



Dear Customer(s):

As your servicer, we want to try to help you stay in your home. With this in mind, we may have an option available to help you.

We are willing to work with you to determine if there is an agreeable way to resolve your current delinquency/foreclosure or foreseeable delinquency. We have included a list of possible loan workout options that may be available to you. These options can be tailored to your current circumstances, as not all options are suitable for everyone.

To be considered for one of these programs, complete the attached Financial Statement form and return it with the required financial documents (bank statements, pay stubs, tax returns, profit and loss statement (if self employed). This will allow us to evaluate your current financial status and determine your eligibility for assistance. There is NO fee for us to review your information.

Please be aware that until an agreement is completed, collection and/or foreclosure efforts will continue (if applicable), and any delinquent payments may be reported to the credit repositories. *If you are currently making payments on this account, continue to make the payments, even while we are reviewing your financial information.*

**Time is of the essence.** If you would like to be considered for financial assistance, send your completed financial package to our Loss Mitigation Team at:

Sovereign Bank  
Mortgage Loss Mitigation Team  
Mailcode: 10-6438-MD4  
P.O. Box 12646  
Reading, PA 19601  
Fax: 800-881-9334  
Email: [mortgagedefault@sovereignbank.com](mailto:mortgagedefault@sovereignbank.com)

One of our Loss Mitigation Specialist should be in contact with you within 60 days of receipt of your complete financial package, depending on volume. Should you have any questions or need to discuss your particular circumstances with us, please contact us at 1-888-656-8101.

Sincerely,

Loss Mitigation Team

Attachments: Instructions for Requesting Financial Assistance, Letter of Hardship Form, Borrower Financial Form, Workout Options

Any fees associated with this process will be your responsibility. Those fees include property inspections, title search, or appraisal. These costs may vary. Fee incurred will be added to your mortgage account.

### **Beware of Foreclosure Rescue Scams. Help is free!**

- There is never a fee to get assistance or information about the Making Home Affordable program from your lender or a HUD-approved housing counselor.
  - For a HUD-approved counselor, visit: <http://www.hud.gov/offices/hsg/sfh/hcc/fc/>
- Beware of any person or organization that asks you to pay a fee in exchange for housing counseling services or modification of a delinquent loan.
- Beware of anyone who says they can “save” your home if you sign or transfer over the deed to your house. Do not sign over the deed to your property to any organization or individual unless you are working directly with your mortgage company to forgive your debt.
- Never make your mortgage payments to anyone other than your mortgage company without their approval.

#### **NOTICE TO BORROWERS**

Be advised that you are signing the following documents under penalty of perjury. Any misstatement of material fact made in the completion of these documents including but not limited to misstatement regarding your occupancy in your home, hardship circumstances, and/or income will subject you to potential criminal investigation and prosecution for the following crimes: perjury, false statements, mail fraud, and wire fraud. The information contained in these documents is subject to examination and verification. Any potential misrepresentation will be referred to the appropriate law enforcement authority for investigation and prosecution.

By signing the enclosed documents you certify, represent and agree that:

“Under penalty of perjury, all documents and information I have provided to Lender in connection with this Agreement, including the documents and information regarding my eligibility for the program, are true and correct.”

## **INSTRUCTIONS FOR REQUESTING FINANCIAL ASSISTANCE**

**Enclosed you will find a Financial Statement form and a brief explanation of the programs that may be available to you. The documents listed below are the items we require to determine what, if any, options may be available to you in order to resolve your mortgage delinquency and/or avoid possible foreclosure on your home. You must return the following applicable document(s) with the completed and signed enclosed form before we will review your loan:**

- Completed and signed enclosed Financial Statement
- A letter explaining the circumstances that caused the default on the loan, and the type of assistance you are requesting.
- Copies of your most recent pay stubs reflecting one full month of income and payroll deductions (2 pay stubs if paid bi-weekly, 4 if paid weekly). If you do not have pay stubs, please provide all other documentation verifying current income, such as Social Security, pensions, or unemployment award letters. If self employed, we require a current year-to-date profit and loss statement.
- Copies of your two most recent complete bank statements, checking and savings, showing all activity for a minimum of 60 consecutive days. If self-employed, we require the same information for 180 consecutive days.
- Copy of the most recent year's completed federal tax return with W-2's and schedules. If self employed, we require the last 2 years' returns.
- Listing Agreement if property is listed for sale including written authorization to speak with the listing real estate agent.

Return the information to:           Sovereign Bank  
  Loss Mitigation Department  
  Mail Code: 10-6438-MD4  
  601 Penn Street  
  Reading, PA 19601

\*If you would prefer, you may fax the information to 1-800-881-9334 or take it to any Sovereign Bank Branch with this letter.

