

Instructions Page for Servicers

Purpose

Servicers of MPF Traditional Mortgage Loans must use this form in order to implement a Temporary Loan Payment Modification in accordance with MPF Traditional Servicing Guide Chapter 8.

Preparation

- **When** – The Servicer must complete (but not sign) this form prior to implementing a Temporary Loan Payment Modification.
- **Who** – This form must be completed by an employee of the Servicer who has responsibilities that would cause such individual to be knowledgeable of the facts and processes needed to complete this form and has authority to certify to the truthfulness and accuracy of the information on this form.
- **How** – The Servicer must use their own letterhead or blank letterhead for the Temporary Loan Payment Modification Agreement. The Servicer must complete (but not sign) the form and submit it to the MPF Provider for review prior to sending to the Borrower for signature. The form must be prepared for execution by all Borrowers on the Mortgage Loan, ensuring sufficient signature blocks are added for each Borrower.
- **Attachments** – The completed form must be accompanied by a completed Loan Workout Plan (Form SG400).

The Servicer should retain a copy of the completed form for their own records.

Submission

- **When** – The Servicer must submit the completed (but not signed) form to the MPF Provider prior to presenting the document to the Borrower(s) and prior to implementing a Temporary Loan Payment Modification.
- **How** – The Servicer must upload the form via eMAQCS® Plus at <https://eMAQCS.covius.com>.
- **To Whom** – The Servicer must submit the form to the MPF Provider.

Assistance

Please email the MPF Provider at MPFdefaultservicing@fhfbc.com for any questions or assistance needed in completing or submitting the form.

Helpful Hints

- The Servicer must use their own letterhead or blank letterhead for the Temporary Loan Payment Modification Agreement.
- See MPF Traditional Servicing Guide Chapter 9 for instructions on sending this form to the Borrower.
- Once the Borrower successfully completes the trial period in accordance with the Loan Workout Plan (Form SG400), the Servicer must execute the originals of the Temporary Loan Payment Modification Agreement, sending one original to the Borrower and retaining the other original in the Mortgage Loan File.

Investor Loan # _____

After Recording Return To:

This document was prepared by _____

_____ [Space Above This Line For Recording Data] _____

TEMPORARY LOAN PAYMENT MODIFICATION AGREEMENT (Step Two of Two-Step Documentation Process)

Borrower ("I"): ¹ _____

Lender or Servicer ("Lender"): _____

Date of first lien Security Instrument ("Mortgage") and Note ("Note"): _____

Loan Number: _____

Property Address [and Legal Description if recordation is necessary] ("Property"):

If my representations and covenants in Section 1 continue to be true in all material respects, then this Temporary Loan Payment Modification Agreement ("Agreement") will, as set forth in Section 3, amend and supplement (1) the Mortgage on the Property, and (2) the Note secured by the Mortgage. The Mortgage and Note together, as they may previously have been amended, are referred to as the "Loan Documents." Capitalized terms used in this Agreement and not defined have the meaning given to them in the Loan Documents.

I understand that after I sign and return two copies of this Agreement to the Lender, the Lender will send me a signed copy of this Agreement. This Agreement will not take effect unless the preconditions set forth in Section 2 have been satisfied.

1. **My Representations and Covenants.** I certify, represent to Lender, covenant and agree as follows:

- A. I am experiencing a financial hardship, and as a result, (i) I am in default under the Loan Documents, and (ii) I do not have sufficient income or access to sufficient liquid assets to make the monthly mortgage payments now or in the near future;
- B. I live in the Property as my principal residence, and the Property has not been condemned;
- C. There has been no impermissible change in the ownership of the Property since I signed the Loan Documents²;
- D. I have provided to Lender documentation for **all** income that I receive (and I understand that I am not required to disclose child support or alimony unless I chose to rely on such income when requesting to qualify for the Temporary Loan Payment Modification Plan;

¹ If there is more than one Borrower or Mortgagor executing this document, each is referred to as "I." For purposes of this document words signifying the singular (such as "I") shall include the plural (such as "we") and vice versa where appropriate.

² A permissible transfer of the Property is any transfer that the Lender is required to allow, such as transfer covered by the Garn St. Germain Act, 12 U.S.C. Section 1701j-3, and including transfers (i) to a relative as a result of the borrower's death, (ii) to the borrower's spouse or child(ren), as long as the transferee will occupy the property, (iii) by devise, descent, or operation of law on the death of a joint tenant or tenant by the entirety, (iv) to a spouse under a divorce decree or legal separation agreement or from an incidental property settlement agreement, as long as the transferee will occupy the property, and (v) into an inter vivos trust, as long as the borrower is and will remain a beneficiary and occupant of the Property.

