

**Borrower Instructions for HAFA Short Sale when Borrower has a Purchase Offer (aka Alternate Request for Approval of Short Sale (Alt RASS))**

An Alt RASS “short sale” refers to the federal government’s **Home Affordable Foreclosure Alternatives** (HAFA) Program for borrowers who have a purchase offer to sell their property and would like to be considered for the HAFA Short Sale program. If you **do not** have a purchase offer on your property, please return to the [HAFA Short Sale](#) web page for information and instructions.

If you have a purchase offer on your property and would like Aurora Bank FSB (Aurora Bank) to evaluate your eligibility to participate in the HAFA Short Sale option, please complete the following:

1. Print this letter and all attached documents. Attachments include:
  - a. Alternative Request for Short Sale Approval
  - b. Alternative Short Sale Terms and Conditions Agreement
  - c. IRS 4506-T (Request for Transcript of Tax Return)
  - d. MHA Request for Modification & Affidavit (RMA)
  - e. Third Party Authorization form
  - f. Important Notice disclosure
2. Review and complete all blanks on the above-referenced documents.
3. Sign and date all documents where signature lines are provided. Be sure that you understand all of the terms and conditions before you sign any documents. If you have questions, please contact us toll free at 1-800-550-0509 between the hours of 8 a.m. and 11 p.m. ET.
4. Gather and return all required documentation as outlined on page 2 of the Alternative Request for Short Sale Approval to Aurora Bank using one of the methods below:
  - Via Fax at 1-866-517-7975, ATTN: Loss Mitigation; or
  - Via mail sent to one of the following addresses:

Overnight Delivery Services:  
Aurora Bank  
Attention: Loss Mitigation  
2617 College Park  
Scottsbluff, NE 69361

U. S. Postal Service:  
Aurora Bank  
Attention: Loss Mitigation  
PO Box 1706  
Scottsbluff, NE 69363-1706

Before proceeding with a request for short sale approval, if you have not previously contacted us regarding eligibility for a loan modification and are interested in retaining your home you should consider this alternative. Under the Home Affordable Modification Program (HAMP), you may qualify for a modification with affordable and sustainable monthly payments that would allow you to keep your home.

**Notice - It is important that you understand that contacting Aurora Bank will not suspend your obligation to make your mortgage loan payments and that all collection activities will continue, which may include referring your loan account to or continuing with any pending foreclosure activity, until such time as Aurora Bank has approved your request in writing.**

Aurora Bank is a debt collector. Aurora Bank is attempting to collect a debt and any information obtained will be used for that purpose. However, if you are in bankruptcy or received a bankruptcy discharge of this debt, this communication is not an attempt to collect the debt against you personally, but is notice of a possible enforcement of the lien against the collateral property.

**Help for America's Homeowners**

Date: \_\_\_\_\_

Aurora Bank FSB  
ATTN: Loss Mitigation  
2617 College Park  
Scottsbluff, NE 69631

Re: Alternative Request for Approval of Short Sale

Borrower(s) Name: \_\_\_\_\_

Borrower Phone Number: \_\_\_\_\_

Borrower Email: \_\_\_\_\_

Loan #: \_\_\_\_\_

Property Address: \_\_\_\_\_  
\_\_\_\_\_

This letter is a request for Aurora Bank FSB (Aurora Bank) to review our request for Approval of a Short Sale pursuant to the federal government's **Home Affordable Foreclosure Alternatives (HAFA)** Program.

I have completed the required information on Page 2 of this letter and have included the documentation also listed on Page 2 of this letter.

