

NEW**APPENDIX D****COVID-19 TRIAL PERIOD PLAN NOTICE****[DATE]**Dear **[BORROWER NAME(S)]**:**[SUBJECT PROPERTY ADDRESS 1]****[SUBJECT PROPERTY ADDRESS 2]****[CITY, STATE ZIP CODE]****REFERENCE: [MPF LOAN NUMBER] [PFI LOAN NUMBER]**

Subject: Loss Mitigation Offer Enclosed

Dear **[BORROWER NAME(S)]**:

Thank you for contacting us about your mortgage. Based on careful review of the information you provided, we are offering you an opportunity to enter into a loan modification trial period plan. This is the first step toward qualifying for a permanent loan modification. If you satisfy all the requirements set forth below, we will sign the loan modification agreement and your loan will be permanently modified.

Accepting the offer

To accept this offer to modify your mortgage, you must do one of the following by **[14 CALENDAR DAYS FROM THE DATE OF THIS LETTER]**:

- Contact us by phone or in writing to let us know if you intend to accept this offer, **OR**

[SERVICER NAME]**[MAILING ADDRESS]**Phone: **[8XX-XXX-XXXX]**; Email Address: **[SERVICER'S EMAIL]**

- Send your first trial period plan payment of \$**[FIRST PAYMENT AMOUNT]**.

Failure to contact us or send your first trial period plan payment by such date, may result in your loan being considered delinquent.

Completing the trial period plan

In order to successfully complete the trial period plan, you must make the trial period plan payments below.

Trial Period Plan Payment	Amount Due	Due Date
FIRST*		

SECOND		
THIRD		

*If you submit your first trial period plan payment by **[14 CALENDAR DAYS FROM THE DATE OF THIS LETTER]**, follow this schedule for your second and third trial period plan payments only.

We must receive each trial period plan payment in the month in which it is due. If we do not receive a trial period payment by the last day of the month in which it is due, this offer is revoked and we may refer your mortgage to foreclosure. If your mortgage has already been referred to foreclosure, foreclosure related expenses may have been incurred, foreclosure proceedings may continue, and a foreclosure sale may occur.

Permanent Modification

Your modified terms will take effect only after:

- You have signed and submitted your loan modification agreement (which we will send you near the completion of the trial period plan);
- We have signed the loan modification agreement and returned a copy to you upon completion of the trial period plan; **AND**
- The modification effective date set forth in the loan modification agreement has occurred.

LOAN MODIFICATION TERMS

The table below compares your current mortgage terms to the **estimated** modified terms.

	Current Terms	Modification Terms
Payment*		
Interest Rate		
Term		
Maturity Date		
Deferred Principal**		

*Payment includes principal, interest, and escrow payment, if applicable. For more information on the estimated modification payment amount, review the **Additional Information** below.

For more information on deferred principal, review the **Additional Information below.

Additional Information

- The terms of your existing note and mortgage remain in effect until the mortgage is permanently modified. However, while you are making your monthly trial period plan payments and otherwise remain in compliance with this trial period plan, foreclosure proceedings will not start or continue.
- There are no modification processing fees for this trial period plan or for modifying your mortgage.
- If your mortgage is modified, we will waive all unpaid late charges.
- There are no penalties for paying more than the amount due or for paying off the mortgage early.
- If your mortgage is permanently modified, some of the terms of your mortgage may change, such as monthly payment, interest rate, and maturity date, which may make your payment more affordable.
- If your mortgage is permanently modified, you will repay the new interest-bearing mortgage balance in equal monthly payments for the life of your mortgage.
- Deferred principal is a portion of the unpaid mortgage balance for which repayment is delayed. If your modified terms include deferred principal your due date for this amount would be the earliest of 1) the date you sell or transfer the property; 2) the date you refinance the modified mortgage; 3) the date you pay off the interest-bearing unpaid principal balance of the modified mortgage; or 4) the new maturity date of the modified mortgage. Interest is not charged on any deferred principal.
- Your new monthly payment may include an escrow payment for property taxes, hazard insurance, and other escrowed expenses, unless its inclusion is prohibited by applicable law. If the cost of your homeowners insurance, property tax assessment, or other escrowed expenses increases, your monthly payment may increase as well.

