower NPV Calculator will allow borrowers to learn about, interact with and better understand the purpose and role of the NPV model in HAMP. The Borrower NPV Calculator will be able to be used by borrowers to evaluate their potential eligibility for HAMP. In addition, the Borrower NPV Calculator will allow borrowers to enter the NPV input values used by the servicer and provided in the Non-Approval Notice to review the servicer's NPV evaluation. These inputs are set forth in the NPV Data Input Fields and Values chart set forth in Exhibit A to this Supplemental Directive. However, because a borrower using the Borrower NPV Calculator may not use exactly the same data used by the servicer, the Borrower NPV Calculator will only provide an estimated outcome.

NPV Requirements for Disputed Inputs

When servicers re-evaluate NPV results based on a borrower's written evidence of disputed variables, servicers must conduct the NPV test using the same major version of the NPV model

that was used to test the loan for trial period plan eligibility. Detailed versioning requirements are included in the Base NPV Model Documentation, which is available on www.HMPAdmin.com, and in other NPV Versioning Requirements documentation.

All NPV inputs should remain constant when the borrower is re-evaluated, except those inputs that are determined to be materially inaccurate based on the borrower's written evidence. The values used in the re-evaluation must be as of the NPV Date.

Program Reporting Requirements

Summary Reporting

Servicers that are required to provide weekly summary level data to the Program Administrator via the HAMP Weekly Servicer Survey must include weekly summary level data for all Escalated Cases. The data must be accurate, complete, and in agreement with the servicer's records, are subject to review by MHA-C, and may be included in public reports made available by Treasury.

Reporting During Borrower Dispute Period

Servicers may not cancel a loan from the HAMP Reporting Tool or report the loan as not approved/not accepted within the 30 calendar days after the date of a Non-Approval Notice or any longer period required to review and resolve an Escalated Case. In addition, servicers should continue to report the status of the loan in accordance with HAMP reporting guidelines outlined in Section 12 of Chapter II of the *Handbook*.

Compliance

Treasury has engaged Freddie Mac as the Compliance Agent for the elements of MHA that are addressed in this Supplemental Directive. Freddie Mac has created an independent division, MHA-C for this purpose. MHA-C conducts independent compliance assessments and servicer reviews to evaluate servicer compliance with the requirements of MHA.

Servicers must include the Escalation Resolution Process defined above in the scope of their annual certification. The Escalation Resolution Process is required to be included in the annual certification starting with the certification effective date of April 1, 2011 or later. Servicers are required to maintain appropriate documentary evidence of their MHA-related activities, and to provide that documentary evidence upon request to MHA-C. Servicers must maintain required documentation in well-documented servicer system notes or in loan files for all MHA activities, for a period of seven years from the date of the document collection. Required documentation includes, but is not limited to:

- All policies and procedures related to the implementation, processes, controls (including design and effectiveness) and reporting for Escalated Cases.
- Documentation of all communications, whether verbal or written, with the borrower or authorized representative, MHA Help or HSC. Appropriate documentation includes, but is not limited to, the dates of communications, name(s) of contact person(s) and a summary of the conversation.

- Documentation and dates of the resolution of Escalated Cases.
- Documentation and dates of the Non-Approval Notice, including transmission of NPV values to borrowers, if applicable.
- Evidence of review or other controls that reasonably demonstrates the completeness and accuracy of the reporting and resolution of escalated cases.
- All policies and procedures related to appraisals.
- Copies of appraisals obtained in response to a borrower dispute of the property value input used in the NPV test.
- Copies of borrower communications disputing NPV inputs.

EXHIBIT A
MHA HANDBOOK MAPPING

I. NEW HANDBOOK SECTIONS

- A. A new Section 3 of Chapter I related to Treasury and Servicer Escalation Processes is inserted in its entirety with the following text:**

3 Escalation of Borrower Inquiries

The guidance in this Section 3 is effective February 1, 2011.

3.1 Treasury's Borrower Support Centers

The HOPE™ Hotline, a 24-hour telephone help-line operated by the non-profit, Homeownership Preservation Foundation, provides homeowners with free foreclosure prevention information and housing counseling referrals. Under contract with Fannie Mae, in its capacity as Program Administrator for the MHA Program, the HOPE™ Hotline assists borrowers with a preliminary assessment of their eligibility for MHA Programs and also connects borrowers with detailed program or denial questions to MHA Help, a team of housing counselors dedicated exclusively to working with borrowers and servicers to resolve MHA escalated cases. Treasury established a similar resolution resource, the HAMP Solution Center (HSC), to manage escalated cases received from housing counselors, government offices, and other third parties acting on behalf of a borrower.

