

## Chase 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 non HAMP eligible borrowers for other foreclosure prevention options, including Home Affordable Foreclosure Alternatives (HAFA) which includes short sale and deed-in-lieu, Chase currently does not offer the option to pursue HAFA deed-in-lieus. However, each servicer has some discretion in determining additional borrower eligibility criteria and certain program rules.

In order to assist borrowers 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 Chase 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 Chase.

*Updated January 2015*

**Servicer Disclaimer** –The matrix below is a summary of the requirements related to Treasury's HAFA program for mortgage loans owned and or serviced by Chase. Individual short sales are subject to all conditions of the HAFA program and Chase's policies related to the HAFA program.

**WHY SHOULD A BORROWER CONSIDER A HAFA SHORT SALE?**

If the borrower owes more on the mortgage than the home is worth and is unable to keep up with the mortgage payments, a HAFA-eligible short sale may:

- Help the borrower avoid foreclosure
- Allow the borrower to owe nothing more on the mortgage once the home is sold
- Provide financial assistance of \$10,000 to help with relocation expenses for the resident of the property and potential occupied investment tenant properties.

**ELIGIBILITY REQUIREMENTS**

**HAFA Basic Eligibility**

- The loan must be owned by Chase or by a private investor and serviced by Chase.
- The home secured by the mortgage is one of the following:
  - Currently Owner-Occupied
  - Currently Tenant-Occupied
  - Currently Vacant
- The loan is a first mortgage that was issued before January 1, 2009.
- The mortgage is delinquent or default is reasonably foreseeable.
- The unpaid principal balance is no more than:
  - \$729,750 for a single family property
  - \$934,200 for 2 units
  - \$1,129,250 for 3 units
  - \$1,403,400 for 4 units

*Note: Loan is not eligible for the HAFA short sale program if there are more than 4 units on the property.*

**ELIGIBILITY  
REQUIREMENTS  
CONTINUED**

- The borrower must have a documented financial hardship, evidenced by a signed Hardship Affidavit or Request for Mortgage Assistance (RMA), in which the borrower has expressed that he or she does not have sufficient liquid assets to make the monthly mortgage payment.
  - Servicemembers citing a Permanent Change of Station order as the basis for their financial hardship when requesting HAFA are eligible even if their income has not decreased, so long as the borrower does not have sufficient liquid assets to make their monthly mortgage payments.
- A borrower not previously considered for Home Affordable Modification Program (HAMP), can be eligible for HAFA but must be notified of the availability of HAMP and provided at least 14 days to request HAMP consideration.
- Subordinate Liens
  - It is the responsibility of the borrower to deliver a clear marketable title to the purchaser or investor and to work with listing broker, settlement agent and/or lien holders to clear title impediments.
  - Chase is permitted to negotiate with subordinate lien holders on behalf of the borrower upon receiving authorization from the borrower.
  - A mortgage loan does not qualify for HAFA unless the subordinate lien holder/s agrees to release their lien and waive their rights to collect additional funds from the borrower (cash contribution or promissory note). Up to \$12,000 of gross sales proceeds may be paid to subordinate lien holders in exchange for a release of lien and full release of borrower liability.
- Mortgage Insurance
  - A mortgage loan with mortgage insurance does not qualify for HAFA unless the mortgage insurer waives any right to collect additional funds from the borrower (cash contribution or a promissory note).
- Foreclosure
  - Once a foreclosure sale has occurred the loan is no longer eligible.
  - If a foreclosure sale date is scheduled within the next 60 days the loan is not eligible for a HAFA short sale.
- Re-Sale Restrictions
  - Upon closing the HAFA short sale, The buyer is prohibited from reselling the property within 30 calendar days and is further prohibited from reselling for more than 120% of the HAFA short sale price between 31 and 90 calendar days of the HAFA closing.
  - These Resale Restrictions must be stated in the HAFA Shortsale Contract.

**DOCUMENTATION  
REQUIREMENTS**

**Preapproved Short Sale Notice**

- Hardship Affidavit/Request for Mortgage Assistance ( RMA)
- Dodd Frank Certification Form( Tenant or Non- Borrower)
- Evidence of residency if the borrower is requesting relocation incentive compensation
  - Chase may request one or more of the following to confirm principal residence: tax return, tax bill, utility bill, driver’s license, resident card, lease agreement or bank statements.