Under penalty of perjury I certify that:

- 1) the sale of the property is an "arm's length" transaction between parties, who are unrelated and unaffiliated by family, marriage, or commercial enterprise;
- 2) there are no agreements or understandings between myself and the Buyer that I will remain in the property as a tenant or later obtain title or ownership of the property;
- 3) neither I nor the Buyer will receive any funds or commissions from the sale of the property;
- 4) there are no agreements or offers relating to the sale or subsequent sale of the property that have not been disclosed to Aurora Bank;
- 5) I have read and understand the attached HAFA Alternative Request for Short Sale Terms and Conditions Agreement; and

**I understand that contacting Aurora Bank will not suspend my obligation to make my mortgage loan payments and that all collection activities will continue, which may include referring my loan account to or continuing with any pending foreclosure activity, until such time as Aurora Bank has approved my request in writing.**

Signed:

\_\_\_\_\_  
Borrower Signature Date Borrower Signature Date\_\_\_\_\_  
Printed Name Printed Name\_\_\_\_\_  
Borrower Signature Date Borrower Signature Date\_\_\_\_\_  
Printed Name Printed Name

**HAFA ALTERNATIVE SHORT SALE TERMS AND CONDITIONS**

| Terms of Sale [All blanks to be completed by Borrower]: |          |                                      |
|---|----------|--------------------------------------|
| 1. Contract Sales Price                                 | \$       | 6. Closing Date:                     |
| 2. Less Total Allowable Closing Costs                   | \$       | 7. Approved Buyer(s):                |
| a. Commissions  | \$       |                                      |
| b. Settlement Escrow/Attorney Fees                      | \$       |                                      |
| c. Seller's Title and Escrow Fees                       | \$       |                                      |
| d. Subordinate Lien Payoff                              | \$       |                                      |
| e. Real Property Taxes                                  | \$       |                                      |
| f. Real Property Taxes                                  | \$       |                                      |
| g. Termite Inspection/Repair                            | \$       |                                      |
| h. Borrower Relocation Assistance                       | \$ 3,000 |                                      |
| i. Other (attach explanation)                           | \$       |                                      |
| 3. Net Proceeds to Servicer                             | \$       | 8. Settlement Agent:                 |
| 4. Earnest Money Deposit                                | \$       | 9. Settlement Agent's Address:       |
| 5. Down Payment   | \$       |                                      |
|   |          | 10. Settlement Agent's Office Phone: |
|   |          | 11. Settlement Agent's Office Fax:   |

As required by the HAFA Short Sale Program, the following documents are attached to this Signed Alternative Request for Approval of Short Sale:

- Copy of a signed listing agreement with a real estate agent/broker, if applicable.
- Executed copy of the sales contract and all addenda.
- Buyer's documentation of funds or Buyer's pre-approval or commitment letter on letterhead from a lender.
- Third Party Authorization form, signed and completed.
- Include information on other liens secured by your home (such as home equity loans, homeowner association liens, tax liens or judgments).
- A copy of a current utility bill to evidence that the subject property is your primary residence.
- If currently in bankruptcy, you must obtain court approval and/or trustee approval of this Agreement and final approval of the short sale transaction.
- The following financial information and documentation:
  - o **For all borrowers**— A copy of the most recently filed, signed, federal tax return with all schedules, including Schedule E-Supplemental Income and Loss and Schedule C-Profit and Loss from Business.  
**Note:** For borrowers with rental income, only 75% of the gross rental payment will be used as qualifying income under this program.
  - o **For each borrower who receives a salary or hourly wages**—Copies of your two most recent pay stubs that show year-to-date earnings.
  - o **For each borrower who is self-employed**—A copy of your most recent quarterly or year-to-date profit/loss statement.
  - o **For each borrower who has income such as social security, disability or death benefits, pension, adoption assistance, public assistance, or unemployment:**
    - A copy of the benefits statement or letter from the provider that states the amount and frequency, and in the case of unemployment income the duration of the benefit; and
    - Copies of the two most recent bank statements showing receipt of such payment.**Note:** Unemployment income must continue for at least 9 months to be considered qualifying income under this program.
  - o **For each borrower who is relying on alimony, child support or separation maintenance as qualifying income\*:**

- A copy of the divorce decree, separation agreement, or other written agreement filed with the court that states the amount and frequency; and
- Copies of the two most recent bank statements showing receipt of such payment.

\*You are not required to disclose child support, alimony or separation maintenance income, unless you choose to have it considered by Aurora Bank.

- **For each borrower who has non-wage income (part time employment, bonuses, tips or investment income):** Provide a copy of documentation describing the nature of the income (e.g., an employment contract or printouts documenting tip income).

