

Deed In Lieu of Foreclosure Agreement

The following are the terms and conditions of the Deed in Lieu of Foreclosure Agreement ("Agreement"):

1. **Property Maintenance and Expenses.** Until you complete the Deed in Lieu of Foreclosure process, you are responsible for all property maintenance and expenses of your Property until you complete the deed in lieu process including utilities, assessments, association dues, and costs for interior and exterior maintenance. Additionally, you must report any and all property damage to us and file a hazard insurance claim for covered damage. Unless insurance proceeds are used to pay for repairs or personal property losses, we may require that insurance funds be applied to reduce the mortgage debt.
2. **Property Condition.** You must leave the house in broom-clean condition, free of interior and exterior trash, debris or damage, and all personal belongings must be removed from the Property. Appliances and fixtures that are in the home at the time the Deed in Lieu of Foreclosure Agreement is signed must remain in the home through the transfer of title. The yard must be clean and neat, and you must deliver all the keys and controls, such as garage door openers, to us once the Deed in Lieu of Foreclosure is completed. If the property is deemed to be in unsatisfactory condition, the Deed in Lieu of Foreclosure offer could be rescinded or the funds typically paid to the borrower could be used to repair the property.
3. **Title.** All occupants must vacate the property, and you must provide a marketable title. In other words, there can be no other liens against the property when the title is transferred to us. We will contribute up to eight percent (8%) of the combined unpaid principal balance(s) of any other liens, not to exceed a total of \$8,500, toward paying off any other lien holders. It is your responsibility to work with other lien holders to ensure there are no outstanding liens against the property at the time of the transfer of title.
4. **Borrower Relocation Assistance.** If you comply with all your responsibilities under the Agreement, you will be entitled to an incentive payment of 2% of your unpaid principal balance on your mortgage loan, from a minimum of \$2,500 to a maximum of \$7,500, to assist with relocation expenses provided you meet the terms and conditions included in this document. Once we have received your signed transfer of title, you have vacated the property and delivered the keys to us, we will mail or hand deliver a check to you within 5 business days. Only one payment per household is provided for the relocation assistance, regardless of the number of borrowers.
5. **Foreclosure Sale Suspension.** We may initiate or continue the foreclosure process as permitted by the mortgage documents until the transfer of title on your property has been completed. However, we will postpone any foreclosure sale while the parties are performing in good faith under this Agreement.
6. **Satisfaction and Release of Liability.** If all of the terms and conditions of this Agreement are met upon transfer of title of your property to us by the signed transfer of title document, we will prepare and record a lien release in full satisfaction of the mortgage. If your property is not an investment property and/or a second home we may not pursue a deficiency judgment. In other words, we reserve the right to collect the difference between the value of the property and the unpaid balance on investment properties and second homes.
7. **Mortgage Insurer or Guarantor Approval.** The terms and conditions of the Agreement are subject to the written approval of the mortgage insurer or guarantor.
8. **Termination of This Agreement.** We may terminate this Agreement at any time if:
 - a. Your financial situation improves significantly, you qualify for loan modification, you bring the account current, you sell the property, or you pay off the mortgage in full.
 - b. You fail to act in good faith with the Agreement.
 - c. A significant change occurs to the property condition or value.
 - d. There is evidence of fraud or misrepresentation.
 - e. You file for bankruptcy and the Bankruptcy Court declines to approve the agreement.
 - f. Litigation that could affect title to the property or interfere with the completion of a Deed in Lieu of Foreclosure is initiated or threatened.
9. **Settlement of a Debt.** The proposed transaction represents our attempt to reach a settlement of the delinquent mortgage. You are choosing to enter into this Agreement even though there is no guarantee that the Deed in Lieu of Foreclosure will be approved and completed. If the Deed in Lieu of Foreclosure is not completed or approved, we may proceed with foreclosure.

10. **Possible Income Tax Considerations.** The difference between the remaining amount of principal you owe and the current market value of the property must be reported to the Internal Revenue Service (IRS) on Form 1099-C as debt forgiveness. In some cases, debt forgiveness could be taxed as income. The amount we pay you for moving expenses may also be reported as income. We suggest that you contact the IRS or your tax preparer to determine if you may have any tax liability.

11. **Credit Bureau Reporting.** We will follow standard industry practices and report to the major credit reporting agencies that your mortgage was settled for less than the full payment. We have no control over, or responsibility for the impact of this report on your credit score. You may want to visit <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm> to learn more about the potential impact of a Deed in Lieu of Foreclosure on your credit.

By signing this Agreement, you are agreeing to a Deed in Lieu of Foreclosure. If you have any questions about the Deed in Lieu of Foreclosure, please call us before signing and returning this Agreement. You may also wish to consult with a credit counselor or an attorney to fully understand the financial impacts of a Deed in Lieu of Foreclosure.

THIS AGREEMENT AFFECTS YOUR LEGAL RIGHTS. PLEASE READ THIS AGREEMENT CAREFULLY BEFORE YOU SIGN.

Borrower Acknowledgement of Risks, Conditions and Contingencies. In signing and returning this Deed in Lieu of Foreclosure Agreement, I/we agree to all the stated terms and conditions.

Loan No. 150990808

Borrower Signature

Date

Co-Borrower Signature

Date

Printed Name

Printed Name

If you have questions, please contact REDC directly between the hours of Monday - Friday from 7 am to 11 pm CST and Saturday from 8 am to 5 pm CST at 1.800.77

Please fax or mail the signed agreement to:

REDC
6200 [redacted] Parkway
Suite 100
[redacted]
[redacted]

Step 4: Vacate the property and leave the property in good condition. Specific details are included in the attached Terms and Conditions.

The enclosed information details your responsibilities, additional information on the Deed in Lieu of Foreclosure process and the Terms and Conditions. **Please carefully review the attached agreement and if you agree and want to move forward, please sign and return the agreement.**

BAC Home Loans Servicing, LP is working with REDC Default Solutions; a third party company that specializes in deed in lieu solutions. Their representatives are available to answer any questions you may have about the process or agreement. **Please call REDC Default Solutions at [REDACTED] to learn more about this Deed in Lieu of Foreclosure offer. You will need to have your loan number and the last four digits of your Social Security number available when you call.**

A Deed in Lieu of Foreclosure may be a way for you to avoid foreclosure and settle the debt. If we do not hear from you by [REDACTED], we will continue normal servicing of your loan, which could include proceeding with a foreclosure sale. Should your financial situation change and you would like to speak to someone about alternative workout options such as a short sale, please contact REDC Default Solutions at [REDACTED].

You may also receive a phone call from one of our representatives to discuss this Deed in Lieu of Foreclosure offer. However, there is no need to wait for our call. Please call us today.

BAC Home Loans Servicing, LP