Specially trained personnel at MHA Help and HSC handle Escalated Cases (as defined in Section 3.2), evaluating the circumstances and status of a borrower's request for assistance under an MHA Program and working with the servicer to identify and resolve the case in a manner consistent with MHA program guidelines. To facilitate review and response to cases escalated to servicers by HSC and MHA Help, servicers must report to HSC or MHA Help the status of referred Escalated Cases and, upon request, provide all necessary information required to assess the borrower's Escalated Case, including, but not limited to:

- Debt and income inputs, assumptions, and calculations used to evaluate the borrower;
- Name of the investor/guarantor and Pool ID if the reason for denial is "Investor/Guarantor Not Participating," unless restricted by confidentiality;
- Correspondence by either the borrower or the servicer relative to the applicable MHA Program evaluation;
- Timeline of events constructed by the servicer relative to the applicable MHA Program evaluation; and
- Other relevant data relied upon by the servicer in conducting the evaluation.

Servicers must permit calls with MHA Help or HSC to be recorded for quality control and training purposes.

3.2 Servicer Escalated Case Management

All servicers are required to have written procedures and personnel in place to provide timely and appropriate responses to borrower inquiries and disputes that rise to the level of an “Escalated Case,” which includes, but is not limited to:

- Allegations that the servicer did not assess the borrower for the applicable MHA Program(s) according to program guidelines;
- Inquiries regarding inappropriate program denials or the content of a Non-Approval Notice;
- Initiation or continuance of foreclosure actions in violation of Section 3 of Chapter II; or
- Cases referred to the servicer by HSC and MHA Help.

The servicer may handle Escalated Cases received from HSC, MHA Help, a borrower, an authorized advisor, Treasury, other federal agencies or elected officials (each, a Requestor).

3.2.1 Staffing Requirements

Servicers must designate one or more persons to comply with the requirements of this Section and to handle inquiries that rise to the level of an Escalated Case. Servicers must be sufficiently staffed to manage the escalation case load in accordance with the timing requirements of Section 3.3. The staff handling the Escalated Cases must be trained on the servicer’s case escalation procedures, knowledgeable about MHA program guidelines and possess the necessary authority to achieve a case resolution in accordance with this Section.

For those servicers that are required to report data to the Program Administrator via the HAMP Weekly Servicer Survey, the staff handling the Escalated Cases must be servicer personnel that are independent from the servicer personnel that made the initial MHA eligibility determination on the loan.

3.2.2 Accessibility

The staff handling Escalated Cases must be accessible directly by phone and electronic mail. In addition, the staff must have access to all pertinent borrower documentation and information in the servicing system and/or mortgage file and be capable of sending and receiving documentation and information that will support the resolution of an Escalated Case.

3.3 Escalation Resolution Process

The servicer must review each Escalated Case received from a Requestor against the information and documentation in the servicing system and/or mortgage file and data reported to the HAMP Reporting Tool to determine the accuracy of the inquiry and reach a resolution. As necessary, the servicer’s evaluation will include, but is not limited to, review or recalculation of the HAMP modification waterfalls and NPV testing.

3.3.1 Timing

Escalated Cases should be date stamped upon receipt. Within five business days following receipt of an Escalated Case from a Requestor, the servicer must acknowledge the inquiry in writing via e-mail, fax or mail and must provide the Requestor and, as applicable, the borrower:

- A case reference name or number;
- A date by which the servicer will resolve the Escalated Case and provide a response (Resolution Date), which may not exceed 30 calendar days from the date the inquiry was received; and
- A toll-free escalation contact phone number at the servicer.

If the servicer fails to comply with the requirement to resolve the Escalated Case by the Resolution Date, the servicer must provide an updated status to the Requestor and, as applicable, the borrower, on the Resolution Date and every 15 calendar days thereafter until the Escalated Case is resolved.

3.3.2 Authorization

Servicers must ensure that a borrower's information, including personally identifiable information (PII), is not disclosed to any individual or entity, including the Requestor, unless the borrower and co-borrower have each authorized release of such information in writing. By signing an RMA or Hardship Affidavit, a borrower and co-borrower each authorizes the servicer to disclose PII and the terms of any MHA agreements to (i) representatives of Treasury; (ii) personnel of Fannie Mae as the Program Administrator and Freddie Mac as the Compliance Agent for Treasury; (iii) any investor, insurer, guarantor or servicer that owns, insures, guarantees or services the first lien or subordinate lien mortgage loan(s) for the borrower; (iv) companies that perform support services in conjunction with MHA; and (v) any HUD-certified housing counselor. If a servicer is in receipt of an RMA or Hardship Affidavit signed by the borrower(s), no additional release is needed to disclose such information to MHA Help or HSC.

