



CitiMortgage 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 eligible borrowers who do not qualify for HAMP for other foreclosure prevention options including Home Affordable Foreclosure Alternatives (HAFA) which includes short sale and deed-in-lieu (DIL). However, each servicer has some discretion in determining additional 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 CitiMortgage (CMI) and does not represent any determination by the Treasury as to the servicer's compliance with the 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 CitiMortgage.

Effective as of: 2/1/2015

ELIGIBILITY REQUIREMENTS

For Short Sale and Deed in Lieu

- The loan must be owned by CitiMortgage or by a private investor (i.e. a Non-GSE Loan).
- The mortgage loan is a first lien mortgage originated on or before January 1, 2009.
- The mortgage is delinquent (> 60 days past due) or default is reasonably foreseeable (imminent default).
- Loans currently in Foreclosure and Bankruptcy are eligible.
- The current unpaid principal balance of the loan is equal to or less than:
 - 1 Unit - \$729,750
 - 2 Units - \$934,200
 - 3 Units - \$1,129,250
 - 4 Units - \$1,403,400
- The borrower has documented a 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.
- Foreclosure Sale Date:
 - Loans in foreclosure that have a sale date set which is < 60 days from the date that the borrower requests consideration for HAFA are ineligible.
 - In addition, once a foreclosure sale has occurred the loan is no longer eligible.
- CitiMortgage will first evaluate the borrower for a HAMP modification prior to any consideration being given to HAFA options. Borrowers that meet the eligibility criteria for HAMP but who are not offered a Trial Period Plan, do not successfully complete a Trial Period Plan, or default on a HAMP modification will first be considered for the other loan modification or retention programs offered by CitiMortgage prior to being evaluated for HAFA.
- The property securing the mortgage loan is not condemned.
- Subordinate Liens
 - It is the responsibility of the borrower to deliver clear marketable title to the purchaser or investor and to work with the listing broker, settlement agent and/or lien holders to clear title impediments. CitiMortgage is permitted to negotiate with subordinate lien holders on behalf of the borrower.

- On behalf of the investor, CitiMortgage will authorize the settlement agent to allocate up to an aggregate of \$12,000 of the gross sale proceeds as payment(s) to subordinate mortgage/lien holder(s) secured by a mortgage on the subject property in exchange for a lien release and full release of borrower liability. Each lienholder may be paid six percent (6%) of the unpaid principal balance of their loan, until the \$12,000 aggregate cap is reached. Payments will be made at closing from the gross sale proceeds and must be reflected on the HUD-1 Settlement Statement.
- Such cap does not apply to non-mortgage subordinate lien holders with subordinate liens not secured by a mortgage on the subject property, such as mechanics' liens or liens associated with assessments owing to homeowner's associations. The non-mortgage subordinate lien holders may be paid up to \$3,000 in aggregate.
- CitiMortgage will authorize the settlement agent to allow any portion of the gross proceeds to be used as payment(s) to subordinate non-mortgage lien holders in exchange for a lien release and full release of borrower liability.
- Mortgage Insurance:
 - For loans that have mortgage insurance coverage, the transaction must comply with CitiMortgage's agreement with the mortgage insurer; otherwise, CitiMortgage must submit the transaction to the mortgage insurer and obtain approval for HAFA. A mortgage loan does not qualify for HAFA unless the mortgage insurer waives any right to collect additional sums (cash contribution or a promissory note) from the borrower.
- Private Investors:
 - Each private investor makes a decision as to whether or not they will participate in HAFA. When CitiMortgage recommends a HAFA short sale on a loan serviced on behalf of a private investor, we seek such investor's approval on a case by case basis.
- During the term of the Short Sale Notice (SSN), CitiMortgage may terminate the terms of the pre-approval before its expiration due to any of the following events:
 - The borrower's financial situation improves significantly, the borrower qualifies for a modification, or the borrower brings the account current or pays the mortgage in full.
 - The borrower or other occupant(s), or the listing broker fails to act in good faith in listing, marketing and/or closing the sale.
 - A significant change occurs to the property condition and/or value.
 - There is evidence of fraud or misrepresentation.
 - The borrower files for bankruptcy and the Bankruptcy Court declines to approve a sale under the terms of the SSN.
 - Litigation is initiated or threatened that could affect title to the property or interfere with a valid conveyance.
 - The borrower fails to make the monthly payment stipulated in the SSN, if applicable.
- Servicemember Civil Relief Act (SCRA)
 - Eligible military servicemembers who qualify for SCRA benefits and are eligible for short sale will receive a short sale agreement containing minimum net proceeds that will be accepted for the short sale transaction. This is dependent upon receipt of the listing agreement and all required 3rd party approvals.