The Borrower represents that the information provided in this Alternative Request for Short Sale Approval is true and accurate and authorizes Aurora Bank to disclose to the U.S. Department of the Treasury or other government agency, Fannie Mae and/or Freddie Mac, any information provided in connection with the Making Home Affordable Program.

|                    |      |                    |      |
|--------------------|------|--------------------|------|
| Borrower Signature | Date | Borrower Signature | Date |
|--------------------|------|--------------------|------|

|              |              |
|--------------|--------------|
| Printed Name | Printed Name |
|--------------|--------------|

|                    |      |                    |      |
|--------------------|------|--------------------|------|
| Borrower Signature | Date | Borrower Signature | Date |
|--------------------|------|--------------------|------|

|              |              |
|--------------|--------------|
| Printed Name | Printed Name |
|--------------|--------------|

**If you have questions, please contact Aurora Bank directly between the hours of 8 a.m. and 11 p.m. EST, toll free at 1-800-550-0509.**

**NOTICE TO BORROWER**

Be advised that by signing this document you understand that any documents and information you submit to your servicer in connection with the Making Home Affordable Program are under penalty of perjury. Any misstatement of material fact made in the completion of these documents including but not limited to misstatement regarding your occupancy in your home, hardship circumstances, and/or income, expenses, or assets will subject you to potential criminal investigation and prosecution for the following crimes: perjury, false statements, mail fraud, and wire fraud. The information contained in these documents is subject to examination and verification. Any potential misrepresentation will be referred to the appropriate law enforcement authority for investigation and prosecution. By signing this document you certify, represent and agree that: "Under penalty of perjury, all documents and information I have provided to Lender in connection with the Making Home Affordable Program, including the documents and information regarding my eligibility for the program, are true and correct."

If you are aware of fraud, waste, abuse, mismanagement or misrepresentations affiliated with the Troubled Asset Relief Program, please contact the SIGTARP Hotline by calling 1-877-SIG-2009 (toll-free), 202-622-4559 (fax), or [www.sig tarp.gov](http://www.sig tarp.gov). Mail can be sent Hotline Office of the Special Inspector General for Troubled Asset Relief Program, 1801 L St. NW, Washington, DC 20220.



**TERMS AND CONDITIONS  
HOME AFFORDABLE FORECLOSURE ALTERNATIVE  
SHORT SALE PROGRAM**

**Borrower Name(s):** \_\_\_\_\_

**Loan Number:** \_\_\_\_\_

**Property Address:** \_\_\_\_\_  
\_\_\_\_\_

**Full Name of Purchaser:** \_\_\_\_\_

**Date of Purchase Contract:** \_\_\_\_\_

**PLEASE READ THIS AGREEMENT CAREFULLY BEFORE YOU SIGN, BECAUSE IT AFFECTS YOUR LEGAL RIGHTS**

By signing this Home Affordable Foreclosure Alternative (HAFA) Short Sale Program Terms and Conditions (the Agreement), you are agreeing to a short sale alternative to foreclosure option.

**Signing this Agreement does not guarantee approval.** All conditions must be met and a separate letter will be issued by Aurora Bank FSB (Aurora Bank) to advise of the approval or non-approval of your request to participate in the HAFA Short Sale program.

If you have any questions about the HAFA Short Sale Program, please call us toll free at 1-800-550-0509 between the hours of 8 a.m. and 11 p.m. EST, before signing and returning this agreement.

**IMPORTANT PROGRAM INFORMATION**

The borrower and co-borrower, if applicable (“Borrower” or “you”), have contacted Aurora Bank (“Servicer” or “we”) because your mortgage payments are no longer affordable and you would like to avoid foreclosure. After listing your house for sale, an offer was received; however, the sale may not be sufficient to pay off the loan. This Agreement is in response to your Alternative Request for Approval of a Short Sale of the subject property, in which the net sale proceeds are expected to be less than the full amount due.