3.3.3 Case Resolution

An Escalated Case is considered to be resolved when the inquiry has been reviewed in accordance with the applicable MHA program guidelines and the servicer:

- Determines that there is no change in the original determination or identifies a proposed resolution that corresponds to one of the Resolution Categories listed below;
- Documents the proposed resolution in the servicing system and/or mortgage file including a date the resolution was reached;
- Within 10 business days of identifying the proposed resolution, communicates in writing to the Requestor and, as applicable, the borrower, the proposed resolution and next steps (if applicable, this communication may be a TPP Notice, Modification Agreement or short sale or deed-in-lieu agreement); and
- Takes the first action to implement the resolution.

The Resolution Categories are as follows:

- HAMP/2MP Trial
- HAMP/2MP Permanent Modification
- Alternative Modification
- Payment/Forbearance Plan
- Borrower Current
- Loan Payoff
- Short Sale/Deed in Lieu
- Foreclosure Initiated/Pending
- Foreclosure Completed
- Action Not Allowed – Bankruptcy in Process
- Non-MHA Issue(s)
- No Change in Original Determination

If the case was referred by HSC or MHA Help, the servicer may not consider the case resolved unless HSC or MHA Help concurs with the proposed resolution, with evidence of this concurrence retained in the servicing file.

3.3.4 Substantially Similar Cases

Servicers are not required to review a case, and a case will not be deemed an Escalated Case, when the substance of the inquiry pertains to the same borrower and loan and is substantially similar to a previously resolved Escalated Case. When a case is referred by HSC or MHA Help and the servicer has determined that the referral constitutes a substantially similar case, HSC or MHA Help must concur with the determination with evidence of this concurrence retained in the servicing file. The servicer must document in the servicing system and/or mortgage file the decision not to review a substantially similar case.

B. A new section 2.3.4 of Chapter II incorporating a dispute of property value into the borrower notice activities is inserted with the following text.

2.3.4 Disputed Property Value Input

Effective February 1, 2011, when a borrower is not approved for a trial period plan or permanent modification because the transaction is NPV negative and the borrower believes that the property value input used by the servicer in the NPV evaluation differs from the fair market value of the property as of the date the NPV model was initially run (NPV Date), the borrower may request an NPV re-evaluation. The borrower must, within 30 calendar days from the date of the Non-Approval Notice, provide the servicer with a recent estimate of the property value and a reasonable basis for that estimate at the same time that the borrower provides evidence of all other disputed NPV value inputs. Upon receipt of the written request, the servicer must perform a preliminary NPV re-evaluation using the borrower's estimate of property value (along with any other material disputed inputs).

If the preliminary re-evaluation performed by the servicer (or MHA Help or HSC as noted above) results in a positive NPV result, the servicer must offer the borrower the opportunity to request an appraisal of the property. The appraisal will establish the fair market value of the property as of the NPV Date and is required to complete the final NPV re-evaluation. The borrower must, no later than 15 calendar days from the date of notification that the preliminary NPV result is positive, remit a \$200 deposit against the full cost of the appraisal in a manner acceptable to the servicer. The balance of the actual appraisal cost will be added to the borrower's total arrearage under the loan.

The appraisal must be completed in accordance with the Uniform Standards of Professional Appraisal Practice by an appraiser that is not affiliated with the servicer and is licensed in the state where the property is located.

Servicers are not required to obtain a new appraisal if the original NPV property value input was established by an appraisal performed in accordance with the standards listed above. The servicer must provide a copy of such appraisal to the borrower.

Upon receipt of the appraisal, the servicer must perform a final NPV re-evaluation using the appraised value and any other NPV input values materially disputed by the borrower. The servicer must provide the final NPV outcome and input values to the borrower and, based on the NPV outcome, proceed in accordance with program guidelines. If the re-evaluation with the new appraised value results in a trial period plan, the balance of the actual appraisal cost will be capitalized in conjunction with the permanent modification.

C. A new section 2.3.5 of Chapter II related to the development of a Borrower NPV Calculator is inserted with the following text:

2.3.5 Borrower NPV Calculator

Treasury is in the process of developing a web-based Borrower NPV Calculator to implement the requirements of Section 1482(b) of the Dodd-Frank Act. The Borrower NPV Calculator will allow borrowers to learn about, interact with and better understand the purpose and role of the NPV model in HAMP. The Borrower NPV Calculator will be able to be used by borrowers to evaluate their potential eligibility for HAMP. In addition, the Borrower NPV Calculator will allow borrowers to enter the NPV input values used by the servicer and provided in the Non-Approval Notice to review the servicer's NPV evaluation. These inputs are set forth in the NPV Input Data Fields and Values chart set forth in Exhibit A. However, because a borrower using the Borrower NPV Calculator may not use exactly the same data used by the servicer, the Borrower NPV Calculator will only provide an estimated outcome.