**DOCUMENTATION
REQUIREMENTS**

Pre-approved Short Sale Notice (SSN)

- Hardship Affidavit or Request for Modification and Affidavit (RMA)
- Evidence of residency:
 - CitiMortgage may request one or more the following to confirm principal residence: tax return, tax bill, utility bill, valid passport, driver's license, Medicare card, permanent resident card or armed forces identification.
- An executed Dodd-Frank Certification from each borrower and stating they have not been convicted of any one of the following, in connection with a mortgage or real estate transaction, within the last 10 years:
 - felony larceny, theft, fraud or forgery,
 - money laundering or
 - tax evasion
- Subordinate lien documentation (a payoff quote from any subordinate lien holder including written commitment from the subordinate lien holder that it will release the borrower from all claims and liability relating to the subordinate lien in exchange for receiving the agreed upon payoff amount).
- Form of income verification, if less than 60 days past due (please see Imminent Default section below)
- HAFA Affidavit:
 - Both the seller (borrower) and purchaser in a HAFA short sale transaction are required to execute a HAFA affidavit prior to closing that certifies, among other attestations, that the sale represents an arms-length transaction and that no money is being given or received that is not reflected on the HUD-1 Settlement Statement.

Existing Offer Submitted prior to HAFA pre-approval of Short Sale

The same documents as SSN are required **plus**:

- Accepted purchase contract
 - The purchase contract must include a clause stating that the sale must represent an arm's length transaction, and that the purchaser may not sell the property within 30 calendar days of closing and for the period between 31 and 90 calendar days of the closing, the purchaser is prohibited from selling the property for a gross sales price greater than 120% of the HAFA short sale price.
- Buyer's documentation of funds or buyer's pre-approval or commitment letter on letterhead from a lender
- All information regarding the status of subordinate liens and/or negotiations with subordinate lien holders

Imminent Default

If the loan is less than 60 days past due, CitiMortgage will request the following financial documents (in addition to the documents requested for the Pre-approved Short Sale Notice):

- Tax returns (last 2 years tax returns, if not yet filed verification of extension letter is required)
- Pay stubs/bank statements (2 pay stubs/bank statements dated within the last 60 days)
- Debt Documentation (hardship letter stating the reason for delinquency and if possible verification: such as hospital bill, etc.)

Note: Borrowers requesting relocation assistance on behalf of a non-owner occupant must ensure that a Non-Owner Occupant Certification, which also includes a Dodd-Frank Certification, is executed by each eligible non-owner occupant that is to receive relocation incentive and deliver such certification to CitiMortgage in advance of the **transaction closing** date.

