

# Wells Fargo Home Affordable Foreclosure Alternatives (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 Wells Fargo 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 Wells Fargo.

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## Eligibility requirements

Treasury's guidelines state that a loan meets the basic eligibility criteria if the servicer verifies that all of the following conditions are met:

- The mortgage is a first lien originated on or before January 1, 2009.
- The mortgage is delinquent or default is reasonably foreseeable.
- The current unpaid principal balance is less than or equal to:
  - \$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 condemned.

Treasury requires that a borrower have a documented financial hardship, evidenced by a signed Hardship Affidavit or Request for Mortgage Assistance (RMA), wherein the borrower has represented that he or she does not have sufficient liquid assets to make the monthly mortgage payments.

If a borrower is current or less than 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 date may still be considered for HAFA depending on the timing of the scheduled foreclosure sale.

Please note that in addition to Treasury's standard HAFA eligibility requirements, Wells Fargo must adhere to investor and mortgage insurance guidelines as well as all applicable laws and regulations

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## Documentation requirements

### **Documents required prior to Short Sale Agreement (SSA):**

- Hardship Affidavit/RMA
- Dodd Frank Certification
- Conditional items based on investor requirements, imminent default, and/or other potential factors, i.e., financial information (paystubs, bank statements, etc)

### **Documents required if a purchase offer has been made:**

Same documents as above, plus:

- Alternative Request for Approval of a Short Sale (if no SSA exists) or Request for Approval of a Short Sale (if SSA exists)
  - Purchase Agreement and Estimated HUD-1
  - Proof of buyer funds or buyer's pre approval or commitment letter on lender letterhead
  - Second lien holder's written approval and agreement not to pursue deficiency balance
  - If the subject premises is rental property, we will need a signed Non-Owner Occupant Certification from each occupant who will be required to relocate.
  - If the property is not occupied by the borrower, acceptable documentation of residency will be required for the non-borrower occupant such as a lease agreement, copies of utility bills etc.
  - Other documents may be required per investor and insurer request
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## Valuations

### **Establishing property value**

Valuation is obtained based on investor guidelines and typically consists of an interior BPO or full interior appraisal.

### **Disputed valuations**

If there is a dispute, the borrower must submit a written request for re-evaluation and provide us with a recent estimate of the property value and a reasonable basis for that estimate.

We will re-evaluate the property value based on the borrower-supplied information on comparable properties. If there has been a change in the property condition that impacts the value, please submit your documentation supporting the change in property condition.

Borrowers or Real Estate Agents may contact Wells Fargo regarding a disputed valuation at the phone numbers listed in the contact information section below.

### **Periodic reassessment of value**

We order a new valuation every 90 days during the HAFA process. If the new value comes in lower, we will reduce the minimum net sales proceeds (MNSP) accordingly. If the new value comes in higher than the prior value, we will not change the MNSP under an existing Short Sale Agreement..

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## Payments during marketing period

None required

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## Deed-in-lieu (DIL) policy / Special programs

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:

- Borrower must provide clear and marketable title.
- There must be no adverse change in property condition during the DIL process.
- Property must be left in broom clean condition.
- Occupants must vacate the property within 30 days of the DIL agreement.
- If the property involved is rental property, the borrower must provide a signed Non-Owner Occupant Certification from each occupant who may receive relocation assistance payment because they will be required to relocate.
- The borrower must also provide proof that the property is the primary residence of the non-owner occupant(s). Acceptable documentation includes a lease agreement, copies of utility or phone bills, etc.

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## Average timelines

- **Issuance of a Short Sale Agreement:** While decisions are generally made within 30 days, servicer is allowed 45 calendar days and if unable to make a decision, will notify borrower on or before the 45th day and provide written updates every 15 calendar days until a decision is reached.
- **Borrower returns the Short Sale Agreement to servicer:** 14 days
- **Marketing of property:** 120 Days
- **Borrower submits offer to servicer:** Within three days of receipt of offer
- **Servicer decision after offer submittal:** 10 days
- **Closing:** 45 days after approval, or earlier when requested by borrower or required by state law

Please note that timeframes will vary based on investor, Mortgage Insurance Company or, Second Lien holder approval.

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## Contact information

Borrowers can reach out to their Single Point of Contact for questions at any time, or call their specific Wells Fargo line of business listed below:

<b>Wells Fargo Home Mortgage:</b>	1-800-678-7986
<b>Wells Fargo Home Equity:</b>	1-866-970-7821
<b>Wells Fargo Financial:</b>	1-866-421-6043
<b>Wells Fargo Financial Cards</b>	1-800-732-7373

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## Third party vendors

Wells Fargo uses vendors from time to time throughout the Short Sale process, with vendors contacting Wells Fargo directly.

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Last updated on 12/01/2011

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 or the Department of Agriculture's Rural Housing Service
- 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, Investors and Insurers. Participation in HAFM 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.