D. A new section 7.7 of Chapter II is inserted with the following text:

7.7 NPV Requirements for Disputed Inputs

When servicers re-evaluate NPV results based on a borrower's written evidence of disputed variables, servicers must conduct the NPV test using the same major version of the NPV model

that was used to test the loan for trial period plan eligibility. Detailed versioning requirements are included in the Base NPV Model Documentation, which is available on www.HMPAdmin.com, and in other NPV Versioning Requirements documentation.

All NPV inputs should remain constant when the borrower is re-evaluated, except those inputs that are determined to be materially inaccurate based on the borrower's written evidence. The values must be as of the NPV Date.

E. A new section 11.6 of Chapter II is inserted with the following text:

11.6 Escalated Cases Reporting

The guidance in this Section 11.6 is effective February 1, 2011.

11.6.1 Summary Reporting

Servicers that are required to provide weekly summary-level data to the Program Administrator via the HAMP Weekly Servicer Survey must include weekly summary-level data for all Escalated Cases. The data must be accurate, complete, and in agreement with the servicer's records, are subject to review by MHA-C, and may be included in public reports made available by Treasury.

11.6.2 Reporting During Borrower Dispute Period

Servicers may not cancel a loan from the HAMP Reporting Tool or report the loan as not approved/not accepted within the 30 calendar days after the date of a Non-Approval Notice or any longer period required to review and resolve an Escalated Case. In addition, servicers should continue to report the status of the loan in accordance with HAMP reporting guidelines outlined in Section 12 and on www.HMPAdmin.com.

II. CONFORMING CHANGES TO EXISTING HANDBOOK SECTIONS

The following guidance amends and supersedes the notated portions of the *Handbook*:

A. The Foreword is amended to replace the first sentence in the third paragraph with following text. Changed or new text is indicated in italics. Text that has been lined out has been deleted.

This *Handbook* incorporates and supersedes in their entirety the following Supplemental Directives (SDs), as well as related frequently asked questions (FAQs) and waivers: SD 09-01; 09-02; 09-03; 09-04; 09-06; 09-07; 09-08; 09-10; 10-01; 10-02; 10-03; 10-04; 10-05; ~~and 10-10;~~ *and 10-15.*

B. The Overview is amended to include the following text as the last row in the chart related to Supplemental Directives:

10-15	<i>November 3, 2010</i>	<i>February 1, 2011</i>	<i>Case Escalation Process/Dodd-Frank Act NPV Notices</i>
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C. Section 2.1 of Chapter I is amended to include the following text as the last bullet under, “The scope of the compliance assessments includes but is not limited to the following:”

- Data Integrity and Accuracy of Survey Reporting related to Escalated Cases.

D. Section 2.2 of Chapter I is amended to include the following text related to compliance documentation which will follow all other bullets in that section:

- All policies and procedures related to the implementation, processes, controls (including design and effectiveness) and reporting for Escalated Cases.
- Documentation of all communications, whether verbal or written, with the borrower or authorized representative, MHA Help or HSC. Appropriate documentation includes, but is not limited to, the dates of communications, name(s) of contact person(s) and a summary of the conversation.
- Documentation and dates of the resolution of Escalated Cases.
- Documentation and dates of the Non-Approval Notice, including transmission of NPV values to borrowers, if applicable.
- Evidence of review or other controls that reasonably demonstrates the completeness and accuracy of the reporting and resolution of escalated cases.
- All policies and procedures related to appraisals.
- Copies of appraisals obtained in response to a borrower dispute of the property value input used in the NPV test.
- Copies of borrower communications disputing NPV inputs.

E. Section 2.3.2 of Chapter II is replaced in its entirety with the text below. Changed or new text is indicated in italics. Text that has been lined out has been deleted.

2.3.2 *Non-Approval Notices*

For borrowers not approved for a TPP or permanent HAMP modification, the Non-Approval Notice provides the primary reason(s) for the non-approval. In addition to the information listed in Section 2.3.1, any Non-Approval Notice must also:

- Include a description of other foreclosure alternatives for which the borrower may be eligible, if any, including but not limited to other modification programs, short sale and/or deed in lieu or forbearance.
- Identify the steps the borrower must take in order to be considered for those options.
- If the servicer has already approved the borrower for a foreclosure alternative program, information necessary to participate in or complete the alternative should be included.

