



Liberty Bank Home Affordable Foreclosure Alternative (HAFA) Matrix

All servicers that have signed agreements with the U.S. Department of the Treasury (Treasury) to participate in the Home Affordable Modification Program (HAMP) must consider customers who do not qualify for HAMP for other foreclosure prevention options, including Home Affordable Foreclosure Alternatives (HAFA) which includes short sale and deed-in-lieu. However, each servicer has some discretion in determining additional customer eligibility criteria and certain program rules. In order to assist customers and their representatives in understanding any unique components of a servicer's HAFA Policy, Treasury has developed this HAFA Matrix. The summary information in this matrix is prepared solely by Liberty Bank and does not represent any determination by Treasury as to the servicer's compliance with Treasury's policies and guidance for HAFA. Treasury does not endorse any language or policy described in this matrix. Any questions regarding the information contained in this matrix should be directed solely to Liberty.

Servicer Disclaimer – Program requirements and eligibility for Fannie Mae, Freddie Mac, or any other investor owned loans may vary from Treasury's HAFA program. The matrix below is a summary of the requirements related to Treasury's HAFA program for mortgage loans owned by Liberty Bank. Individual short sales are subject to all of the conditions of the HAFA program and Liberty Bank's policies related to the HAFA program.

ELIGIBILITY REQUIREMENTS

HAFA Basic Eligibility

The customer must meet these basic eligibility criteria:

- The property is the customer's primary residence or has been owner occupied in the last 12 months
- The first mortgage was issued before January 1, 2009
- Mortgage delinquency or default is reasonably foreseeable
- The unpaid principal balance is no more than:
 - \$729,750 for 1 unit
 - \$934,200 for 2 units
 - \$1,129,250 for 3 units
 - \$1,403,400 for 4 units

In addition to the basic eligibility above, individual investor or Mortgage Insurance requirements must be met. Mortgage Insurance or private investor approval must be obtained prior to Liberty offering a HAFA Short Sale, if Liberty does not have delegated authority.

DOCUMENTATION REQUIREMENTS

Preapproved Short Sale Agreement

- Hardship Affidavit/Request for Modification and Affidavit
- Evidence of residency
- Dodd-Frank Certification (unless investor does not require)
- Subordinate lien status documentation
- Financial documentation, if required by the private investor or Mortgage insurance company

DOCUMENTATION REQUIREMENTS (CONTINUED)

- Third-Party Authorization, if applicable
- Signed Arms Length Affidavit
- Military borrowers who have Servicemembers Civil Relief Act foreclosure protection or have been on active duty within the past 12 months are required to sign a waiver to pursue a Short Sale.



	<p><u>Existing Offer Submitted Using an Alternative Request for Approval of Short Sale</u></p> <p>All Short Sale Agreement documents plus:</p> <ul style="list-style-type: none">• Alternative Request for Approval of Short Sale• Signed offer to purchase contract with all related addenda• Buyer's Proof of Funds / Buyer Prequalification Letter• Active listing agreement between customer and real estate agent• United States Department of Housing and Urban Development or other settlement statement• Financial documentation, if required by the private investor or Mortgage Insurance company <p><u>Imminent Default (less than 60 days past due)</u></p> <ul style="list-style-type: none">• Financial documentation, for example the two most recent pay stubs for each borrower and the most recent bank statement, including all pages even if they are blank
<p>VALUATIONS</p>	<p><u>Establishing Property Value</u> Value is established by Liberty through the bank's estimation of value and Reconciled Market Value (RMV) process.</p> <p>You will be contacted by an authorized vendor who will conduct a valuation on behalf of Liberty.</p> <p><u>To Dispute Valuations</u></p> <ol style="list-style-type: none">1. Customer or their agent needs to gather supporting documentation including:<ul style="list-style-type: none">○ Customer name and subject property address○ A narrative summary detailing the concern regarding the property valuation○ A copy of the active listing agreement between the customer and his or her real estate agent○ A recent (less than one month old) Comparative Market Analysis of the property, with interior and exterior photos○ At least 5 comparables2. Customer or their agent should contact their short sale negotiator to request a review of the property value and submit documentation.3. Liberty will respond to the customer or their agent. <p><u>Price Reduction Review During Marketing Period</u> List price reviews initiated by the customer or their agent during the 120-day marketing period are subject to Liberty approval.</p>



DEED-IN-LIEU POLICY / SPECIAL PROGRAMS	Deed-In-Lieu At this time, Liberty is not participating the HAFA Deed in Lieu Program.
TIMELINES	Customer submission of required income/eligibility documentation: 14 days <ul style="list-style-type: none"> • Eligibility Review: 10 days • Obtaining Property values (Valuation and Reconciled Market Value): 15 Days • Receipt of Request for Consideration to generation of Short Sale Agreement: 45 Days • Customer returns Short Sale Agreement to Liberty: 14 Days • Customer returns Alternative Request for Approval Short Sale to Liberty: 14 Days • Marketing Period (from date Short Sale Agreement is mailed): 120 Days • Customer submits offer with Request for Approval of Short Sale: 3 days • Liberty's approval/disapproval of offer after complete Request for Approval of Short Sale submission: 10 days • Liberty's approval/disapproval of offer after complete Alternative Request for Approval of Short Sale: 45 days
CONTACT INFORMATION	<u>General HAFA Short Sale Questions</u> (800) 883-3943 <u>Customer Assistance Specialist</u> (800) 883-3943

Key Terms and Definitions:

- **Alternative Request for Approval of Short Sale (Alt-RASS):** Combines specific information from the SSA and the RASS. It is used in lieu of both the SSA and RASS when the customer has an executed sales contract and requests a short sale prior to Liberty sending an SSA.
- **Deed-in-Lieu (DIL):** Allows customer to deed their property to Liberty in lieu of foreclosure as an exit strategy in specific circumstances.
- **Home Affordable Foreclosure Alternative (HAFA):** A part of the Making Home Affordable (MHA) Program that provides financial incentives to customers and Liberty for utilizing a short sale or Deed-in-Lieu to avoid a foreclosure on an eligible loan.
- **Home Affordable Modification Program (HAMP):** Enables customers that meet eligibility requirements to avoid foreclosure by modifying loans to a level that is affordable and sustainable for the long-term.
- **Short Sale:** Allows the customer to list and sell the mortgaged property with the understanding the net proceeds from the sale may be less than the total amount due on the mortgage.
- **Short Sale Agreement (SSA):** Outlines the roles and responsibilities of the customer and Liberty in the short sale listing process and provides key marketing terms, such as a list price, monthly payment requirements, and the duration of the agreement.