If you have any questions regarding the financial package, please contact us at 1-888-656-8101.

Be sure to double check the financial statement and make sure all income and expenses have been accurately listed and totaled in the areas provided.

We look forward to helping you soon!

**Letter of Hardship**

In your own words: 1. State the reason for delinquency and 2. State what type of assistance you are requesting.

[Empty box for writing the letter of hardship]

Any fees associated with this process will be your responsibility. Those fees include property inspections, title search, or appraisal. These costs may vary. Fee incurred will be added to your mortgage account.

# BORROWER FINANCIAL INFORMATION

BORROWER		CO-BORROWER	
BORROWER'S NAME		CO-BORROWER'S NAME	
SOCIAL SECURITY NUMBER	DATE OF BIRTH	SOCIAL SECURITY NUMBER	DATE OF BIRTH
HOME PHONE NUMBER WITH AREA CODE (BEST TIME TO CALL)		HOME PHONE NUMBER WITH AREA CODE (BEST TIME TO CALL)	
WORK PHONE NUMBER WITH AREA CODE (BEST TIME TO CALL)		WORK PHONE NUMBER WITH AREA CODE (BEST TIME TO CALL)	
CELL PHONE NUMBER WITH AREA CODE (BEST TIME TO CALL)		CELL PHONE NUMBER WITH AREA CODE (BEST TIME TO CALL)	
MAILING ADDRESS			
PROPERTY ADDRESS (IF SAME AS MAILING ADDRESS, JUST WRITE SAME)			EMAIL ADDRESS
Number of Dependents:	Do you occupy the property? Yes <input type="checkbox"/> No <input type="checkbox"/>	Is it rental property? Yes <input type="checkbox"/> No <input type="checkbox"/>	Is it leased? Yes <input type="checkbox"/> No <input type="checkbox"/> If you have a lease agreement, please provide a copy.
Is the property listed for sale? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, please provide a copy of the listing agreement. Agent's Name: _____ Agent's Phone Number: _____ Agent's Email: _____		Have you contacted a credit-counseling agency for help? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, please complete counselor contact information below. Counselor's Name: _____ Counselor's Phone Number: _____ Counselor's Email: _____	
Do you receive, and pay, the Real Estate Tax bill on your home or does your lender pay it for you? I do <input type="checkbox"/> Lender does <input type="checkbox"/> Are the taxes current? Yes <input type="checkbox"/> No <input type="checkbox"/> If you pay it, please provide a copy of your tax statement.		Do you pay for a hazard insurance policy? Yes <input type="checkbox"/> No <input type="checkbox"/> Is the policy current? Yes <input type="checkbox"/> No <input type="checkbox"/> If you pay it, please provide a copy of the policy.	
Have you filed for bankruptcy? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes: Chapter 7 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Filing Date: _____			
Has your bankruptcy been discharged? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, please provide a copy of the discharge order signed by the court.			
INVOLUNTARY INABILITY TO PAY			
I (We), _____, am/are requesting that the Federal Home Loan Mortgage Corporation (Freddie Mac) review my/our financial situation to determine if I/we qualify for a workout option.			
I am having difficulty making my monthly payment because of financial difficulties created by <i>(Please check all that apply)</i> :			
<input type="checkbox"/> Abandonment of Property	<input type="checkbox"/> Excessive Obligations	<input type="checkbox"/> Military Service	<input type="checkbox"/> Other _____
<input type="checkbox"/> Business Failure	<input type="checkbox"/> Fraud	<input type="checkbox"/> Payment Adjustment	
<input type="checkbox"/> Casualty Loss	<input type="checkbox"/> Illness in Family	<input type="checkbox"/> Payment Dispute	
<input type="checkbox"/> Curtailment of Income	<input type="checkbox"/> Illness of Mortgagor	<input type="checkbox"/> Property Problems	
<input type="checkbox"/> Death in Family	<input type="checkbox"/> Inability to Rent Property	<input type="checkbox"/> Title Problems	
<input type="checkbox"/> Death of Mortgagor	<input type="checkbox"/> Incarceration	<input type="checkbox"/> Transferring Property	
<input type="checkbox"/> Distant Employment Transfer	<input type="checkbox"/> Marital Difficulties	<input type="checkbox"/> Unemployment	
I believe that my situation is: <input type="checkbox"/> Short term (under 6 months) <input type="checkbox"/> Long term (over 6 months) <input type="checkbox"/> Permanent			
I want to: <input type="checkbox"/> Keep the Property <input type="checkbox"/> Sell the Property			
<b><i>Please provide a detailed explanation of the hardship on a separate sheet of paper.</i></b>			
If there are additional Liens/Mortgages or Judgments on this property, please name the person(s), company or firm and their respective telephone numbers.			
\$			
Lien Holder's Name	Balance / Interest Rate	Phone Number (WITH AREA CODE)	
\$			
Lien Holder's Name	Balance / Interest Rate	Phone Number (WITH AREA CODE)	

Any fees associated with this process will be your responsibility. Those fees include property inspections, title search, or appraisal. These costs may vary. Fee incurred will be added to your mortgage account.