Whenever a non-government foreclosure prevention option is discussed, the notice should be clear that the borrower was considered but is not eligible for HAMP.

The servicer may not conduct a foreclosure sale within the 30 calendar days after the date of a Non-Approval Notice or any longer period required to review supplemental material provided by the borrower in response to a Non-Approval Notice unless the reason for non-approval is (1) ineligible mortgage, (2) ineligible property, (3) offer not accepted by borrower / request withdrawn, or (4) the loan was previously modified under HAMP.

A model clause describing these rights is provided in Exhibit A. Use of the model clause is optional; however, it illustrates the level of specificity that is deemed to be in compliance with the language requirements of this *Handbook*.

In addition, effective February 1, 2011, if the servicer has performed an NPV evaluation, the Non-Approval Notice must list the NPV Data Input Fields and Values used in the NPV evaluation as listed in Exhibit A. The purpose of providing this information is to allow a borrower who is ineligible because the transaction is NPV negative the opportunity to correct values that may impact the analysis of the borrower's eligibility. All Non-Approval Notices must include an e-mail address and mailing address for communicating with the servicer if the borrower wishes to dispute the reasons for a non-approval determination and to submit written evidence.

F. Section 2.3.2.1 of Chapter II is replaced in its entirety with the text below. Changed or new text is indicated in italics. Text that has been lined out has been deleted.

[The guidance below is effective through January 31, 2011.]

When the borrower is not approved for a HAMP modification because the transaction is NPV negative, the Non-Approval Notice must include an explanation of the NPV analysis and a list of those input fields noted below with a notice that the borrower may, within 30 calendar days of the date of the notice, request the date the NPV calculation was completed and the values used to populate the following NPV input fields:

- Unpaid balance on the original loan as of [the data collection date]
- Interest rate before modification as of [the data collection date]
- Months delinquent as of [the data collection date]
- Next ARM reset date (if applicable)
- Next ARM reset rate (if applicable)
- Principal and interest payment before modification
- Monthly insurance payment
- Monthly real estate taxes
- Monthly HOA fees (if applicable)
- Monthly gross income
- Borrower's Total Monthly Obligations
- Borrower credit score
- Co-borrower credit score (if applicable)

- Zip Code
- State

The purpose of providing this information is to allow the borrower the opportunity to correct values that may impact the analysis of the borrower's eligibility. Servicers are not required to provide the numeric NPV results or NPV input values not enumerated above.

If the borrower or the borrower's authorized representative requests the specific NPV values verbally or in writing within 30 calendar days from the date of the Non-Approval Notice, the servicer must provide the requested details to the borrower within 10 calendar days of the request.

If the loan is scheduled for foreclosure sale when the borrower requests the NPV values, the servicer may not complete the foreclosure sale until 30 calendar days after the servicer delivers the NPV values to the borrower. This will allow the borrower time to make a request to correct any values that may have been inaccurate.

Upon written receipt from the borrower of evidence that one or more of the NPV values is inaccurate, the servicer must verify the evidence. If the evidence is accurate, material and likely to change the NPV outcome, the servicer must re-run the NPV calculation and respond accordingly. Other values not affected by the correction do not need to be changed from the first NPV calculation.

If the borrower identifies inaccuracies in the NPV values, the servicer must suspend the foreclosure sale until the inaccuracies are reconciled.

[The guidance below is effective beginning February 1, 2011.]

When the borrower is not approved for a HAMP modification because the transaction is NPV negative, the borrower will have 30 calendar days from the date of the Non-Approval Notice to submit written evidence to the servicer that one or more of the NPV input values is inaccurate. If the borrower wishes to dispute more than one NPV input, the written evidence for each input being disputed must be provided to the servicer at the same time. If the borrower identifies material inaccuracies in the NPV input values, the servicer may not conduct a foreclosure sale until the inaccuracies are reconciled.

If the evidence submitted by the borrower is valid and material to the NPV outcome, the servicer must perform the NPV calculation with the corrected input values as set forth in Section 7.7. Following the re-evaluation, the servicer must provide the updated NPV outcome and input values to the borrower.

Alternatively, the borrower may, as directed in the Non-Approval Notice, request assistance from MHA Help prior to contacting the servicer to evaluate whether the borrower's disputed NPV inputs would change the NPV outcome from negative to positive. Using the disputed inputs provided by the borrower, MHA Help will conduct a preliminary NPV re-evaluation and will provide the borrower with the printed NPV result, which should be given by the borrower to the

servicer when requesting a formal re-evaluation by the servicer. If the borrower is represented by a trusted advisor, that advisor may also request the preliminary NPV re-evaluation from HSC.