- E. 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 Temporary Loan Payment Modification, are true and correct;
- F. If Lender requires me to obtain credit counseling in connection with the Temporary Loan Payment Modification, I will do so; and
- G. I have made or will make all payments required under the Loan Workout Plan.

2. **Acknowledgements and Preconditions to Modification.** I understand and acknowledge that:

- A. TIME IS OF THE ESSENCE under this Agreement;
- B. If prior to the Temporary Loan Payment Modification Effective Date (as defined in Section 3) the Lender determines that any of my representations in Section 1 are no longer true and correct, or any of the covenants in Section 1 has not been performed, the Loan Documents will not be modified and this Agreement will terminate. In that event, the Lender will have all of the rights and remedies provided by the Loan Documents; and
- C. I understand that the Loan Documents will not be modified unless and until (i) I receive from the Lender a copy of this Agreement signed by the Lender, and (ii) the Temporary Loan Payment Modification Effective Date (as defined in Section 3) has occurred. I further understand and agree that the Lender will not be obligated or bound to make any modification of the Loan Documents if I fail to meet any one of the requirements under this Agreement.

3. **The Temporary Loan Payment Modification.** If my representations and covenants in Section 1 continue to be true in all material respects and all preconditions to the temporary modification set forth in Section 2 have been met, the Loan Documents will automatically become temporarily modified on _____ (the "Temporary Loan Payment Modification Effective Date") and all unpaid late charges that remain unpaid will be waived. I understand that if I have failed to make any payments as a precondition to this Agreement under the Loan Workout Plan, the modification of the Loan Documents will not take effect. The Loan Documents will be modified and the first modified payment (due after the payments made under the Trial Period Plan) will be due on _____.

- A. My monthly principal and interest payment amount will be reinstated after thirty-three (33) months (for a total of thirty-six (36) months including of the three Trial Period Plan payments already made) to the monthly payment amounts as provided for in the Loan Documents and a final payment as provided in Section 3.C.
- B. The outstanding principal balance of my Note will be adjusted to include all past due principal and interest payments ("Unpaid Amounts") less any amounts paid to the Lender but not previously credited to my Loan. The new principal balance of my Note will be \$ _____ (the "New Principal Balance"). I understand that by agreeing to add the Unpaid Amounts to the outstanding principal balance, the added Unpaid Amounts accrue interest based on the interest rate in effect under this Agreement. I also understand that this means interest will now accrue on the unpaid interest that is added to the outstanding principal balance, which would not happen without this Agreement.
- C. Interest at the rate of _____% will begin to accrue on the New Principal Balance as of the Temporary Loan Payment Modification Effective Date. The new monthly payment on the New Principal Balance will be due on _____ and will continue for thirty-three (33) months after the Temporary Loan Payment Modification Effective Date (for a total of thirty-six (36) months including the three Trial Period Plan payments). After thirty-three (33) monthly payments, the interest rate will accrue at the interest rate provided on the original Note and as described in this Section for the remaining life of the Loan, until paid in full. My payment schedule for the modified Loan, which includes a balloon payment at maturity, is as follows:

Months	Interest Rate	Interest Rate Change Date	Monthly Principal and Interest Payment Amount	Estimated* Monthly Escrow Payment Amount	Estimated* Total Monthly Payment	Payment Begins On	Number of Monthly Payments
1-3 (Payments already made during the Trial Period Plan)	_____ %	____ / ____ / ____	\$ _____	\$ _____	\$ _____	_____	3 (Made during the Trial Period Plan)
4-36 (Payments due under this Agreement)	_____ %	____ / ____ / ____	\$ _____	\$ _____,	\$ _____,	_____	33
37- (# of Months until Orig. Note maturity)	_____ %	____ / ____ / ____	\$ _____	\$ _____	\$ _____	_____	_____
Maturity Date	<u>0</u> _____ %	____ / ____ / ____	\$ _____	\$ _____	\$ _____	_____	1

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

The above terms in this Section 3.C. shall supersede any provisions to the contrary in the Loan Documents.

- D. I will be in default if I do not comply with the terms of the Loan Documents, as modified by this Agreement.
- E. If a default rate of interest is permitted under the Loan Documents, then in the event of default under the Loan Documents, as modified by this Agreement, the interest that will be due will be the rate set forth in the original Loan Documents.