**HAFA Short Sale Program—Terms and Conditions of the Request are as follows:**

**1. Allowable Costs that May be Deducted from Gross Sale Price**

- a. **Closing Costs.** The closing costs paid by you or on your behalf as seller, must be reasonable and customary for the market. Closing costs which may be deducted from the gross sale proceeds are limited to: title search and escrow expenses usually paid by the seller; reasonable settlement escrow/attorney’s fees, transfer taxes and recording fees usually paid by the seller; termite inspection and treatment as required by law or custom; pro-rated real property taxes; all past due homeowner association dues; and, negotiated real estate commissions not to exceed six percent (6%) of the contract sales price.
- b. **Subordinate Liens.** We will allow up to six percent (6%) of the unpaid principal balance of each subordinate lien in order of priority, not to exceed a total of \$6,000 for all liens; to be deducted from the gross sale proceeds to pay subordinate lien holders to release their liens. We require each subordinate lien holder to release you from personal liability for the liens in order for the sale to qualify for this program, but we do not take any responsibility for ensuring that the lien holders do not seek to enforce personal liability against you. Therefore, we recommend that you take steps to satisfy yourself that the subordinate lien holders release you from personal liability.

- c. **Real Estate Commissions.** We will pay real estate commissions as stated in the listing agreement between you and your real estate agent or broker, not to exceed six percent (6%) of the contract sales price, to be paid to the listing and selling real estate agents or brokers involved in the transaction. Neither you nor the buyer may receive a commission. Any commission that would otherwise be paid to you or the buyer must be reduced from the commission due on sale.
  - d. **Borrower Relocation Assistance.** If the closing of the short sale occurs in accordance with this Agreement, you may be entitled to an assistance payment of \$3,000 to help with relocation expenses. We will instruct the settlement agent to pay you from the sale proceeds at the same time that all other payments, including the payoff of the first lien mortgage loan, are disbursed by the settlement agent. Only one payment per household is provided for the relocation assistance, regardless of the number of borrowers or occupants.
2. **Property Maintenance and Expenses.** You are responsible for all property maintenance and expenses of your home until you convey your property to us, including utilities, assessments, association dues, and costs for interior and exterior maintenance. Additionally, you must report any and all property damage to us and file a hazard insurance claim for covered damage. Unless insurance proceeds are used to pay for repairs or personal property losses, we may require that they be applied to reduce the mortgage debt.
  3. **Parties to the Sale.** The Sales Contract must include the following clauses:
    - ✓ “Seller and Buyer each represent that the sale is an “arm’s length” transaction and the Seller and Buyer are unrelated to each other by family, marriage or commercial enterprise.”
    - ✓ “The Buyer agrees not to sell the property within 90 days of closing of this sale.”
  4. **Foreclosure Sale Suspension.** We may initiate or continue the foreclosure process as permitted by the mortgage documents; however, we will suspend any foreclosure sale date until the expiration date of this Agreement or the date of closing of an approved short sale, whichever is later, provided that you abide by these terms and conditions. If a foreclosure sale has been scheduled, this conditional approval is contingent upon Aurora Bank ability to have the pending foreclosure sale postponed or cancelled.
  5. **Satisfaction and Release of Liability.** If all of the terms and conditions of this Agreement are met, upon the closing of the short sale transaction and net proceeds being received by us, we will prepare and send to the settlement agent for recording, a lien release in full satisfaction of the mortgage, foregoing all rights to pursue from you any deficiency.
  6. **Mortgage Insurer or Guarantor Approval.** The terms and conditions of the purchase contract may be subject to review and written approval by your mortgagor insurer or guarantor.
  7. **Termination of This Agreement.** Unless otherwise extended by us in writing, this Agreement will terminate 45 days from this request if the sale does not close. This Agreement may be terminated earlier if:
    - a. You fail to provide all the required documents listed in the Alternative Request for Short Sale Approval.
    - b. Your financial situation improves significantly, you qualify for a modification, you bring the account current, or you pay off the mortgage in full.
    - c. You or your real estate agent or broker fails to act in good faith in closing on the sale of the property or otherwise fails to abide by the terms of this Agreement.
    - d. A significant change occurs to the property condition or value.
    - e. There is evidence of fraud or misrepresentation.
    - f. You file for bankruptcy and the Bankruptcy Court declines to approve this Agreement.
    - g. Litigation is initiated or threatened that could affect title to the property or interfere with a valid conveyance.
  8. **Settlement of a Debt.** The proposed transaction represents Aurora Bank’s attempt to reach settlement of the delinquent mortgage. You are choosing to enter into this transaction even though there is no guarantee that the transaction will be successful. In the

event this transaction is unsuccessful, Aurora Bank may exercise all remedies under your mortgage/deed of trust, including foreclosure.