A borrower or trusted advisor acting on behalf of a borrower may only request one NPV re-evaluation from MHA Help or HSC prior to contacting the servicer. If the re-evaluation performed by the servicer, MHA Help or HSC using the disputed borrower inputs returns a negative NPV result, the borrower is not eligible for additional appeals of other inputs. Although the borrower may seek assistance from MHA Help or HSC, the borrower must still make its written request to the servicer within 30 calendar days from the date of the Non-Approval Notice.

G. Section 3.1 of Chapter II is amended to include the following text which will follow all other bullets in that section related to suspension of referral to foreclosure:

- The servicer has resolved the Escalated Case in accordance with Section 3.3 of Chapter I.

H. Section 7.2 of Chapter II – the first paragraph is amended to include the following text related to NPV reevaluations.

From time to time Treasury releases updates to the Base NPV Model. All servicers are required to use the most recent version and loans being evaluated for HAMP for the first time will be tested using the latest available Base NPV Model version. Loans subject to a re-evaluation must be tested using the same NPV version and inputs used for the initial NPV test in accordance with Section 7.6.1 and 7.7.

I. Exhibit A, Model Clauses for Borrower Notices, item 7, is replaced in its entirety with the text below. Changed or new text is indicated in italics. Text that has been lined out has been deleted.

7. **Negative NPV.** The Home Affordable Modification Program requires a calculation of the net present value (NPV) of a modification using a formula developed by the Department of the Treasury. The NPV calculation requires us to input certain financial information about your income and your loan including the factors listed below. When combined with other data in the Treasury model, these inputs estimate the cash flow the investor (owner) of your loan is likely to receive if the loan is modified and the investor's cash flow if the loan is not modified. Based on the NPV results the owner of your loan has not approved a modification.

[The language below is effective through January 31, 2011.]

If we receive a request from you within 30 calendar days from the date of this letter, we will provide you with the date the NPV calculation was completed and the input values noted below. If, within 30 calendar days of receiving this information you provide us with evidence that any of these input values are inaccurate, and those inaccuracies are material, for example a significant difference in your gross monthly income or an inaccurate zip code, we will conduct a new NPV evaluation. While there is no guarantee that a new NPV evaluation will result in the owner of

your loan approving a modification, we want to ensure that the NPV evaluation is based on accurate information.

Available NPV Inputs

- a. Unpaid balance on the original loan as of [Data Collection Date]
- b. Interest rate before modification as of [Data Collection Date].
- c. Months delinquent as of [Data Collection Date]
- d. Next ARM reset date (if applicable)
- e. Next ARM reset rate (if applicable)
- f. Principal and interest payment before modification
- g. Monthly insurance payment
- h. Monthly real estate taxes
- i. Monthly HOA fees (if applicable)
- j. Monthly gross income
- k. Borrower's Total Monthly Obligations
- l. Borrower Credit Score
- m. Co-borrower Credit Score (if applicable)
- n. Zip Code
- o. State

[The language below is effective beginning February 1, 2011.]

The NPV input values we used in your NPV evaluation are listed in the NPV Data Input Fields and Values chart in this letter. You have 30 calendar days from the date of this letter to provide us with written evidence that one or more of the NPV input values is inaccurate. If you wish to dispute more than one NPV input, you must provide us with the written evidence for each input being disputed at the same time. If your written evidence identifies material inaccuracies in the NPV input values, we will not conduct a foreclosure sale until the inaccuracies are reconciled.

If you believe that the "Property Value" input used in the NPV evaluation differs from the fair market value of your home, you must provide us with a recent estimate of the property value and a reasonable basis for that estimate at the same time that you provide evidence of any other disputed NPV value inputs. We will then perform a test NPV using your estimated value. If the test provides an NPV positive outcome, you have the right to request that we obtain an appraisal to confirm the value of your home and use that appraised value to conduct a new NPV evaluation.

The estimated cost of an appraisal in your community is \$____. If you wish to exercise this option we must, within 30 calendar days of the date of this notice, receive a written request that includes your estimate of property value and a reasonable basis for that estimate, along with any other input values you wish to dispute, and a check [or other payment source acceptable to the servicer] for \$200 as a deposit against the full cost of the appraisal. If the test NPV is negative we will notify you of that result. We will not order an appraisal and your deposit will be applied to your account. If the test NPV is positive, we will order an appraisal and your account will be charged for the difference between your deposit and the actual cost of the appraisal whether or not any change in property value changes the NPV outcome.