<b>EMPLOYMENT</b>			
BORROWER- EMPLOYER'S ADDRESS & PHONE #		HOW LONG?	CO-BORROWER- EMPLOYER'S ADDRESS & PHONE #
			HOW LONG?
<b>Monthly Income - Borrower</b>		<b>Monthly Income - Co-Borrower</b>	
Gross Wages / Frequency of Pay	\$	Gross Wages / Frequency of Pay	\$
Unemployment Income	\$	Unemployment Income	\$
Child Support / Alimony*	\$	Child Support / Alimony*	\$
Disability Income/ SSI	\$	Disability Income/ SSI	\$
Rents Received	\$	Rents Received	\$
Other	\$	Other	\$
Less: Federal and State Tax, FICA	\$	Less: Federal and State Tax, FICA	\$
Less: Other Deductions (401K, etc.)	\$	Less: Other Deductions (401K, etc.)	\$
Commissions, bonus and self-employed income	\$	Commissions, bonus and self-employed income	\$
* * * * * ALL INCOME NEEDS TO BE DOCUMENTED * * * * *			
<b>Paystub must be most recent date with year to date information.</b>			
<b>Total (Net income)</b>		<b>Total (Net income)</b>	
\$		\$	
<b>Monthly Expenses</b>		<b>Assets</b>	
Other Mortgages / Liens	\$	<b>Type</b>	<b>Estimated Value</b>
Auto Loan(s)	\$	Checking Account(s)	\$
Auto Expenses / Insurance	\$	Saving / Money Market	\$
Credit Cards / Installment Loan(s) (total minimum payment for both per month)	\$	Stocks / Bonds / CDs	\$
Health Insurance (not withheld from pay)	\$	IRA / Keogh Accounts	\$
Medical (Co-pays and Rx)	\$	401k / ESPO Accounts	\$
Child Care / Support / Alimony	\$	Home	\$
Food / Spending Money	\$	Other Real Estate	# \$
Water / Sewer / Utilities / Phone	\$	Cars	# \$
HOA/Condo Fees/Property Maintenance	\$	Life Insurance (Whole Life not Term)	\$
Life Insurance Payments (not withheld from pay)	\$	Other	\$
<b>Total</b>	<b>\$</b>	<b>Total</b>	<b>\$</b>

\* Alimony, child support or separate maintenance income need not be revealed if the Borrower or Co-borrower does not choose to have it considered for repaying this loan.

I agree as follows: My lender may discuss, obtain and share information about my mortgage and personal financial situation with third parties such as purchasers, real estate brokers, insurers, financial institutions, creditors and credit bureaus. Discussions and negotiations of a possible foreclosure alternative will not constitute a waiver of or defense to my lender's right to commence or continue any foreclosure or other collection action, and an alternative to foreclosure will be provided only if an agreement has been approved in writing by my lender. The information herein is an accurate statement of my financial status. I consent to being contacted concerning my Mortgage at any cellular or mobile telephone number I may have. This includes text messages and telephone calls to my cellular or mobile telephone. Submitted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

By \_\_\_\_\_  
Signature of Borrower

By \_\_\_\_\_  
Signature of Co-Borrower

Any fees associated with this process will be your responsibility. Those fees include property inspections, title search, or appraisal. These costs may vary. Fee incurred will be added to your mortgage account.

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**Your home is an important investment you cannot afford to lose. You may be eligible for one of the below alternatives to foreclosure. We may be able to assist you if you have a financial hardship.**

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**Repayment Plan** - Allows you to make regular monthly payments along with a portion of your delinquency each month, until current. This would be approved in temporary or short-term hardships with sufficient income to support the agreement. This would be agreed to in writing.

**Forbearance Plan** - The reduction or suspension of payments for a short period of time. This may be offered during temporary financial difficulties beyond your control, with the likelihood of resuming regular monthly payments after said indulgence. Terms are established once it is determined when/if you will be able to resume normal obligations.

**Loan Modification** – It may be possible to offer a reduction of the existing interest rate, an extension of the present terms (years), and/or addition of delinquent payments to the end of the loan. One or a combination of these would allow for a “fresh start.” This includes having to repay any delinquency, but may not release you of your liability.

