

BAFA

BAY AREA FORECLOSURE ANALYSTS INC.



BAFA Loan Modification Analysis



We empower you to take control of your life

BAFA loan modification analysis program empowers you to make your home affordable again, avoid foreclosure, and avoid paying extravagant fees.

You are in control with BAFA

BAFA has prepared everything for you to **increase your chances** in your application for a loan modification.

- KEEP YOUR HOME
- LOWER MONTHLY PAYMENTS
- REDUCE PRINCIPLE BANLANCE
- STOP TRUSTEE SALE

Current Problem

Are you in loan modification hell?



Has your application for a loan modification been stonewalled

Do you find yourself waiting weeks to hear something from your lender?

Are you continually asked to provide the same information over and over?

2 out of 3 loan modifications are done on the lender's guidelines, not the government's. **Failing to pre-underwrite your loan modification** package is the number one cause of loan modification denials.



Current Problem

Qualifying for Loan Modifications



Many home owners who have attempted to do their own loan modification, soon **find themselves not qualifying** and in foreclosure after they are put through the endless amounts of big bank red tape.



Help is available under the BAFA Loan Modification Analysis Program to homeowners who are facing difficulties in making their mortgage payments. ***We've a solution, Regardless of your situation***

Government Statistics

The State of the Government Loan Mod Program

Total Number of Trial Mods Started: 1,493,107

as of Jan. 30, 2011



In Trial	109,076	7.3%
"Aged" Trials	36,184	2.4%
Canceled Trials	740,240	49.6%
Perm Mods	539,493	36.1%
Canceled Perm Mods	68,114	4.6%

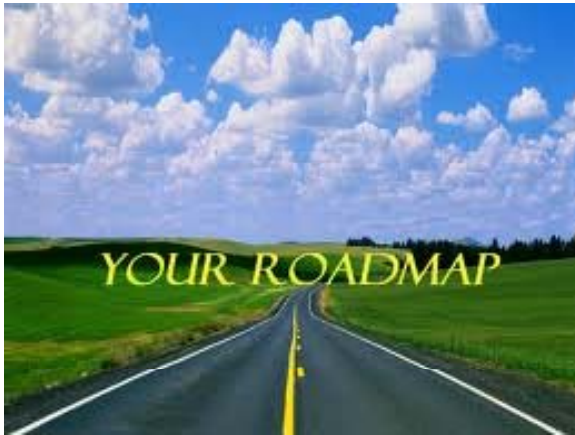
Chart: [See the performance of all the mortgage servicers](#)

According to numbers crunched by [ProPublica](#), more than half of the 1,426,833 mortgage mods — 56.7% — **have worked**.

The table below shows who are the leading mortgage modders are — and its exactly who you would expect. The four largest banks dominate — Bank of America (212,094), JPMorgan Chase, (137,765) Wells Fargo (122,732) and Citi (91,742) — followed by everyone else.

A Road Map to Victory

We understand Loan Modification Programs



Our experienced underwriting team creates a customized analysis “Road Map” report to determine what Loan Modification program is best for you and how to apply for it!

- We can stop a Trustee Sale
- Increase your chances of approval
- Communicate with the bank on your behalf
- Design a customized a solutions to fit your needs

Victory!

A Non Profit Company



Helping our Community With Workable Solutions

The Bay Area Foreclosure Analysts (“BAFA”) is dedicated to helping our community in every possible way and to find a workable solution to the hardships caused by this spiraling foreclosure market.

BAFA is a Non Profit Co. & Registered, Bonded and Certified by

- California Secretary of State
- Office of the Attorney General
- Department of Justice
- Full compliance with SB 94 & Cal. Civil Code 2945

Banking Experience

15 Years Underwriting Banking Experience

Our team at BAFA — Headquartered in the San Francisco Bay Area provides high-quality consulting to clients who need professional assistance to determine their options and to develop a strategy for solving their mortgage difficulties. We have a highly trained and talented team of business professionals ready to serve your every need.

- Foreclosure Consultancy with E & O Insurance
- Loan Modifications
- Short Sales
- Loss Mitigation
- Principal Reduction Programs

Loan Mod Programs

Loan Modification Options



Loan modifications options provides for either a permanent change in one or more of the terms of the mortgage loan to be reinstated and result in a payment the homeowner can afford.

Insured by FHA

- Loan Modification
- Partial Claim Option
- Forbearance
- FHA HAMP
- Deed in Lieu
- FHA Short Pay Refi

Fannie or Freddie

- HARP
- HAMP
- Unemployment (UP)
- Principal Reduction
- Deed in Lieu
- GSE Short Pay Refi

Private Investor

- HARP
- HAMP
- Unemployment (UP)
- Principal Reduction
- Deed in Lieu
- GSE Short Pay Refi

Short Pay Refinance Programs

Troubled Assets Relief Program (TARP)



We can show you many ways to keep your home and other ways to get out of what seems like an impossible situation. One such way is the new program called the **Short Pay Refinance**. With the Short Pay Refinance you have the ability to refinance your home at the current market value.

Homeowner current can get a fixed rate loan for up to 97% of the current appraised value of their home.

