

Sterling Bank 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. 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 Sterling Bank 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 [Servicer’s Name].

	Last Updated:
ELIGIBILITY REQUIREMENTS	<p>Treasury’s guidelines state that a loan meets the basic eligibility criteria if the servicer verifies that all of the following conditions are met:</p> <ul style="list-style-type: none"> • The loan must be owned by Sterling Bank or a private investor and serviced by Sterling Bank. • The mortgage is a first lien originated on or before January 1, 2009 • The mortgage is delinquent or default is eminent • The current unpaid principal balance is less than or equal to: <ul style="list-style-type: none"> ○ \$729,750 for a one-unit property ○ \$934,200 for a two-unit property ○ \$1,129,250 for a three-unit property ○ \$1,403,400 for a four-unit property • The property is not vacant or condemned. <p>Additional important items to note:</p> <ul style="list-style-type: none"> • If required by investor or insurer, the borrower’s total monthly mortgage payment must exceed 31% of the gross monthly household income to be eligible for HAFA. • Treasury requires that a borrower have a documented financial hardship, evidenced by a signed Hardship Affidavit or RMA, wherein the borrower has represented that he or she does not have sufficient liquid assets to make the monthly mortgage payments; or • Borrowers are ninety (90) days or more delinquent and have a FICO score that is less than 620, will be deemed to have a “pre-determined” hardship. Borrowers must execute a Hardship Affidavit prior to closing HAFA transaction; however, servicers will not be required to further validate the hardship. • If a borrower is current or less that 60 days delinquent and would like to be considered, they may still be eligible pending further review of their financial situation. • Loans with a scheduled foreclosure sale date may still be considered for HAFA depending on the timing of the scheduled foreclosure sale. <p>Please note that in addition to Treasury’s standard HAFA eligibility requirements, Sterling Bank must adhere to investor and mortgage insurance guidelines as well as all applicable laws and regulations.</p>

<p>DOCUMENTATION REQUIREMENTS</p>	<p><u>Documents required prior to Short Sale Agreement (SSA):</u></p> <ul style="list-style-type: none"> • Hardship Affidavit/Request for Modification and Affidavit (RMA) • Dodd Frank Certification • Conditional items based on investor requirements, imminent default, and/or other potential factors, for example: <ul style="list-style-type: none"> ○ Subordinate lien documentation ○ Financial information (paystubs, bank statements, etc) ○ Documentation of hardship where required <p><u>Documents required if a purchase offer has been made:</u></p> <p>Same documents as above, plus:</p> <ul style="list-style-type: none"> • Purchase and Sale Agreement and all related documents • Estimated HUD-1 • Buyer's Proof of Funds / Buyer Pre-Qualification Letter • Other documents per investor and insurer request
<p>VALUATIONS</p>	<p><u>Establishing Property Value –</u></p> <ul style="list-style-type: none"> • Valuation is obtained based on investor guidelines. The customer will be contacted by an authorized vendor who will conduct a valuation on behalf of Sterling Bank. <p><u>Disputed Valuations:</u></p> <ul style="list-style-type: none"> • Sterling Bank follows both its service provider and investor guidelines when determining what information is needed to dispute a value. A minimum of 3 sold comparables must be submitted. These must be comparable to the subject property's square footage, amenities, age and location, and must have closed within six months prior to the effective date of the disputed valuation. <p><u>Price Reduction Review During Marketing Period:</u></p> <ul style="list-style-type: none"> • List price reviews initiated by the customer or their agent during the 120-day marketing period are subject to Sterling Bank approval.
<p>DEED-IN-LIEU POLICY / SPECIAL PROGRAMS</p>	<p>Subject to investor and insurer approval, the borrower is allowed a DIL if their short sale marketing period expires without an acceptable offer, with the following requirements:</p> <ul style="list-style-type: none"> • Borrower must provide clear and marketable title • There must be no adverse change in property condition • Property must be left in broom clean condition • Borrower must vacate within 30 days of the DIL agreement
<p>AVERAGE TIMELINES</p>	<p>Average Timelines:</p> <ul style="list-style-type: none"> • Submission of required income/eligibility documentation by customer: 14 days • HAFA Eligibility Review: 30 days • Borrower returns short sale agreement to Sterling Bank: 14 days • Marketing of property: 120 days • Submission of purchase contract to Sterling Bank: 3 days • Sterling Bank's approval/disapproval of purchase contract: 10 days • Closing: 45 days after approval, or earlier when requested by borrower or required by state law <p>Please note that timeframes will vary based on investor, MI, and Second Lien Holder approval.</p>

**CONTACT
INFORMATION**

Sterling Bank Special Assets Department 1-800-621-1970

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This guidance does not apply to mortgage loans that are:

- Owned or guaranteed by Fannie Mae or Freddie Mac
- Insured or guaranteed by the Veterans Administration
- Insured by the Federal Housing Administration

In addition, the guidelines above apply only to investors and/or insurers that are participating in the federal government's Home Affordable Modification Program. Guidelines cited herein are subject to periodic changes based on program revisions from Treasury, Investor and Insurers. Participation in HAFA does not relieve any party to the transaction of their obligation to comply with any laws or judicial requirements of the state, county or city in which the property is located.