If your written evidence is valid and material to the NPV outcome, we will re-perform the NPV evaluation with the corrected input values. Following the re-evaluation, we will provide you with the updated NPV outcome and input values.

Alternatively, you may request assistance from MHA Help at the telephone number set forth in this letter prior to contacting us to evaluate whether your disputed NPV inputs, including “Property Value,” would change the NPV outcome from negative to positive. Using the disputed inputs you provide, MHA Help will conduct a preliminary NPV re-evaluation and will provide you with the printed NPV result. You should provide that result to us as part of your written evidence that one or more of the NPV input values is inaccurate within 30 calendar days from the date of this letter.

You may only request one NPV re-evaluation from MHA Help prior to contacting us. If the re-evaluation performed by MHA Help or us using the disputed inputs returns a negative NPV result, you will not be eligible for additional appeals of other inputs.

J. Exhibit A, Model Clauses for Borrower Notices, is amended to include the following chart at the end of the Exhibit:

NPV INPUT DATA FIELDS AND VALUES

Input Data Fields	Explanation	Value used in NPV calculation to determine the HAMP eligibility of your mortgage
I. Borrower Information		
1. Current Borrower Credit Score	This field identifies your credit score as provided by one or more of the three national credit reporting agencies.	
2. Current Co-borrower Credit Score	If a co-borrower is listed on the mortgage, this field identifies the co-borrower's credit score as provided by one or more of the three national credit reporting agencies.	
3. Monthly Gross Income	This field identifies the monthly gross income of all borrowers on your loan before any payroll deductions or taxes.	
II. Property Information		
4. Property - State	This field identifies the two letter state code of the property securing your mortgage.	
5. Property - Zip Code	This field identifies the zip code of the property securing your mortgage.	
6. Property Value	This field identifies the estimated fair market value of your property used by us, your servicer for this analysis.	
7. Property Valuation Type	This field identifies the method by which your property was valued (as noted in Field 6, Property Value) 1 – Automated Valuation Model (AVM) 2 – Exterior Broker Price Opinion (BPO) / Appraisal (as is value) 3 – Interior BPO / Appraisal (as is value)	

III. Mortgage Information

8. Data Collection Date	This field identifies the date on which the Unpaid Principal Balance and other data used in the NPV analysis was collected by us, your servicer.	
9. Imminent Default Flag	This field indicates your default status at the time you asked to be evaluated for HAMP. If you have not missed any payments or less than two payments are due and unpaid by the end of the month in which they are due, you are considered to be in imminent default and the value in this field is "Y". If two or more payments are due and unpaid by the end of the month in which they are due at the time of application, the value in this field is "N".	
10. Investor Code	This field identifies the owner of your mortgage. 1-Fannie Mae 2-Freddie Mac 3-Owned by a private investor other than us, your servicer 4-Owned by us, your servicer or an affiliated company 5-Ginnie Mae	
11. Unpaid Principal Balance at Origination	This field identifies the amount of your mortgage at the time it was originated (i.e., the amount you borrowed).	
12. First Payment Date at Origination	This field identifies the date the first payment on your mortgage was due after it was originated.	
13. Product Before Modification	This field uses codes to identify the type of mortgage you held prior to applying for a HAMP modification: <ol style="list-style-type: none"> 1. Adjustable Rate Mortgage (ARM) and/or Interest Only mortgage loan 2. Fixed Rate 3. Step Rate 4. One Step Variable 5. Two Step Variable 6. Three Step Variable 7. Four Step Variable 8. Five Step Variable 9. Six Step Variable 10. Seven Step Variable 11. Eight Step Variable– 12. Nine Step Variable– 13. Ten Step Variable– 14. Eleven Step Variable– 15. Twelve Step Variable– 16. Thirteen Step Variable, 17. Fourteen Step Variable 	
14. Adjustable Rate Mortgage (ARM) Reset Date	This field applies only to Adjustable Rate Mortgage (ARM) loans. If you do not have an ARM loan this field will be blank. This field identifies the date on which the next Adjustable Rate Mortgage (ARM) reset was due to occur, as of the Data Collection Date (Field 8).	