**Loan Assumptions** – The transfer of title of your property to a qualified “buyer,” via a normal settlement. However, the existing terms of the loan, such as interest rate, remain the same allowing for fewer closing costs. This includes having to repay any delinquency, but may not release you of your liability,

**Deed-In-Lieu (DIL)** - If you have exhausted all other options, and have shown every attempt to rid the property yourself, the bank may accept the property back in lieu of any legal proceedings. Much like a short sale, the bank may require a contribution in order to minimize their losses. Approval and completion of this transaction will satisfy your obligations to the bank in full.

**Preforeclosure Sale / Short Sale** - Selling your home is a viable alternative if you are suffering a more invariable and irreversible financial problem. Unfortunately, property values today can decline, thus causing the debt on a property to be greater than the value. In such cases, if an offer is made on the property at fair market value, the bank will evaluate the situation and possibly allow the shortfall. The bank may require a contribution, cash or note, in order to minimize their losses. Approval and completion of this transaction will satisfy your obligations to the bank in full. Please note that any potential offers on these cases should indicate “contingent on bank approval” in the contract, and should be presented to the bank for approval.

***Any questions should be directed to 1-888-656-8101***

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**Please be advised that this financial institution is acting as a debt collector attempting to collect a debt. Any information obtained will be used for that purpose.**

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## **Things you should consider about Mortgage Loan Delinquency and Foreclosure.**

If you are considering foreclosure as an option to your current problem with your mortgage loan, there are several things you should consider.

THE FOLLOWING IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND IS NOT INTENDED AS LEGAL ADVICE. STATE LAW MAY VARY AND YOU MAY HAVE OTHER RIGHTS AND DUTIES NOT MENTIONED HERE. IF YOU HAVE QUESTIONS REGARDING HOW MORTGAGE LOAN DELINQUENCY AND FORECLOSURE MAY AFFECT YOU, YOU SHOULD CONSULT LEGAL AND/OR TAX PROFESSIONALS.

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**Possible Unfavorable Credit Rating** – Mortgage loan delinquency and foreclosure will, in most cases, be reported to all of the major credit repositories in the United States. Once reported, this information about loan default becomes a part of your permanent credit file where it may affect you for at least seven (7) years. This information can be disclosed to any party authorized to access your credit file. Mortgage loan delinquency and foreclosure are, in most cases, viewed negatively by credit lenders, insurance companies, and prospective employers. This adverse credit rating may limit your ability to obtain all forms of credit including mortgage loans, consumer loans and credit cards. It may also disqualify you for certain types of insurance such as homeowners insurance. Many insurers view bad credit as a factor indicating possible high risk of insurance loss. This adverse credit rating may also impair your ability to obtain or retain employment. An employer may require a good credit rating as a condition of employment. FOR MORE INFORMATION REGARDING YOUR PERSONAL CREDIT RECORD, YOU MAY CONSULT YOUR LOCAL CREDIT BUREAU OR YOUR ATTORNEY.

## **Possible Legal Liability**

Foreclosure of your mortgage loan may not relieve you of responsibility of the debt. If your property does not bring a price at the foreclosure sale sufficient to satisfy your debt, you may very likely remain responsible for the balance owing after foreclosure. Even though your lender may be insured against loss, their insurer may be in a position to bring suit against you to recover the balance. If this legal action is successful, you could be ordered by a court to pay the balance plus reasonable attorney's fees and interest on the judgment amount. IF YOU HAVE QUESTIONS REGARDING YOUR LEGAL LIABILITY YOU SHOULD CONSULT YOUR ATTORNEY.

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**Possible Additional Federal Income Tax Liability** – Certain lenders who acquire an interest in property that was security for a loan, or who have reason to know that such property has been “abandon”, must report this information to the INTERNAL REVENUE SERVICE on IRS form 1099-A. You may have reportable income or loss because of such acquisition or abandonment. Gain or loss from an acquisition generally is measured by the difference between your adjusted basis in the property and the amount of your debt canceled in exchange for the property, or, if greater, the sale proceeds. If you abandoned the property, you may have income from the discharge of indebtedness in the amount of the unpaid balance of your canceled debt. You may also have a loss from abandonment up to the adjusted basis of the property at the time of abandonment. Losses on acquisitions or abandonment of property held for personal use are *not deductible*. FOR MORE INFORMATION ON ABANDONMENT OF SECURED PROPERTY, YOU MAY CONSULT THE INTERNAL REVENUE SERVICE, A CERTIFIED TAX PROFESSIONAL OR YOUR ATTORNEY.