<p>VALUATIONS</p>	<p><u>Establishing Property Value</u> - CitiMortgage will assess the current value of the property using a compliant evaluation. The valuation will be independent of the borrower and any other parties to the transaction. CitiMortgage will not require the borrower to pay in advance for the valuation, but will add the cost to the outstanding debt in accordance with the borrower's mortgage documents and applicable law in the event the short sale or DIL is not completed. The valuation must be less than six months old as of the date of the evaluation.</p> <p><u>Disputed Valuations</u> – Through the listing process, it is critical that CitiMortgage and the borrower agree on the value of the home in order to get the property listed correctly to complete a HAFA short sale. If CitiMortgage is using a value that the borrower or the borrowers real estate broker disagrees with such value may be disputed by:</p> <ul style="list-style-type: none"> • Contacting your assigned Homeowner Support Specialist (this representative will be determined at the time you are reviewed for HAFA eligibility). • Providing any additional comparables in the area including sales/listings and/or providing external valuation methods such as BPO's, AVM's, or appraisals. These values should support the reason for the dispute. • HAFA does allow a borrower to request an appraisal to be completed on their property. CitiMortgage may add the cost of the appraisal to the outstanding debt of their mortgage in accordance with the borrower's mortgage documents and applicable law. • The estimated evaluation timeframe is within 30 days. <p><u>New Value Determinations:</u> To the extent a new value determination is less than the value determination used in the SSN, CitiMortgage will notify the borrower and/or the borrower's real estate broker of the new value determination, and confirm the new list price or acceptable sale proceeds based on the new value determination.</p> <p><u>Price Reduction Review During Marketing Period</u> – The list price will be reviewed, at a minimum, every 30 days within the marketing period.</p>
<p>PAYMENTS DURING MARKETING PERIOD</p>	<p>CitiMortgage will identify in the SSN or DIL Agreement, the amount of the monthly mortgage payment that the borrower is required to make during the term of the applicable agreement and pending transfer of property ownership. CitiMortgage requires the monthly payment to be the lesser of the borrower's current monthly payment or 20% of the borrower's gross monthly income.</p>
<p>DEED-IN-LIEU POLICY / SPECIAL PROGRAMS</p>	<p>CitiMortgage will accept a HAFA DIL after the 120 day SSN marketing period has expired where the property did not sell or if the borrower refuses to consider a short sale. CitiMortgage will provide a full release of the debt and waiver of all claims against the borrower. The borrower must agree to vacate the property in no less than 30 days, as negotiated, leave the property in broom clean condition and deliver clear, marketable title to CitiMortgage.</p> <p>The following terms apply to a HAFA DIL:</p> <ul style="list-style-type: none"> • <u>Marketable Title.</u> The borrower must be able to convey clear, marketable title to CMI. The requirements for extinguishment of subordinate liens as described in the Eligibility Requirements section of this matrix apply to DIL transactions. • <u>Written Agreement.</u> The conditions for acceptance of a DIL must be in writing and signed by both CitiMortgage and the borrower as set forth in the SSN or DIL Agreement. • <u>Vacancy Date.</u> The SSN, ARSS, or DIL Agreement will specify the date by which the borrower must vacate the property, which in no event shall be less than 30 calendar days from the date of the termination date of the SSN or the date of a separate DIL Agreement, unless the borrower voluntarily agrees to an earlier date.

<p>AVERAGE TIMELINES</p>	<ul style="list-style-type: none"> • CitiMortgage will consider possible HAMP eligible borrowers for HAFA within 30 calendar days of the date the borrower: <ul style="list-style-type: none"> ○ Does not qualify for a Trial Period Plan; ○ Does not successfully complete a Trial Period Plan; ○ Is delinquent on a HAMP modification by missing at least two consecutive payments; or ○ Requests a short sale or DIL. • Within 10 business days following receipt of a request for a short sale or DIL, CitiMortgage must send written confirmation to the borrower acknowledging the request. The acknowledgment will include a description of the CitiMortgage HAFA evaluation process and a timeline for decision, which must be no later than 30 calendar days from the date of the request. • CitiMortgage will complete and send to the borrower an SSN no later than 30 calendar days from the date the borrower responds to the HAFA solicitation when requesting a pre-approval of a HAFA short sale. If a borrower initiates the requests for consideration of a pre-approved HAFA short sale, CitiMortgage must evaluate the borrower's eligibility and, if eligible, complete and send the borrower an SSN no later than 30 calendar days from the date of the borrower's request. • When a HAFA short sale or DIL is not available, CitiMortgage will communicate this decision in writing to any borrower that requested consideration. The notice will be sent no later than 10 business days following the determination that a HAFA short sale or DIL is not available. • Short Sale Notice (SSN) – Once an eligible borrower has been evaluated and CitiMortgage has determined that the proposed sale is in the best interest of the investor, CitiMortgage will prepare and send a SSN. The property is to be listed for sale for a period of not less than 120 days. If an acceptable offer is received, the short sale transaction is completed. If an acceptable offer is not received the borrower agrees to complete the DIL transaction at the end of the SSN period (not less than 120 calendar days). The term of the SSN may be extended at the discretion of CitiMortgage, up to a total term of 12 months. • Within 10 business days of receipt of an executed sales contract where the borrower has not previously received the servicer's pre-approval of a HAFA short sale, CitiMortgage will send to the borrower written acknowledgement of the request for short sale approval using the Alternative Request for Short Sale (ARSS). For borrowers who have not submitted an executed Hardship Affidavit, CitiMortgage will also include the Hardship Affidavit with the acknowledgement. • No later than 30 calendar days from the date of receipt from the borrower of an executed sales contract and a signed Hardship Affidavit or RMA, CitiMortgage must communicate approval or disapproval of the sale or provide a counter offer. • The closing will not be less than 45 calendar days of the Sales Contract execution date unless CitiMortgage obtains your consent otherwise.
<p>Borrower Relocation Incentive</p>	<ul style="list-style-type: none"> • HAFA provides for a \$10,000 incentive payment to the borrower occupant or non-owner occupant to assist with relocation expenses. • The borrower may use the relocation incentive payment to pay for transaction costs that the borrower has instructed the settlement agent, in writing, to pay on borrower's behalf, such as the cost of legal representation in connection with representation of the borrower in the short sale or DIL, overdue utility bills on the property or minor repairs made as a result of being identified during a property inspection.