Via the new Home Affordable Refinance Program (HARP) homeowners with conforming loans can now refinance up to 105% of the appraised value of their home.

Personal Service

Underwriting Analysis and Report

A review and comprehensive analysis as to Client's eligibility pertaining to the subject property. A written report & full analysis will be provided to Client, upon completion.



- Interview the Client, gather and review information about the current mortgage and terms, client's principal balance, debt to income ratios analysis monthly payments, mortgage statements, current interest rate, type of mortgage, estimated equity in the property, if any, mortgage payment history and any correspondence from the Lender.



- Gather other necessary information on the subject property, including: property profile, property taxes, homeowner's insurance, HOA information, and comparable sales and other applicable documents & talk with the Bank.



- Analyze client's finances to realize their monthly cash inflows and their monthly cash outflows Perform a comprehensive review of client's assets, income calculations, and debt-to-income ratio calculations and formulas.

Calculating Loan Mod Programs

NPV = Probability of Default

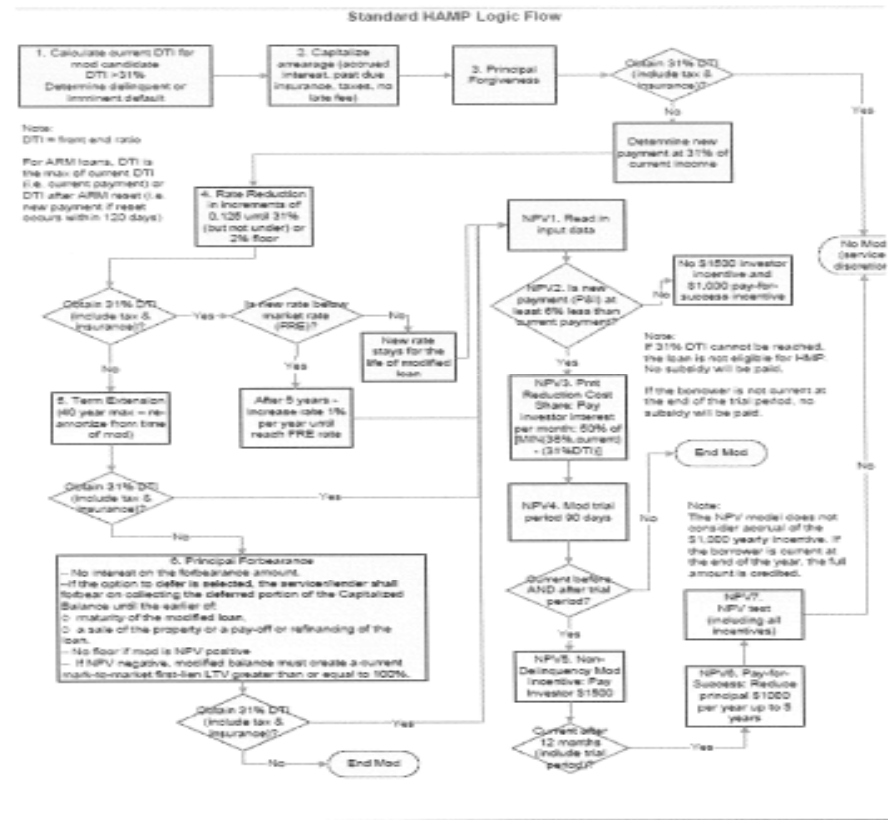
NPV is the total present value of a time series of cash flows. It is a formula used to take each cash flow expected in the future and discount it back to its present value. Each present value is then added together and the sum (minus any out flow) is the net present value of the cash flows at the rate used to discount it back.

$$\begin{aligned}
 PV\{Default\} = & \left[\sum_{t=1}^k \frac{1}{(1+\delta)^t} \left\{ [UPB_{t+1} - P_t + F] \left[\prod_{k=1}^t (1 - SMM_k) \right] - \prod_{k=1}^t (1 - SMM_k) \right\} + \left[P_t + \frac{[I_t + GS_t]}{i} \right] \prod_{k=1}^t (1 - SMM_k) \right\} \\
 & + \frac{H_t}{(1+\delta)^t} \prod_{k=1}^t (1 - SMM_k) + \frac{(3 * GS_t)}{(1+\delta)^t} \prod_{k=1}^t (1 - SMM_k) \\
 & + \left[\sum_{j=2}^{k+1} \left[\frac{-C}{(1+\delta)^j} \right] + \frac{NPV - MIPartialClaim}{(1+\delta)^{k+1}} \right] \prod_{k=1}^k (1 - SMM_k) \\
 & + \left[\frac{\frac{1}{12} * 0.5 * HPDP}{(1+\delta)} \right] SMM_1 + \sum_{j=2}^k \left\{ \left[\frac{\frac{1}{12} * 0.5 * HPDP}{(1+\delta)^j} \right] SMM_j \left(\prod_{k=1}^j (1 - SMM_k) \right) \right\} \\
 & + \left[\frac{\frac{1}{12} * 0.5 * HPDP}{(1+\delta)^k} \right] \left(\prod_{k=1}^k (1 - SMM_k) \right) \\
 & + \sum_{j=1}^k \left\{ \frac{A}{(1+\delta)^j} SMM_j \prod_{k=1}^j (1 - SMM_k) \right\} - Mfee + MIPartialClaim
 \end{aligned}$$

