

Short Sales

One way you could avoid foreclosure is with a short sale. While you will still have to leave your house, you will not have a foreclosure appear on your credit history and you will avoid the potential public sale or auction of your house. Additionally, you will have more control over the timing and manner in which you leave your house.

What is a short sale?

A short sale is a commonly used alternative to foreclosure. If you can no longer afford to make your mortgage payments and your house is worth less than you owe, a short sale allows you to sell your house at its current fair market value. The investor(s) or owner of your loan must approve the sale because they will be receiving less than the total amount owed.

How does a short sale work?

A Bank of America short sale specialist will help you determine which short sale program is most appropriate for you and explain what you need to do to get started. Next, you'll need to hire a real estate agent with short sale experience. Your agent will help you list your property for sale.

Why should I consider a short sale?

A short sale allows you to settle your mortgage for less than you owe. Plus, you can avoid foreclosure and potential eviction from your house. Although a short sale will have a negative effect on your credit, it may allow you to qualify for future credit sooner than if your house went through foreclosure.

Additional benefits of a short sale include:

- You may be eligible for relocation assistance to help with moving and rental expenses.
- If the short sale is successful, Bank of America or the investor of your loan may elect not to pursue the remaining unpaid balance on a mortgage after a short sale.
- Real estate commissions paid to agents are included in the short sale, unless there is a cash contribution or promissory note required on the sale, therefore, there are no additional out of pocket costs for the homeowner.

We understand this is a difficult time for you. We're here to help. Please contact us today.

Short sale specialist:

1.866.880.1232

Monday through Friday 8:00 a.m. to 10:00 p.m.
Saturday from 9:00 a.m. to 5:30 p.m. Eastern

Deed in lieu specialist:

1.877.430.3411



Monday through Friday 8:00 a.m. to 10:00 p.m.
Saturday 9:00 a.m. to 5:30 p.m. Eastern

Or visit bankofamerica.com/homeloanhelp for more information.

Please note that we can only help you if you have a Bank of America serviced home loan. If your loan is with another lender, contact that lender directly to discuss your options.

Additionally, if you have a second mortgage, or any other debts against the property that are with a lender other than Bank of America, please contact that lender for further direction. All non-Bank of America liens will need to be released before you can complete a short sale.

Bank of America  **Home Loans**

Credit and collateral are subject to approval. Terms and conditions apply. This is not a commitment to lend. Programs, rates, terms and conditions are subject to change without notice. Bank of America, N.A., Member FDIC.  Equal Housing Lender. ©2011 Bank of America Corporation. ARV0E061 07-2011  Protect your personal information before recycling this document.

Homeowner Assistance:

Avoiding Foreclosure

The consequences of foreclosure

A foreclosure will negatively affect your credit, including your ability to be approved for a loan. As a result, you may face much higher rates for loans and insurance. You should also be aware that with a foreclosure, you could be evicted and your house could be publicly auctioned or sold.

Foreclosure proceedings typically begin after you have made no mortgage payments for at least 90 days. If you are having difficulty with your mortgage, it's important that you contact us immediately so that we can help you explore your options.

Options to help you stay in your house

At Bank of America, we are committed to helping customers facing financial hardship. If you are finding it difficult to make your mortgage payments, we want to help you understand all of your options.

Possibilities you should explore first include:

- **Repayment Plan:** Mortgage payments may be suspended or reduced for up to 90 days.
- **Loan Modification:** The interest rate may be reduced, loan terms extended, or the loan made current by adding past due payments to the existing loan balance.
- **Special Assistance Programs:** You may be eligible for special assistance, such as programs for active duty military personnel.

Foreclosure Alternatives

If a repayment plan, a loan modification and special assistance are not options and you have determined that you can no longer remain in your house, there may still be a way you can avoid foreclosure.

Bank of America  **Home Loans**

Home Affordable Foreclosure Alternatives (HAFA) Short Sale

HAFA is a federal short sale program that simplifies the approval process by establishing the terms of the sale up front. This reduces decision time because many of the steps involved take place before you have received an offer on your property. HAFA has predetermined eligibility requirements for customers. If you do not qualify for HAFA, we will consider you for a similar short sale program developed by Bank of America.

Am I eligible for a HAFA short sale?

You may be eligible to sell your home in a HAFA short sale if:

- You have a hardship, such as a job loss, divorce or medical emergency
- You owe more than your house is worth
- You're unable to afford your current monthly mortgage payment
- You're unable to modify your current home loan
- You currently live in the home or have lived there in the past 12 months and have not purchased another property during that time
- Your current mortgage was taken out on or before January 1, 2009
- The amount you owe on your first mortgage is less than \$729,750

Traditional Short Sale Process

If you have already listed your property and received an offer, you can still pursue a traditional short sale. The approval process will take longer than it would with HAFA.

Am I eligible for a Traditional Short Sale?

You may be eligible to sell your house in a traditional short sale if:

- You have a hardship, such as a job loss, divorce or medical emergency
- You owe more than your house is worth
- You're unable to afford your current monthly mortgage payment
- You're unable to modify your current mortgage
- You have an offer on your property

What should I do next?

1. Talk to a short sale specialist to see if you are eligible for a short sale. Call 1.866.880.1232 Monday through Friday from 8 a.m. to 10 p.m. or Saturday from 9 a.m. to 5:30 p.m. Eastern.
2. Contact a tax professional to be sure you fully understand the tax implications of a short sale.
3. Contact a local, licensed real estate agent who has short sale experience. Your agent will help you:
 - Prepare and market your house
 - Find a buyer and field offers
 - Interact with Bank of America to process the sale

Tell your real estate agent if your property has any second mortgages or liens with another bank. Your agent will help you get these released before we process your short sale.

Deed in Lieu of Foreclosure

If you are unable to sell your house in a short sale, you may still be able to avoid foreclosure by completing a deed in lieu.

What is a deed in lieu of foreclosure?

With a deed in lieu, you voluntarily transfer ownership of the property to Bank of America to satisfy the amount due on your first mortgage. In some cases, you may be eligible for a deed in lieu without first attempting a short sale of your home. A deed in lieu generally takes about 90 days, depending on your situation.

How does a deed in lieu work?

First, you'll supply your current financial information and a letter explaining your financial hardship. Once we verify your information, we'll order an appraisal of your property to determine it's current fair market value.

If you have any non-Bank of America liens against your home, it is your responsibility to work with the lender to resolve the lien.

Why should I consider a deed in lieu?

Although a deed in lieu will have a negative effect on your credit, it may allow you to qualify for future credit sooner than if your house went through foreclosure. A deed in lieu also allows you to leave your house in a known, fixed time frame, which lets you avoid the uncertainty of waiting for your house to sell.

What should I do next?

1. Talk to a deed in lieu specialist to see if you are eligible for a deed in lieu. Call 1.877.430.3411 Monday through Friday from 8 a.m. to 10 p.m. or Saturday from 9 a.m. to 5:30 p.m. Eastern.
2. If you decide that a deed in lieu is right for you, we'll ask you for documentation, including updated financial information and a letter explaining your current financial hardship.
3. Unlike a short sale, you will work with us directly and will not need a real estate agent.

Avoid “foreclosure rescue” scams.

Scams targeting homeowners who are facing possible foreclosure are becoming more common. For your protection, you should always work with your lender, a U.S. Department of Housing and Urban Development (HUD)-approved counseling agency when seeking options to avoid foreclosure.