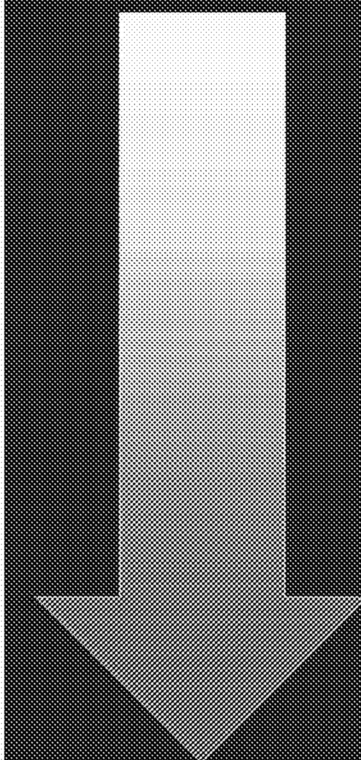
Cooperative Short Sales

Helping Customers Avoid Foreclosure

Exploring All Options

- Bank of America is committed to exploring all options prior to foreclosure.
- We have modified the loans of more than 750,000 distressed homeowners since January 2008.
- Some homeowners may not qualify for a loan modification or are unable to retain their home for other reasons.
- Bank of America continues to implement people, process and technology improvements to assist homeowners in default.

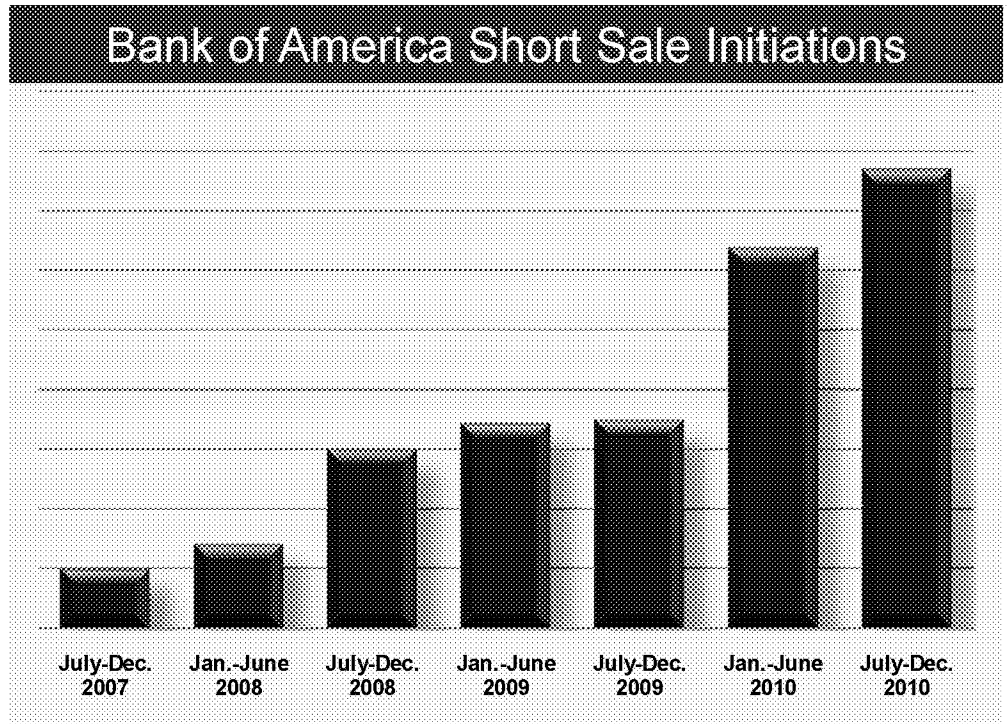


Scenarios in Order of Preference for Homeowners

- Refinance
- Financial Counseling
- Modification
- Short Sale
- Deed in Lieu
- Foreclosure

Increased Short Sale Volumes

- Volumes have increased exponentially in last 3 years, resulting in:
  - Increased cycle times
  - Service level deterioration
- This is uncharted territory for the entire industry
  - Staffing can't grow fast enough to meet demand
  - Immature process; lack of seasoned outsourcers



