



Project Lifeline – Overview

- Members of the HOPE NOW Alliance are employing multiple strategies to help prevent avoidable foreclosures and continue to look for additional solutions to reach and help homeowners. Since the Alliance was formed last October, servicers, non-profit counselors and investors have launched several programs to help homeowners struggling to make their mortgage payments.
- Today we are announcing Project Lifeline: a targeted outreach to seriously delinquent homeowners (90 days or more late) that currently face the greatest risk of losing their home. Under the leadership of Secretaries Paulson and Jackson, Project Lifeline is encouraging homeowners to reach out to their mortgage servicer or counselor. It’s an effort to directly “pause” the foreclosure process, where appropriate, through a single call.
- Servicers have been aggressively reaching out to struggling homeowners in an attempt to find a work-out solution. Given the dynamic environment in the housing market – with declining home values, fluctuating interest rates, elevated housing inventory – aggressively targeting these seriously delinquent homeowners one more time is in everyone’s best interest (homeowners, servicers, investors and communities in which we all live.)
- Today six HOPE NOW alliance members – Bank of America, Chase, Citigroup, Countrywide, Washington Mutual and Wells Fargo – are announcing the launch of Project Lifeline. These servicers will begin the program by providing a letter to seriously delinquent homeowners nationwide giving homeowners a simple “step-by-step” approach that, if followed, may enable them to “pause” their foreclosure for 30 days while a potential loan modification is evaluated. Servicers will reach out to homeowners on a nationwide basis – with this step-by-step approach to finding a solution which meets their individual needs. This is different than the “streamlined” approach to loan modification announced previously. It is a broad, national approach to help all homeowners individually. Subprime, Alt-A, and prime loans may qualify for this program, including second liens and home equity loans.
- These leading servicers – which represent approximately 50 percent of mortgages – will soon begin to reach out to homeowners giving them a few simple steps that may qualify them for a loan modification:
 - Step 1 – call your mortgage servicer.
 - Step 2 – tell the servicer you have received the letter, you want to stay in your home and you are willing to seek counseling, if necessary.
 - Step 3 – provide updated financial information so the servicer can explore an appropriate solution.
 - Step 4 – if appropriate, any pending foreclosure may be “paused” for up to 30 days during this review process until a formal decision is made and, if possible, a plan is created.

- Step 5 – If a workout plan is established and the homeowner follows the plan for three consecutive months, their loan will be formally modified as they will have demonstrated their ability to meet the requirements.
- Hope Now will continue to work with other members of the Alliance to further expand the reach of Project Lifeline to all servicers.

Participants:

- Six leading servicers representing approximately 50% of the mortgage servicing market are implementing this new program (Bank of America, Chase, Citigroup, Countrywide, Washington Mutual and Wells Fargo)
- These leaders have provided a blueprint the rest of the industry can adopt in the coming weeks and months. HOPE NOW is encouraging all of its members to adopt this new program as a standard industry practice.

Qualifying Loans:

- All 90-day delinquent loans, including subprime, Alt-A, prime, second liens and home equity loans, that are not:
 - In active bankruptcy.
 - In active foreclosure with sale date less than 30 days.
 - Where the homeowner has indicated that they want to give up the home.
 - Investment properties.
 - Vacant properties.

Requirements for a Loan Modification:

- Homeowners must do the following to be evaluated for a loan modification:
 - Call their servicer within ten days of receiving the notice.
 - Tell the servicer that they have received the letter, they want to stay in the home and they are willing to seek counseling, if necessary.
 - Provide updated financial information so the servicer can explore the appropriate solution.
- If applicable, homeowners already in the foreclosure process will have the process "paused" for up to 30 days while they are evaluated for a loan modification.

Key Questions about Project Lifeline:

- What is new about this Program?

Today we are announcing Project Lifeline: A targeted outreach to seriously delinquent homeowners (90 days or more late) that currently face the greatest risk of losing their home. It's an effort to directly "pause" the foreclosure process through a single call.

This is a special effort focused on reaching homeowners who are 90 days or more delinquent but who want to stay in their homes; it seeks to let them know that their servicer is anxious to consider them for a modification. By also offering the homeowner a foreclosure "pause" where appropriate, the servicer is letting the homeowner know that they're serious about trying to find a loan modification that works, as well as giving both parties time to take action where a solution appears possible.

- How does this program fit into the other HOPE NOW Alliance activities?

This is an additional program designed to reach all seriously delinquent homeowners who want to keep their homes. While the Fast Track program announced in December streamlines the loan modification process only for homeowners with subprime adjustable loans, Project Lifeline applies to any homeowner in any type of loan product. It's one more way that HOPE NOW is developing solutions to help homeowners.