9. **Chapter 7 Bankruptcy.** If you were discharged in a Chapter 7 bankruptcy proceeding and did not reaffirm your mortgage debt prior to the discharge and subsequent to the execution of your original loan documents, the owner/investor of your loan agrees that you will not have personal liability on the debt pursuant to the short sale.
10. **Borrower's Obligations.** Borrower understands that contacting Aurora Bank will not suspend Borrower's obligation to make mortgage loan payments and that all collection activities will continue, which may include referring the loan account to or continuing with any pending foreclosure activity, until such time as Aurora Bank has approved the Borrower's request in writing.
11. **Internal Revenue Service.** The difference between the remaining amount of principal you owe on your mortgage loan account and the amount that we receive from the sale may be reported to the Internal Revenue Service (IRS) on Form 1099C, as debt forgiveness. In some cases, debt forgiveness could be taxed as income. The amount we pay you for moving expenses may also be reported as income. We suggest that you contact the IRS or your tax preparer to determine if you may have any tax liability.
12. **Credit Reporting.** We will follow standard industry practice and report to the major credit reporting agencies that your mortgage loan account was paid for less than the total amount owed. We have no control over, or responsibility for the impact of this report on your credit score. To learn more about the potential impact of a short sale on your credit score, you may want to go to <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>.

If you would like to speak with a counselor about this program, call the Homeowner's HOPE™ Hotline 1-888-995-HOPE (4673). The Homeowner's HOPE™ Hotline offers free HUD-certified counseling services and is available 24/7 in English and Spanish. Other languages are available by appointment.

**If you have questions, please contact Aurora Bank directly between the hours of 8 a.m. and 11 p.m. ET, toll free at 1-800-550-0509.**

#### NOTICE TO BORROWER

Be advised that by signing this document you understand that any documents and information you submit to your servicer in connection with the Making Home Affordable Program are under penalty of perjury. Any misstatement of material fact made in the completion of these documents including but not limited to misstatement regarding your occupancy in your home, hardship circumstances, and/or income, expenses, or assets will subject you to potential criminal investigation and prosecution for the following crimes: perjury, false statements, mail fraud, and wire fraud. The information contained in these documents is subject to examination and verification. Any potential misrepresentation will be referred to the appropriate law enforcement authority for investigation and prosecution. By signing this document you certify, represent and agree that: "Under penalty of perjury, all documents and information I have provided to Lender in connection with the Making Home Affordable Program, including the documents and information regarding my eligibility for the program, are true and correct."

If you are aware of fraud, waste, abuse, mismanagement or misrepresentations affiliated with the Troubled Asset Relief Program, please contact the SIGTARP Hotline by calling 1-877-SIG-2009 (toll-free), 202-622-4559 (fax), or [www.sig tarp.gov](http://www.sig tarp.gov). Mail can be sent Hotline Office of the Special Inspector General for Troubled Asset Relief Program, 1801 L St. NW, Washington, DC 20220.



Signed:

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

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Borrower \_\_\_\_\_ Date \_\_\_\_\_

---

Borrower \_\_\_\_\_ Date \_\_\_\_\_

---

Borrower \_\_\_\_\_ Date \_\_\_\_\_

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Signature of Servicer Representative \_\_\_\_\_ Title \_\_\_\_\_

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Printed Name of Servicer Representative \_\_\_\_\_ Date \_\_\_\_\_

Aurora Bank is a debt collector. Aurora Bank is attempting to collect a debt and any information obtained will be used for that purpose. However, if you are in bankruptcy or received a bankruptcy discharge of this debt, this communication is not an attempt to collect the debt against you personally, but is notice of a possible enforcement of the lien against the collateral property.