

PHH Mortgage**PHH**2001 Bishops Gate Boulevard
Mt. Laurel NJ 08054

OCTOBER 09, 2009

LOAN NUMBER :
PROPERTY ADDRESS:**COMMENTARY BELOW**

LITCHFIELD PARK AZ 85340

Our client's are active duty Air Force. The husband is a Major who received "short notice" PCS orders to relocate to another part of the world. They didn't have much time to market their home, due to the immediacy of their PCS orders. We placed the home on the market June 18th 2009 for \$180,000. The list price was consistent with market values at the time. However June 14th property values had fallen another \$30,000 supporting an offer of \$156,000. The offer was presented to PHH Mortgage. PHH Mortgage did not approve the short sale until September 21st. The buyer's appraisal was completed on October 7th for a net value of \$142,000. The property had plunged 22% in value in less than 100 days. Read the final disposition below. This is typical of our success with Short Sale transactions.

DEAR CUSTOMER(S) :

THIS IS TO CONFIRM THAT THE MORTGAGE LOAN INVESTOR HAS AGREED TO ACCEPT A SHORT PAYOFF ON THE ABOVE REFERENCED LOAN IF THE FOLLOWING CONDITIONS ARE MET:

1. EACH OBLIGOR (BORROWER) ON THE LOAN MUST SIGN THE ATTACHED RELEASE, AND EXECUTE THE ENCLOSED WAIVER WITH RESPECT TO ESCROW FUNDS AND PRE-PAID EXPENSES.
2. BORROWER(S) WILL RECEIVE \$00.00 FROM THE PROCEEDS OF THE SALE OF THE ABOVE REFERENCED PROPERTY.
3. THE CLOSING SHOULD OCCUR ON OR BEFORE OCTOBER 30, 2009.
**ANY CHANGES TO THIS DATE MUST BE APPROVED IN ADVANCE BY THE LOSS MITIGATION DEPARTMENT.
CHANGES MAY INCUR AN INTEREST PER DIEM TO BE PAID BY A PARTY OTHER THAN PHH MORTGAGE SERVICES.**
4. PREFORECLOSURE SETTLEMENT STATEMENT:

GROSS SALES PRICE-	\$142,000.00
TOTAL CLOSING COSTS-	\$7,249.72
BROKER COMMISSION	\$8,520
REPAIRS	\$0.00
NET SALES PROCEEDS (MUST EQUAL OR EXCEED THIS AMOUNT)	\$126,230.28
MORTGAGOR(S) CASH CONTRIBUTION	\$
5. A PROMISSARY NOTE IN THE AMOUNT OF \$, AT THE RATE OF %, AND THE TERM OF MONTHS MUST BE EXECUTED ON OR BEFORE CLOSING.

ADDITIONALLY, WE MUST RECEIVE, AND APPROVE, THE HUD-1 SETTLEMENT STATEMENT NO LATER THAN 24 HOURS PRIOR TO THE SALE CLOSING OF THE ABOVE REFERENCED PROPERTY. IF THE SETTLEMENT STATEMENT IS NOT RECEIVED AND APPROVED BY US BEFORE THE CLOSING, THE MORTGAGE LOAN INVESTOR RESERVES THE RIGHT TO REVOKE ITS ACCEPTANCE OF THE SHORT PAYOFF.

**DON'T MISS PAGE TWO,
IT'S THE BEST PART
SCROLL DOWN**

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The debt was fully discharged, full lien release and settlement was reported to the credit agencies as "paid in full for less than amount owed"

WIRE TRANSFER IS THE PREFERRED METHOD OF PAYOFF. ONLY WIRE TRANSFERS, CERTIFIED FUNDS OR ATTORNEY TRUST CHECKS WILL BE ACCEPTED FOR PAYMENT IN FULL. PERSONAL CHECKS AND/OR THIRD PARTY CHECKS WILL BE RETURNED.

ON THE DAY OF THE WIRE TRANSFER, YOU SHOULD FAX TO THE LOSS MITIGATION DEPARTMENT AT _____, THE LOAN NUMBER, NAME AND ADDRESS OF THE MORTGAGOR, WIRE AMOUNT AND WIRE NUMBER. YOU SHOULD ALSO FAX THE FINAL CERTIFIED HUD1, WAIVER, RELEASE, AND THE CHECK IF YOU DECIDE NOT TO WIRE.

IF YOU CHOOSE TO SEND THE PAYOFF BY WIRE TRANSFER, PLEASE INCLUDE THE \$7.50 WIRE PROCESSING FEE IN ADDITION TO THE PAYOFF. PLEASE ENSURE ALL WIRE INFORMATION AND DOCUMENTATION IS RECEIVED AND COMPLETE. IF WIRE OR DOCUMENTATION IS NOT RECEIVED OR IS INACCURATE, THE WIRE COULD BE RETURNED. YOU WILL BE RESPONSIBLE FOR ANY ADDITIONAL INTEREST AND ASSESSED A LATE CHARGE.

SEND WIRE TO:
WELLS FARGO

SEND CHECK PAYABLE TO:
MORTGAGE SERVICE CENTER
LOSS MITIGATION DEPT.

CREDIT TO MORTGAGE SERVICE CENTER
REFERENCE: LOAN NO. & CUSTOMER'S NAME

PHH MORTGAGE SERVICES WILL EXECUTE A FULL "SATISFACTION AND RELEASE OF MORTGAGE" UPON RECEIPT OF FUNDS AS PROVIDED ABOVE AND, IF APPLICABLE, FORECLOSURE ACTIVITY WILL CEASE.

Here's a real quick short sale scenario we just got approved for one of our Air Force Officers

Gross monthly income: \$6,500
Total monthly expenses: \$6,600
Total net monthly income: **-\$68.per month**

Assets

IRA \$50,000
Cash on hand: \$16,000
Cash Value of Stocks: \$10,000
Two fully paid off automobiles valued at \$30,000

Total obligation of mortgage owed: \$250,000
List price: \$180,000

Sale price: \$156,000
Original Approval letter based on sale price of \$156,000 and full settlement of **\$137,000**

Appraised value: \$142,000
Seller's Bank agreed to full settlement of: \$126,230

Total net loss to PHH including full commissions paid to REALTORS® and buyer paid closing costs was **\$123,770**

The seller's bank settled for .62 cents on the dollar.

Here's the really cool part of this settlement from PHH Mortgage, an affiliate of USAA Mortgage the 10th largest lender in the country; The seller's bank did not require the seller to participate in any way. The seller did not pay one cent to close this short sale transaction, and keep in mind, the seller's lien holder also included compensation of \$4,500 toward the buyer's closing costs and paid the real estate commission of 6% of the transaction sale price, even after the property appraised for \$142,000, \$14,000 short of the agreed sale price of \$156,000.