15. Next Adjustable Rate Mortgage (ARM) Reset Rate	<p>This field identifies the rate at which your mortgage was expected to change based on when the next reset date (Field 14) is scheduled to occur. Please look to your mortgage loan documentation for information on how your mortgage's rate is recalculated at its reset date.</p> <p>If the reset date on your ARM loan is within 120 days of the Data Collection Date, this value in this field is the expected interest rate on your mortgage at the next reset date.</p> <p>If the reset date on your ARM loan is more than 120 days from the Data Collection Date, the value in this field is your current interest rate at the time of NPV evaluation.</p>	
16. Unpaid Principal Balance Before Modification	<p>This field identifies the unpaid amount of principal (money you borrowed) on your mortgage as of the Data Collection Date. It does not include any unpaid interest or other amounts that you may owe.</p>	
17. Interest Rate Before Modification	<p>This field identifies the interest rate on your mortgage as of the Data Collection Date.</p>	
18. Remaining Term (# of Payment Months Remaining)	<p>This field identifies the remaining number of months you have left to pay under the original term of your mortgage as of the Data Collection Date.</p>	
19. Principal and Interest Payment Before Modification	<p>This field is the amount of principal and interest you were scheduled to pay each month as of the Data Collection Date.</p> <ul style="list-style-type: none"> A. If your loan had an adjustable rate scheduled to reset within 120 days, this field will reflect the principal and interest payment associated with the new interest rate. B. If your mortgage is an Interest Only loan and your loan was in the interest only period, the value in this field is the interest payment that was due each month. C. If your mortgage is a negative-amortization loan, the value in this field is the greater of: <ul style="list-style-type: none"> a. the principal and interest payment you sent on the most recent payment date; or b. the minimum payment required on your loan. 	
20. Monthly Real Estate Taxes	<p>This field identifies the monthly cost of your real estate taxes. If your taxes are paid annually this amount will be 1/12th of the annual cost.</p>	
21. Monthly Hazard and Flood Insurance	<p>This field identifies the monthly cost of your hazard and flood insurance coverage. If your insurance is paid annually this amount will be 1/12th of the annual cost.</p>	
22. Homeowners Association Dues/Fees	<p>This field identifies your monthly homeowner's or condominium association fee payments, if any, and/or any future monthly escrow shortages. If your homeowner's or condominium association fee payments are paid annually, this will be 1/12th of the annual cost.</p> <p>If your property has no association fee payments, this field is blank.</p>	
23. Months Past Due	<p>This field identifies the number of mortgage payments you would have had to make in order to make your mortgage current, as of the Data Collection Date.</p>	
24. Mortgage Insurance Coverage Percent	<p>This field identifies the percentage of private mortgage insurance coverage on your loan. If you do not have private mortgage insurance this field is blank.</p>	

IV. Proposed Modification Information

The fields below describe the proposed HAMP modification that was calculated by your servicer according to the HAMP program guidelines (subject to investor restrictions) that were used in your Net Present Value (NPV) evaluation.

25. NPV Date	This field identifies the date that the Net Present Value evaluation was conducted on your mortgage.	
26. Unpaid Principal Balance of the Proposed HAMP Modification (Net of Forbearance & Principal Reduction)	<p>This field identifies the beginning principal balance on which you would have been required to pay interest if you had received a HAMP modification.</p> <p>It is likely to be different than your current principal balance because it includes amounts you owe for missed mortgage payments and unpaid expenses that are allowed to be added (capitalized) to your principal balance. Additionally, it may be reduced by proposed principal forbearance (Field 32) or proposed principal forgiveness (Field 33).</p>	
27. Interest Rate of the Proposed HAMP Modification	This field identifies the starting interest rate of the proposed HAMP modified mortgage. This rate is fixed for at least the first 5 years after modification.	
28. Amortization Term of the Proposed HAMP Modification	This field identifies the number of months left to pay the proposed HAMP modified mortgage.	
29. Principal and Interest Payment of the Proposed HAMP Modification	This field identifies the amount of the monthly principal and interest payment on the proposed HAMP modified mortgage.	
30. Principal Forbearance Amount of the Proposed HAMP Modification	This field identifies the amount of principal your investor was willing to forbear on the proposed HAMP modified mortgage. You would have still owed this amount, but you would not be charged interest on it and no payments would have been due on this amount until you paid off your loan.	
31. Principal Forgiveness Amount of the Proposed HAMP Modification	This field identifies the amount of principal your investor was willing to forgive under the proposed HAMP modified mortgage.	
32. Modification Fees	This field identifies the total amount of costs and fees that would have been paid by the investor (owner) of your loan, if you had been approved for a HAMP modification. It includes expenses such as notary fees, property valuation, credit report and other required fees.	
33. Mortgage Insurance Partial Claim Amount of the Proposed HAMP Modification	<p>This field identifies any mortgage insurance payout amount as part of the proposed HAMP modified mortgage, which is, at the discretion of your mortgage insurance company.</p> <p>This should be zero if you were not approved for a trial period plan or permanent HAMP modification for reason of negative NPV.</p>	