	<ul style="list-style-type: none"> • Borrowers, however, may not use the relocation incentive payment for the release of subordinate mortgage or non-mortgage liens recorded against the property and may not be required by CitiMortgage, as a condition of the sale, to utilize the relocation incentive to pay any transaction expenses. • The HUD-1 Settlement Statement must show the full \$10,000 relocation incentive as a credit to the borrower and show any authorized transaction costs paid out of the relocation incentive in accordance with the foregoing guidance as charges to the borrower. • Note: Borrower/tenant/non-borrower occupant relocation incentives will be limited to HAFA short sale or DIL transactions where the property is occupied by a borrower or a tenant at the time the borrower requests assistance. The occupant will be required to vacate the property as a result of the short sale or DIL. • CitiMortgage will determine if a property subject to a HAFA transaction is occupied by a borrower or tenant who will be required to vacate and may only authorize relocation incentives for such occupants. The HUD-1 must reflect a payment to the borrower or tenant, when appropriate. • Verification of Primary Residence / Owner Occupancy: <ul style="list-style-type: none"> ○ CitiMortgage will use the credit report to confirm that the property securing the mortgage loan is or was the borrower's principal residence. If the credit report is inconsistent with other information provided by the borrower, CitiMortgage may require additional documents to reconcile inconsistencies. • Verification of Tenant: <ul style="list-style-type: none"> ○ To ensure accurate payment of the relocation incentive, CitiMortgage may verify tenant occupancy using a rental agreement. If there is not a rental agreement or inconsistencies exist, additional documents may be required by CitiMortgage. It is the borrower's responsibility to provide the required verification documentation to CitiMortgage. ○ CitiMortgage will also require the borrower to provide an executed Non-Owner Occupant Certification inclusive of the Dodd-Frank Certification(s) signed by each tenant who will receive HAFA relocation incentive. This certification is required prior to closing. It is strongly suggested that the borrower provides this documentation 10 days prior to the scheduled closing as to provide the least disruption to the real estate transaction. ○ In order for CitiMortgage to authorize a closing, in addition to the Non-Owner Occupant certification including the Dodd-Frank Certification(s) and verification of occupancy, the assistance payment is required to be accurately reflected on the HUD-1.
<p>CONTACT INFORMATION</p>	<ul style="list-style-type: none"> • For HAFA program assessment, eligibility or escalation: <ul style="list-style-type: none"> ○ 1-866-272-4749 † • For general HAFA questions and transaction status: <ul style="list-style-type: none"> ○ 1-866-520-5499 † or your assigned Homeowner Support Specialist • For valuation appeals: <ul style="list-style-type: none"> ○ Contact your assigned Homeowner Support Specialist. This representative will be determined at the time you are reviewed for HAFA eligibility. • For additional assistance in understanding HAFA eligibility or a decision, you may contact Treasury's HOPE Hotline at: <ul style="list-style-type: none"> ○ (888) 995-HOPE • For any additional information, please visit: <ul style="list-style-type: none"> ○ www.citimortgage.com

**THIRD PARTY
VENDORS**

CitiMortgage does not currently utilize vendors that the borrower or agent will interface with during the HAFA process.

Disclaimer: The content is intended to provide general information about the eligibility requirements for a short sale or deed-in-lieu of foreclosure under the Treasury's Home Affordable Foreclosure Alternatives program. Eligibility may vary based on individual loan characteristics and investor and mortgage insurer requirements. Certain restriction may apply on all programs.

† Calls are randomly monitored and recorded to ensure quality service.
TTY Services available: Dial 711 from the United States; Dial 1-866-280-2050 from Puerto Rico.