

# Loan Modification Proposal

<b>Loan Number:</b>	123456	<b>Years in Property:</b>	
<b>Borrower Name:</b>	Jake TestClient	<b>1st Loan #:</b>	123456
<b>Property Address:</b>	6232 N. Pulaski Suite 203 Chicago, IL. 60646	<b>2nd Loan #:</b>	234567

**We are proposing the following Loan Modification Terms for your favorable decision:**

Loan Modification Proposal			Income Analysis		
<b>Loan Number:</b>	123456				
First Mortgage	Current	Proposed	Income Analysis	Current	Proposed
Loan Type:	ARM	Fixed	Gross Monthly House Hold Income	\$5,700.00	\$5,700.00
Principal Balance:	\$300,000.00	\$250,500.00	Net Monthly House Hold Income	\$5,100.00	\$5,100.00
Terms	30 Years	30 Years	Total Monthly Expenses (Non Mortgage Related)	\$3,160.00	\$3,160.00
<b>Interest Rate (APR):</b>	7.00%	2.00%	Total Monthly Housing Taxes and Insurance	\$700.00	\$700.00
<b>Monthly 1st Mortgage Payment (PITIA)</b>	\$2,797.64	\$1,625.90	Total Monthly Expenses (Including Mortgage)	\$6,457.64	\$5,011.36
<b>Housing DTI (Incls. 1st Mortgage)</b>	30.08%	17.48%	<b>Monthly Net Cash Flow</b>	(\$1,357.64)	\$88.64
Amount in Arrears: (Incl in Proposed Principal)	\$500.00	\$500.00	Surplus/defecit % of Income	(26.62%)	1.74%
Escrow Shortage: (Incl in Proposed Principal)	\$0.00	\$0.00	Back End DTI	171.15%	145.77%
Fees & Admin Costs: (Per HUD Guides Waived)	\$0.00	\$0.00			

Loan Modification Proposal			Market Value Analysis	
<b>Loan Number:</b>	234567		<b>Current Market Value:</b>	\$300,000.00
<b>Second Mortgage</b>	<b>Current</b>	<b>Proposed</b>	Balance of First Mortgage:	\$300,000.00
Loan Type:	Fixed	Fixed	Balance of Second Mortgage:	\$60,000.00
Principal Balance:	\$60,000.00	\$60,999.00	<b>Total Mortgage Debt</b>	\$360,000.00
Terms	30 Years	30 Years	<b>Equity Surplus/Deficit</b>	(\$60,000.00)
<b>Interest Rate (APR):</b>	9.00%	2.00%	<b>Current LTV:</b>	120.00%
<b>2nd Mortgage Mo. Payment:</b>	\$500.00	\$225.46	Cost of Foreclosure Analysis	
Amount in Arrears: (Incl in Proposed Principal Bal.)	\$1,000.00	\$1,000.00	Est. months in arrears at time of REO sale:	10
Late Fees & Admin Costs: (Per HUD Guidelines Waived)	\$0.00	\$0.00	Monthly Mortgage Payment (PITIA):	\$1,851.36
The proposed (1st & 2nd) modified new monthly payments:		\$1,151.36	<b>Mortgage Pymts in arrears at sale:</b>	\$27,976.40
The modified payment monthly residual cash flow is:	\$88.64		Attorney's Fees:	\$1,000.00
Requested Principal Reduction Amount for 1st Mortgage		\$50,000.00	Estimated Cost to Secure Property:	\$1,000.00
Requested Principal Reduction Amount for 2nd Mortgage		\$1.00	Estimated Maintenance Costs:	\$1,000.00
			<b>Total Estimated Foreclosure Costs (Does not include any costs to cure property)</b>	\$30,976.40
Asset Liquidation Analysis			Foreclosure Estimated Loss	
<b>Current Market Value:</b>		\$300,000.00	<b>Total Sale Proceeds</b>	\$180,523.60
<b>Foreclosure Estimated Sales Price (75% of CMV)</b>		\$225,000.00	<b>Less: Balance of 1st Mortgage</b>	\$300,000.00
<b>Less: Real Estate Commissions @ 6</b>		\$13,500.00	<b>Less: Balance of 2nd Mortgage</b>	\$60,000.00
<b>Less: Estimated Foreclosure Costs:</b>		\$30,976.40	<b>Estimated Lender Loss from Foreclosure</b>	(\$179,476.40)
<b>Total Sale Proceeds to Lender</b>		\$180,523.60		