SHIFT TO A COOPERATIVE APPROACH TO SHORT SALES

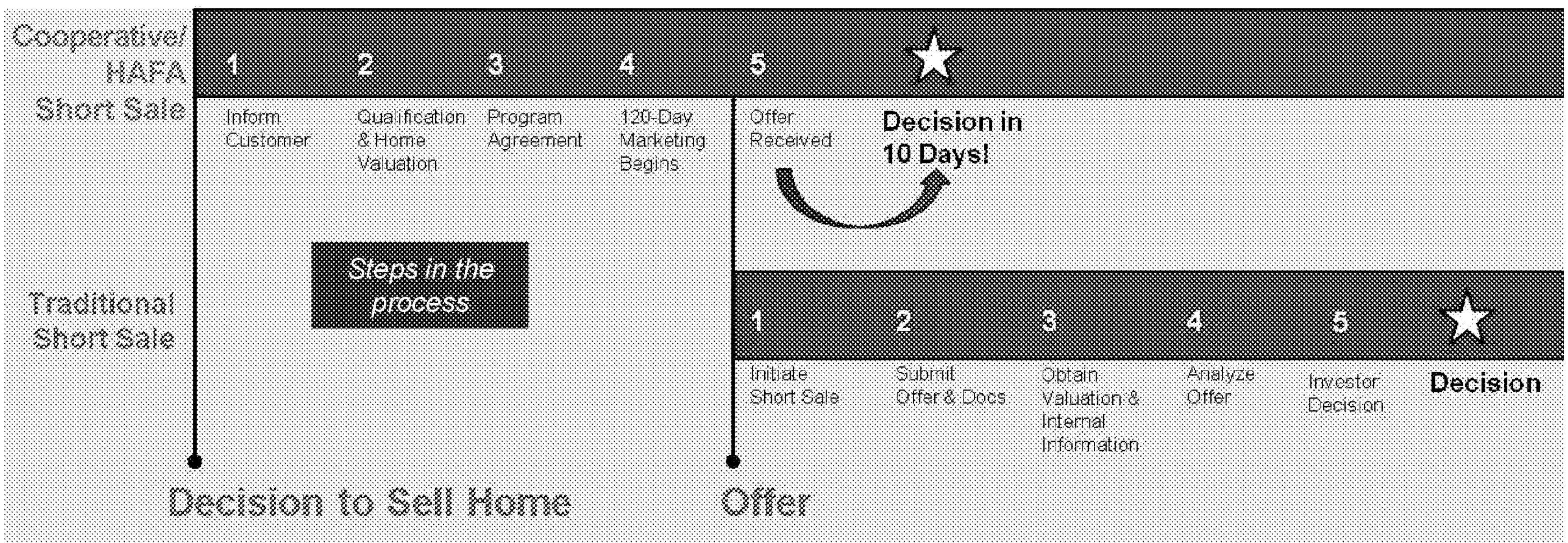
Potential Pitfalls of Traditional Short Sale	Result in...
• Process begins **after** offer is received • Multiple counter-offers can occur before and after investor review • Decision is at **end** of process • Stipulations may be added at **end** of process	• High fallout rates • Long decision timelines • Frustrated buyers, sellers, agents

Shifting to a cooperative short sale approach minimizes may of the challenges experienced in a traditional short sale.

- Federal government's Home Affordable Foreclosure Alternatives (HAFA) program launched April 5, 2010
- Fannie Mae and Freddie Mac implemented their HAFA programs Aug. 1, 2010
- Bank of America has also launched a cooperative short sale program

Quickest Route to a Short Sale Decision

- A cooperative approach to a short sale may provide the quickest route to a short sale decision if you begin the process early enough, such as during your initial discovery conversations with the homeowner.
- A cooperative short sale provides terms of the short sale before marketing the home.
  - For example: list price, commission, deficiency, etc.