Additional Trial Period Plan Information and Legal Notices

We will not refer your loan to foreclosure or proceed to foreclosure sale during the trial period plan if you are complying with the terms of the trial period plan:

- ***Any pending foreclosure action or proceeding that has been suspended may be resumed if you do not follow the terms of the plan or do not qualify for a permanent modification.***
- ***Unless otherwise required by law, we will hold the trial period plan payments in an account until all required trial plan payments are received. Unless required by applicable law, there will be no interest paid on the funds in the account and any funds in the account at the end of the trial period plan will be deducted from the amount that will be added to your principal balance.***
- ***Our acceptance of your payments during the trial period plan does not waive our right to require immediate payment in full of all amounts you owe on your mortgage, including the right to resume or continue foreclosure action, if you fail to comply with the terms of the plan. Entering a trial period plan does not mean that your mortgage will be considered current, unless your payments under the plan completely resolve all past due amounts.***

[If Borrower has an escrow waiver, include the following language:

If your monthly payment did not include escrows for taxes and insurance, you are now required to pay any such amounts as part of your monthly payment:

- *Any prior escrow waiver that allowed you to pay directly for taxes and insurance is revoked as a part of the trial period plan. We may establish an escrow account immediately, and you will pay required escrow payments into that account unless not allowed by applicable law. In this case, a portion of your trial period plan payment will cover these required escrow payments.]*

Your current mortgage documents remain in effect; however, you are permitted to make the trial period plan payment instead of the current monthly payment required under your mortgage documents:

- *All the terms of your current mortgage documents remain in effect during the trial period plan. Nothing in the trial period plan shall be understood to be a satisfaction or release in whole or in part of your obligations contained in the mortgage documents.*

We reserve the right to revoke this offer or terminate the trial period plan following your acceptance if we learn of information that would make you ineligible for the trial period plan or loan modification. In this event, we may exercise any of the rights and remedies provided by the loan documents and applicable law.

Your mortgage will not be modified if you sold or transferred any interest in the property in violation of your mortgage loan documents.

[Insert other pre-conditions to a loan modification that may be applicable to this Borrower, such as resolution of any title/lien priority defects, entrance into a subordination agreement, approval by bankruptcy court or trustee, etc.]

[Mortgage Servicing Regulatory Notice and Right of Appeal If review is based on an evaluation of a complete loss mitigation application and concerns property serving as the Borrower's principal residence, then if required by applicable law, such as 12 C.F.R. §1024.41, add the following if the Borrower was reviewed for other loan modification trial period plans and determined to be ineligible for any such trial period plans:*

Modification Program Review

You were evaluated for a loan modification trial period plan based on the eligibility requirements of the owner of your mortgage.

Based on our review of the information you provided, although you are approved for the current loan modification trial period plan, we are unable to offer you the following loan modification trial period plan(s) for the reasons described below:

- **[INSERT OTHER MODIFICATION PROGRAMS AND REASONS FOR INELIGIBILITY]**

Right to Appeal

You have the right to appeal our decision not to offer you the loan modification trial period plan(s) described above. If you would like to appeal, you must contact us in writing, no later than [DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER], and let us know that you are requesting an appeal of our decision. You must include the following in the appeal:

- ✓ *your name,*
- ✓ *property address, and*

✓ *mortgage loan number*

You may also specify the reasons for your appeal, and provide any supporting documentation. Your right to appeal expires [DATE – 14 CALENDAR DAYS FROM THE DATE OF THIS LETTER]. Appeal requests or documentation received after this date may not be considered.

If you elect to appeal:

- *We will provide you a written notice of our appeal decision within 30 calendar days of receiving your appeal. Our appeal decision is final, and not subject to further appeal.*
- *You do not have to accept this offer until resolution of the appeal. If we determine on appeal that you are eligible for a loan modification trial period plan described above, we will send you an offer for that trial period plan. In that case, you will be given 14 calendar days from the date of the appeal decision to let us know that you intend to accept the current trial period plan offer (which may be revised to reflect the new trial period plan payment due dates and payment amounts if you have not already accepted the offer) or the new trial period plan offer. If you wait to make the first trial period plan payment described above until after receiving our appeal decision, your loan will become more delinquent.*
- *Any unpaid interest, and other unpaid amounts, such as escrows for taxes and insurance, will continue to accrue on your mortgage during the appeal.*

**Servicers must not send this Mortgage Servicing Regulatory Notice and Right of Appeal to those Borrowers whose properties do not serve as the Borrower's principal residence. Servicers must only send the right of appeal language to Borrowers who have such a right under applicable law, such as 12 C.F.R. §1024.41(h).]*

QUESTIONS?

CONTACT US [SERVICER'S NAME]

Phone: [8XX-XXX-XXXX]

Email Address: [SERVICER'S EMAIL]

Website: [SERVICER'S WEBSITE]

We are here to help you with your mortgage.