



Countrywide Financial (Bank of America) Program

What is the Countrywide Financial (Bank of America) Program?	The Homeownership Retention Program for Countrywide Customers Program will systematically modify troubled mortgages with up to \$8.4 billion in interest rate and principle reductions for nearly 400,000 Countrywide customers nationwide.
When does it Begin?	The program begins Dec. 1, 2008, and has no end date specified.
Who is eligible?	<p>Borrowers eligible for loan modifications under this program must have received a qualifying subprime mortgage or a pay-option adjustable rate mortgage (ARM) prior to Dec. 31, 2007, and the property must be a one- to four-unit owner-occupied residential property. In addition, certain other requirements are set out in the program:</p> <ul style="list-style-type: none"> ● The borrower is 60 days or more delinquent, and the current loan-to-value ratio is 75 percent or greater; ● The borrower is current today but becomes 60 days or more delinquent at any time prior to June 30, 2012, and the loan-to-value ratio at the time of the modification is 75 percent or greater; ● The borrower has a subprime hybrid ARM and the borrower is current but reasonably likely to become 60 days or more delinquent as a consequence of a rate reset, and the loan-to-value ratio at the time of the modification is 75 percent or greater; ● The borrower has a pay-option ARM and the borrower is current but reasonably likely to become 60 days or more delinquent as a consequence of a rate reset or payment recast based on negative amortization, and the loan-to-value ratio at the time of the modification is 75 percent or greater. ● Modifications would be designed to achieve sustainable payments at a 34 percent debt-to-income (DTI) ratio of principal, interest, taxes and insurance. <p>In addition, customers may be eligible for the early payment default benefit of this program if: The customer has a Countrywide-originated first lien loan; the loan was funded on or prior to Dec. 31, 2007; the customer's primary residence is the property that secures the loan; the customer has made three or fewer payments over the life of the loan (the borrower's state may expand eligibility); and the customer has either lost his home to foreclosure or is at least 120 days in arrears on mortgage payments.</p>
Who should I contact?	Countrywide will begin its proactive outreach to eligible borrowers on Dec. 1, 2008. You can reach the Homeownership Retention Division at (800) 669-6650.
What costs do I have to pay?	<ul style="list-style-type: none"> ● Countrywide will waive late/delinquency fees for missed payments when modifying loans and will not charge modification fees to borrowers in the participating states. ● When possible, Countrywide will waive prepayment penalties in connection with any workout or refinance, whether or not the new loan is originated with Countrywide.



<p>What options does the Homeownership Retention Program offer?</p>	<p>Countrywide will first offer eligible borrowers an FHA refinance under the HOPE for Homeowners Program. If not eligible for that program, Countrywide will offer these specific programs based on product type.</p> <p><u>Subprime 2-, 3- 5-, 7- and 10-Year Hybrid ARM</u> borrowers will receive an unsolicited extension/restoration of the introductory rate for five years and an invitation to contact Countrywide for additional relief if affordability concerns persist. Borrowers who cannot afford the introductory rate will be considered on a streamlined basis for a five-year interest rate reduction to as low as 3.5 percent (based on the affordability equation) and a conversion to a fixed-rate mortgage at the end of five years.</p> <p><u>Pay-option ARM</u> borrowers accepting a streamlined loan modification option will have the negative amortization feature eliminated from their loan. The mortgage interest rate will be reduced to as low as 2.5 percent, and the loan will be converted into either a fixed-rate mortgage or a ten-year interest-only loan. For single property owners who currently have no equity in their homes, Countrywide will write-down the principal balance to as low as 95 percent of the current value of the property to restore an equity position.</p> <p><u>Subprime Fixed-Rate</u> borrowers will receive a streamlined loan modification, by reducing the mortgage interest rate to as low as 2.5 percent and converting the loan into a fixed-rate or 10-year interest only loan with affordable step rate increases and lifetime cap.</p> <p>Additional programs available to California residents:</p> <p><u>Relocation Assistance Program:</u> Countrywide borrowers facing foreclosure who agree to voluntarily leave the premises at the time of the foreclosure sale will be provided with a cash payment. Countrywide anticipates payments to 35,000 borrowers in a total amount of more than \$70 million to assist with relocation costs.</p> <p><u>Foreclosure Relief Program:</u> Countrywide will allocate up to \$150 million nationally under a foreclosure relief program to provide relief for borrowers whose loans were originated directly by Countrywide (or through brokers) with owner-occupied properties who have either experienced a foreclosure sale or are 120 days or more delinquent as of the date of this agreement. These borrowers will be eligible for the payment if they made three or fewer payments over the life of the loan (or meet more inclusive criteria determined by each state). The funds will be allocated for each state through a pro-rata formula based on the number of eligible borrowers with a Countrywide-originated first mortgage.</p>
<p>How can I learn more about the program and start the application process?</p>	<p>The Homeownership Retention Program is not available until Dec. 1, 2008. Please visit the Countrywide Financial Web site for more information at http://my.countrywide.com/media/FinancialAssistance1.html</p>