If you do not have an offer, the agent or homeowner can call to request a cooperative program eligibility review.

Bank of America Home Loans

BENEFITS OF A COOPERATIVE SHORT SALE

	Traditional Short Sale	HAFA Short Sale	Bank of America Cooperative Short Sale
General Qualifications See Treasury guidelines for full HAFA details	Each customer situation is considered separately by investors	• Participating Investors Only • Unpaid principal balance < $729,750* (1 Unit) • Primary residence • Monthly mtg. pmt. >31% of gross monthly income • First lien mortgage originated on or before 1/1/09 • Completed documentation per Treasury **Higher balances apply to 2–4 unit properties.*	• Non-owner occupied eligibility • Jumbo loans may qualify • Early investor/insurer approval shortens decision time
Initiate Process	When you receive a valid offer	PRIOR TO marketing the property HAFA is also available upon receipt of an offer	PRIOR TO marketing the property
Timeline for Decisions	The offer starts the process and a number of steps need to be completed prior to decision: • Offer/Call • Collect documents • Payoff & internal analysis • Investor review • Decision	PRIOR TO the marketing phase: • Qualification • Collect documents • Payoff & internal analysis • Investor review **Once an offer has been submitted, you will receive a decision within 10 business days.**	PRIOR TO the marketing phase: • Qualification • Collect documents • Payoff & internal analysis • Investor review **Once an offer has been submitted, you will receive a decision within 10 business days.**
Cash/Promissory Note	The investor may require	No	The investor may require

Bank of America Home Loans

BENEFITS OF A COOPERATIVE SHORT SALE

	Traditional Short Sale	HAFA Short Sale	Bank of America Cooperative Short Sale
Deficiency Pursued	The investor may retain the right to pursue deficiency	No	The investor may require the right to pursue deficiency
Foreclosure Holds	Varies by investor/Requires investor approval Policies subject to change	Auto HOLD with signed Purchase Agreement	Auto HOLD with signed Purchase Agreement
Credit Impact	Typically less than foreclosure — deficiency charge off will be reported to credit bureaus	Typically less than foreclosure — deficiency charge off will be reported to credit bureaus	Typically less than foreclosure — deficiency charge off will be reported to credit bureaus
Recommended List Price Provided	No	Yes	Yes
Approval/Closure Rates	Low-Medium	High after qualification	High after qualification
Relocation Assistance	None	$3,000	$2,500
Unrealized Short Sale	OPTIONAL Deed-in-Lieu of Foreclosure	AUTOMATIC Deed-in-Lieu of Foreclosure (request for exceptions will be considered if deal is imminent)	AUTOMATIC Deed-in-Lieu of Foreclosure (request for exceptions will be considered if deal is imminent)

STEPS TO A SUCCESSFUL COOPERATIVE SHORT SALE

Step 1: Evaluate the Situation	• When you meet with a client, ask how much they owe on the property vs. the value. • If you think there may be a potential short sale, discuss the benefits of a short sale with your homeowner and call us.
Step 2: Submit 3rd Party Authorization	• A third-party authorization should be uploaded in the processing system. • This authorization is required for Bank of America to discuss a short sale with anyone other than the homeowner.
Step 3: Request a Co-op Review	• Call **1.866.880.1232** and ask for your client to be reviewed for a cooperative short sale program. • When you call, we will assess the homeowner's needs, including HAFA & other cooperative short sale opportunities.
Step 4: Candidate Review	• **Streamlined candidate:** No additional documents required. No cash contribution or deficiency. • **Asset Review candidate:** Additional documents may be required to determine potential cash contribution or deficiency.

STEPS TO A SUCCESSFUL COOPERATIVE SHORT SALE

Step 5: Appraisal	• We will contact the agent to arrange for the property to be appraised in order to determine the property's fair market value.
Step 6: Determine List Price	• Bank of America works with you to determine a list price so you can market the property effectively.
Step 7: Insurer/Investor Review	• Bank of America will obtain approvals from Insurers or Investors.
Step 8: Offer Review	• Once received, the offer will be reviewed quickly because valuation and marketing steps were completed earlier in the process.
Step 9: Move to Closing	• If approved, approval letter issued and the process moves to closing.