Specifically, it is a new program undertaken by six of the leading servicers that are part of the HOPE NOW Alliance. It will include not only subprime, but also Alt-A and prime loans as well. Additional HOPE NOW servicers are encouraged to adopt the program. Keep in mind that all HOPE NOW servicers are already actively employing existing programs such as homeowner outreach, support of the HOPE hotline, the HOPE NOW letter campaign, and employing the ASF fast-track framework for subprime resetting loans.

HOPE NOW Alliance outreach activities

- Counseling hotline 888-995-HOPE
- Reset notification 120 days prior to reset
- HOPE NOW letters (60 day – call servicer or hotline)
- ASF Fast-track refinance and loan modification
- Lifeline (90 day – possible foreclosure "pause")

Applicable loan type

All
Subprime ARMs
All
Subprime ARMs
All

- What are these servicers committing to?

These servicers will begin by providing a letter to seriously delinquent homeowners giving homeowners a simple "step-by-step" approach that, if followed, may enable them to "pause" their foreclosure for 30 days while a potential modification is evaluated. Servicers will reach out to homeowners on a nationwide basis – with this step-by-step approach to finding a solution which meets their individual needs. This is a broad, national approach to help all homeowners individually.

Key Questions about Project Lifeline (continued):

– What should homeowners do?

Homeowners should begin by calling their servicer and expressing their interest in keeping their home; the sooner a homeowner reaches their servicer, the more options the servicer has in trying to find a solution. The homeowner should prepare for the call by gathering income and expense documentation that might be needed by the servicer to consider a potential modification.

– Does this program guarantee a loan modification?

No, it does not guarantee a loan modification, but where homeowners express an interest in keeping their homes, servicers will try their best to find an appropriate modification wherever possible.

– Is this program a foreclosure moratorium?

No, this program is not a foreclosure moratorium, but it includes a case-by-case foreclosure “pause” where appropriate. Where foreclosure “pauses” are applied, it is both a win for the homeowner and the servicer, since it will be applied where the homeowner both indicates an interest in keeping the home and there is a reasonable prospect of finding an acceptable loan modification.

– When will this program begin – when will letters be mailed?

Servicers will begin mailing letters to targeted homeowners as soon as they are ready on an individual company basis. Outreach letters will be sent in waves to homeowners beginning, for some servicers, immediately.

– How many homeowners will this help?

Servicers are seeking to help as many homeowners as possible through this program. The number of homeowners who are at least 90 days delinquent is in the hundreds of thousands, so this program could potentially have a significant impact. Ultimate effectiveness will hinge in part on the response rate of homeowners calling their servicers and expressing interest in keeping their homes; since loan modifications also are done on a case-by-case basis, it is difficult at present to estimate a precise number of those who may be helped.

Sample Lifeline Letter:

Notice Of Possible Relief On Your Mortgage Payment

John Q. Homeowner
12345 Any Street
Anytown, US 12345-6789

Please read: Important information on what you can do to receive payment relief on your [Servicer Name] mortgage — Loan No. **XXXXXXXXXX**

Dear <first name> <last name>:

We're writing to let you know that you may be eligible for payment relief on your mortgage. This program offers the assistance you need to remain in your home.

How The Program Can Help You

You are being considered for a loan modification, which is a change to the original terms of your mortgage contract. If you qualify, this could reduce your interest rate, or extend the time you have to repay your loan, or both. This means it could reduce your monthly payments and help you stay in your home.

To Get Help, Call Us Now

To help us determine if you qualify for assistance, you must **call us by <month XX, XXXX> at 1-800-XXX-XXXX**. When you call, be sure to tell us you received this letter, that you want to participate in the program and remain in your home. We'll also need your financial information, including income and expenses, so be sure to have it handy when you call.

What Happens Next

If you qualify, we can help. [Servicer Name] may provide you with budget counseling at an approved agency at no cost to you. We'll review your financial information and, if applicable, suspend any foreclosure activity for 30 days while we create a new plan for you. After you make three payments in the new amount, we'll finalize your loan modification.

If We Do Not Hear From You

If you do not call us, we will not be able to help you. If you are currently in foreclosure, the process will continue and you may lose your home. If you are not yet in foreclosure, that process could begin if you are unable to make payments.

Call Now, So You Can Remain In Your Home

Don't wait. For the help you need, call us today at **1-800-XXX-XXXX**. Our [Servicer Name] mortgage specialists are available to help you Monday through Friday, XX:XX a.m. to XX:XX p.m.

Sincerely,
Name
Title/Servicer Name

This is an attempt to collect a debt and any information you provide may be used for that purpose.