4. **Additional Agreements.** I agree to the following:

- A. That all persons who signed the Loan Documents or their authorized representative(s) have signed this Agreement, unless (i) a borrower or co-borrower is deceased; (ii) the borrower and co-borrower are divorced and the property has been transferred to one spouse in the divorce decree, the spouse who no longer has an interest in the property need not sign this Agreement (although the non-signing spouse may continue to be held liable for the obligation under the Loan Documents); or (iii) the Lender has waived this requirement in writing.
- B. That this Agreement shall supersede the terms of any modification, forbearance, Loan Workout Plan or other loss mitigation option that I previously entered into with Lender.
- C. To comply, except to the extent that they are modified by this Agreement, with all covenants, agreements, and requirements of Loan Documents including my agreement to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments, the amount of which may change periodically over the term of my loan.
- D. That this Agreement constitutes notice that the Lender's waiver as to payment of escrow items, if any, has been revoked. I have been advised of the amount needed to fully fund my escrow account and I agree to the establishment of an escrow account.
- E. That the Loan Documents are composed of duly valid, binding agreements, enforceable in accordance with their terms and are hereby reaffirmed.

- F. That all terms and provisions of the Loan Documents, except as expressly modified by this Agreement, remain in full force and effect; nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the obligations contained in the Loan Documents; and that except as otherwise specifically provided in, and as expressly modified by, this Agreement, the Lender and I will be bound by, and will comply with, all of the terms and conditions of the Loan Documents.
- G. That, as of the Temporary Loan Payment Modification Effective Date, notwithstanding any other provision of the Loan Documents, if all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Mortgage. However, Lender shall not exercise this option if state or federal law, rules or regulations prohibit the exercise of such option as of the date of such sale or transfer. If Lender exercises this option, Lender shall give me notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which I must pay all sums secured by the Mortgage. If I fail to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Mortgage without further notice or demand on me.
- H. That, as of the Temporary Loan Payment Modification Effective Date, I understand that the Lender will only allow the transfer and assumption of the Loan, including this Agreement, to a transferee of my property in the case of my death, divorce, or marriage to the same extent as permitted under the Garn St. Germain Act, 12 U.S.C. Section 1701j-3. A buyer or transferee of the Property will not be permitted, under any other circumstance, to assume the Loan. Except as noted herein, this Agreement may not be assigned to, or assumed by, a buyer or transferee of the Property.
- I. That, as of the Temporary Loan Payment Modification Effective Date, if any provision in the Note or in any addendum or amendment to the Note allowed for the assessment of a penalty for full or partial prepayment of the Note, such provision is null and void.
- J. That, I will cooperate fully with Lender in obtaining any title endorsement(s), or similar title insurance product(s), and/or subordination agreement(s) that are necessary or required by the Lender's procedures to ensure that the modified mortgage loan is in first lien position and/or is fully enforceable upon modification and that if, under any circumstance and not withstanding anything else to the contrary in this Agreement, the Lender does not receive such title endorsement(s), title insurance product(s) and/or subordination agreement(s), then the terms of this Agreement will not become effective on the Temporary Loan Payment Modification Effective Date and the Agreement will be null and void.
- K. That I will execute such other documents as may be reasonably necessary to either (i) consummate the terms and conditions of this Agreement; or (ii) correct the terms and conditions of this Agreement if an error is detected after execution of this Agreement. I understand that a corrected Agreement will be provided to me for my signature and this Agreement will be void and of no legal effect upon notice of such error. If I elect not to sign any such corrected Agreement, the terms of the original Loan Documents shall continue in full force and effect, such terms will not be modified by this Agreement, and I will not be eligible for a modification under the Temporary Loan Payment Modification Plan.
- L. Mortgage Electronic Registration Systems, Inc. ("MERS") is a separate corporation organized and existing under the laws of Delaware and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, (888) 679-MERS. In cases where the loan has been registered with MERS who has only legal title to the interests granted by the borrower in the mortgage and who is acting solely as nominee for Lender and Lender's successors and assigns, MERS has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling the mortgage loan.

M. That if any document related to the Loan Documents and/or this Agreement is lost, misplaced, misstated, inaccurately reflects the true and correct terms and conditions of the Loan as modified, or is otherwise missing, I will comply with the Lender's request to execute, acknowledge, initial and deliver to the Lender any documentation the Lender deems necessary. If the Note is replaced, the Lender hereby indemnifies me against any loss associated with a demand on Note. All documents the Lender requests of me under this Section 4.M. shall be referred to as "Documents." I agree to deliver the Documents within ten (10) days after I receive the Lender's written request for such replacement.

In Witness Whereof, the Lender and I have executed this Agreement.

Lender (Seal)

Borrower Signature

By: _____
(Seal)

Date

Name

Co-Borrower Signature

Title

Date

Date

_____ [Space Below This Line For Acknowledgement] _____