THREE WAYS REAL ESTATE AGENTS CAN HELP

1 Engage Homeowners Early

- Find out if the homeowner owes more than the home's value.
- Discuss short sale opportunities during initial conversations with the homeowner.
- Explain the short sale process and how it can help avoid foreclosure.

2 Contact Bank of America Before the Home Is Listed

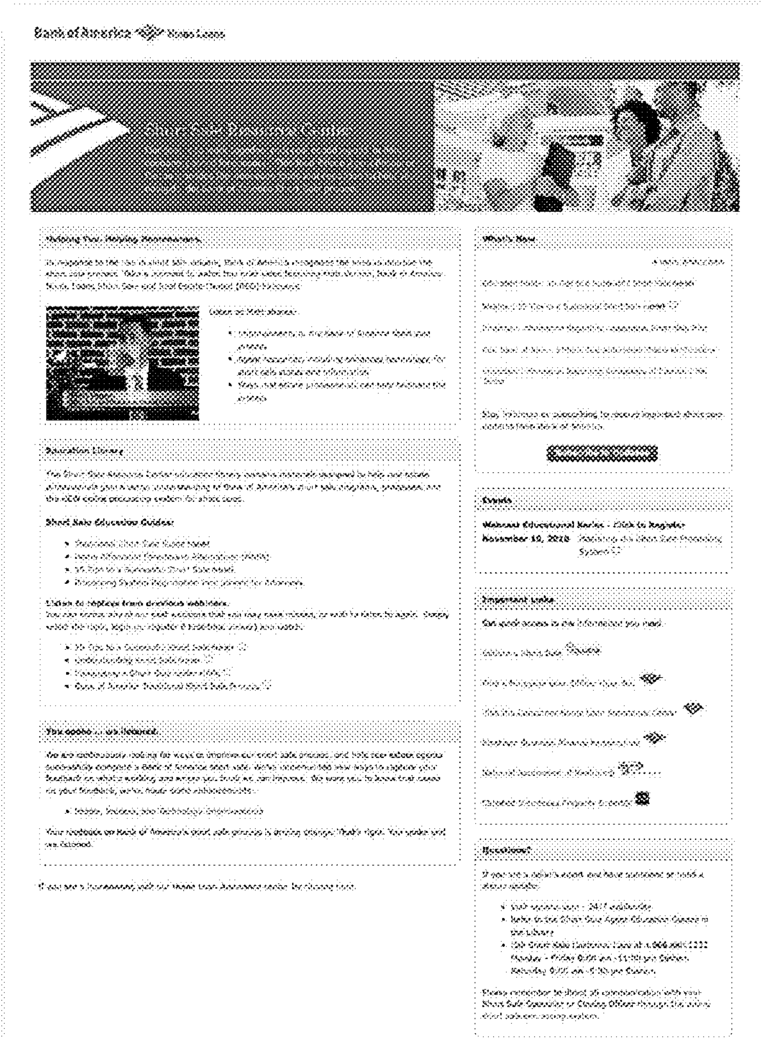
- Call **1.866.880.1232** and ask for your client to be reviewed for a cooperative short sale program.
- Work with our short sale experts to understand next steps and complete tasks.

3 Complete Required Tasks on Time

- Provide all necessary documents as soon as possible to keep the process moving forward.
- Make sure all agent and homeowner tasks are completed in the short sale processing system on time.
- Communicate with your short sale specialist to reduce unnecessary delays.

Bank of America Home Loans

REAL ESTATE AGENT RESOURCE CENTER



Visit Bank of America's Real Estate Agent Resource Center for:

- Important news and updates about the short sale process and enhancements
- Online subscriptions to keep you informed via email updates
- Free webinars
- Education library of important documents, including tips to a successful short sale
- Events
- Important links
- Contact information

Go to
bankofamerica.com/realestateagent

Bank of America Home Loans