<p><b>DOCUMENTATION REQUIREMENTS CONTINUED</b></p>	<p><b><u>Preapproved Short Sale Notice Continued</u></b></p> <ul style="list-style-type: none"> <li>┌ Subordinate lien status documentation <ul style="list-style-type: none"> <li>○ Payoff quote from subordinate lien holder</li> <li>○ Full release of the lien</li> </ul> </li> <li>• Financial documentation, if required by the private investor or mortgage insurance company</li> <li>• Third-Party Authorization, if applicable</li> <li>• Signed HAFA Affidavit</li> </ul> <p><b><u>Sales Contract executed prior to the Pre-Approval of a HAFA Short Sale-Same documents as preapproved short sale plus:</u></b></p> <ul style="list-style-type: none"> <li>• Signed offer to purchase contract with all related addenda</li> <li>• Buyer’s Proof of Funds / Buyer Prequalification Letter</li> <li>• Active listing agreement between borrower and real estate agent</li> <li>• United States Department of Housing and Urban Development (HUD) or other settlement statement</li> <li>• Financial documentation, if required by the private investor or mortgage insurance company</li> <li>• RMA/Hardship Affidavit</li> <li>• Dodd Frank Form</li> </ul> <p><b><u>Imminent Default (less than 60 days past due)-Same documents as preapproved Short Sale plus:</u></b></p> <ul style="list-style-type: none"> <li>• <u>Financial documentation, i.e. the two most recent pay stubs for each borrower and the most recent bank statement, including all pages (even if they are blank)</u></li> </ul>
<p><b>VALUATIONS</b></p>	<p><b><u>Establishing Property Value</u></b></p> <p>Chase will independently establish property value and an approved list price. Chase will provide the borrower with instructions regarding the list price and any permissible price reductions. The home's selling price may be based on either:</p> <ul style="list-style-type: none"> <li>• An appraisal performed in accordance with standard appraisal practices</li> <li>• One or more Broker Price Opinions (BPO), one of which must be dated within 120 days of the Short Sale Notice</li> </ul> <p><b><u>To Dispute Valuations</u></b></p> <ol style="list-style-type: none"> <li>1. The borrower or their agent needs to gather supporting documentation including: <ul style="list-style-type: none"> <li>○ Borrower name and subject property address</li> <li>○ A summary detailing the concern regarding the property valuation</li> <li>○ A copy of the active listing agreement between the borrower and his or her real estate agent</li> <li>○ A recent (less than one month old) Comparative Market Analysis of the property, with interior and exterior photos</li> <li>○ At least 5 comparables</li> </ul> </li> <li>2. The borrower or their agent should contact the assigned Short Sale Negotiator or Customer Assistance Specialist (CAS) to request a review of the property value and submit documentation. To obtain contact information regarding the borrower’s assigned Short Sale Negotiator or CAS, the borrower can reference the numbers listed in the “Contact Information” section.</li> </ol>

<b>VALUATIONS CONTINUED</b>	<p>3. Chase will respond to the borrower or the borrower’s agent promptly.</p> <p>4. Chase will stop the shortsale process if the borrower does not grant Chase access to the property for evaluation.</p> <p><b><u>Price Reduction Review During Marketing Period</u></b></p> <p>List price reviews initiated by the borrower or the borrower’s agent during the 120-day marketing period are subject to Chase approval- Chase agents will contact the borrower or the borrower’s agent weekly to provide updates and suggestions about the list price.</p>
<b>TIMELINES</b>	<ul style="list-style-type: none"> <li>• Eligible borrowers will be accepted into this program until December 31, 2015.</li> <li>• Borrower submission of required income/eligibility documentation: 14 days.</li> <li>• HAFA eligibility review: 10 days.</li> <li>• Obtaining property values (Broker Price Opinion and Reconciled Market Value): 15 Days.</li> <li>• Receipt of Request for Consideration to generation of Short Sale Notice: 30 Days.</li> <li>• Acknowledge of Request for Short Sale (ARSS) is sent to the Borrower upon receipt of the offer: 5 Days.</li> <li>• Marketing period (from date Short Sale Notice is mailed): 120 Days.</li> <li>• Chase’s approval/disapproval of an offer with a pre-approved Short Sale Notice or after completed Counter Offer Addendum is received on Short Sale submission: 10 days.</li> <li>• Chase’s approval/disapproval of offer after complete Acknowledgement of Request for Short Sale (ARSS): 30 days.</li> </ul>
<b>CONTACT INFORMATION</b>	<p><b><u>Customer Assistance Specialist</u></b></p> <p>1-800-550-5705</p> <p><b><u>HOPE Hotline Number</u></b></p> <p>1-888-995-HOPE</p> <p>For additional information, please visit <a href="http://www.chase.com/MortgageAssistance">www.chase.com/MortgageAssistance</a></p>

**Key Terms and Definitions:**

- **Acknowledge of Request for a Short Sale (ARSS):** Combines specific information from the SSN and the Acknowledgement letter. It is used in lieu of both the SSN and the Acknowledgement letter when the borrower has an executed sales contract and requests a short sale prior to Chase sending an SSN.
- **Home Affordable Foreclosure Alternative (HAFA):** A part of the Making Home Affordable (MHA) Program that provides financial incentives to borrowers and Chase for utilizing a short sale or Deed-in-Lieu to avoid a foreclosure on an eligible loan, Chase currently does not offer the option to pursue a HAFA deed-in-lieu.
- **Home Affordable Modification Program (HAMP):** Enables borrowers who 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 borrower 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 Notice (SSN):** Outlines the roles and responsibilities of the borrower and Chase 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
- **Home Affordable Foreclosure Alternative Affidavit:** A condition of the closing on any HAFA Short Sale transaction. The parties making representations regarding the arms-length transaction, property occupancy and the accuracy of the HUD-1 Statements well as acknowledge limitations on the future sale of the property. Must be signed by all parties associated with the short sale transaction.