Specific Circumstances

Loan Modification Waterfall

Under specified circumstances, mortgage lenders and servicers are authorized under their pooling and servicing agreements to modify mortgage loans when the modification is in the best interest of the investors. Generally, that modification may be deemed to be in the best interest of investors when the net present value of the income stream of the modified loan is greater than the amount that would be recovered through the disposition of the real property security through a foreclosure sale. (Section 1(c))



Qualifying for a Loan Mod

Loan Modification Qualifications

Net Present Value Test determines value of modification by pass or fail

The screenshot shows a spreadsheet used for calculating the Net Present Value (NPV) of a loan modification. The spreadsheet is divided into several sections: Current Loan Details, Proposed Modification, and NPV Calculation. The NPV Calculation section includes a table with columns for 'Year', 'NPV', and 'Rate'.

Year	NPV	Rate
0	0	0.00%
1	100,000	0.00%
2	100,000	0.00%
3	100,000	0.00%
4	100,000	0.00%
5	100,000	0.00%
6	100,000	0.00%
7	100,000	0.00%
8	100,000	0.00%
9	100,000	0.00%
10	100,000	0.00%
11	100,000	0.00%
12	100,000	0.00%
13	100,000	0.00%
14	100,000	0.00%
15	100,000	0.00%
16	100,000	0.00%
17	100,000	0.00%
18	100,000	0.00%
19	100,000	0.00%
20	100,000	0.00%
21	100,000	0.00%
22	100,000	0.00%
23	100,000	0.00%
24	100,000	0.00%
25	100,000	0.00%
26	100,000	0.00%
27	100,000	0.00%
28	100,000	0.00%
29	100,000	0.00%
30	100,000	0.00%
31	100,000	0.00%
32	100,000	0.00%
33	100,000	0.00%
34	100,000	0.00%
35	100,000	0.00%
36	100,000	0.00%
37	100,000	0.00%
38	100,000	0.00%
39	100,000	0.00%
40	100,000	0.00%
41	100,000	0.00%
42	100,000	0.00%
43	100,000	0.00%
44	100,000	0.00%
45	100,000	0.00%
46	100,000	0.00%
47	100,000	0.00%
48	100,000	0.00%
49	100,000	0.00%
50	100,000	0.00%
51	100,000	0.00%
52	100,000	0.00%
53	100,000	0.00%
54	100,000	0.00%
55	100,000	0.00%
56	100,000	0.00%
57	100,000	0.00%
58	100,000	0.00%
59	100,000	0.00%
60	100,000	0.00%
61	100,000	0.00%
62	100,000	0.00%
63	100,000	0.00%
64	100,000	0.00%
65	100,000	0.00%
66	100,000	0.00%
67	100,000	0.00%
68	100,000	0.00%
69	100,000	0.00%
70	100,000	0.00%
71	100,000	0.00%
72	100,000	0.00%
73	100,000	0.00%
74	100,000	0.00%
75	100,000	0.00%
76	100,000	0.00%
77	100,000	0.00%
78	100,000	0.00%
79	100,000	0.00%
80	100,000	0.00%
81	100,000	0.00%
82	100,000	0.00%
83	100,000	0.00%
84	100,000	0.00%
85	100,000	0.00%
86	100,000	0.00%
87	100,000	0.00%
88	100,000	0.00%
89	100,000	0.00%
90	100,000	0.00%
91	100,000	0.00%
92	100,000	0.00%
93	100,000	0.00%
94	100,000	0.00%
95	100,000	0.00%
96	100,000	0.00%
97	100,000	0.00%
98	100,000	0.00%
99	100,000	0.00%
100	100,000	0.00%

The 'Pass' result is circled in red in the original image.

Customized Solutions

Creating a Personal Analysis and Report



Pre qualifying, underwriting and increase the chance for loan modifications to arrive at the Best Solution. We can analyze the case file and give you a custom report based on the HAMP and in house lender guidelines.



It is no secret that processing and negotiating a case file is time consuming & it is imperative that all files are organized, customers & staff are well aware of the case status, all conditions are met and files are well underwritten to attain a successful loan modification in a timely manner.

Benefits

There is a Loan Mod Program for all Homeowners



The most common benefit to the homeowner is the prevention of foreclosure because loss mitigation works to either relieve the homeowner of worries and create a mortgage resolution that is financially sustainable for the homeowner.

Homeowners Have Choices

- Special Forbearance
- Loan Modifications
- Short Sale
- FHA Refinance
- Partial Claim
- Short Pay Refinance
- Principal Reduction
- Unemployment Program

Increase Your Chances



Improve your odds

We've learned a few things about what works and what doesn't in this long, unnecessarily bureaucratic process. We've gotten some good results to share.

If you submit an application and don't qualify, don't worry we will "tell you how to qualify" you may need to

- increase your income
- reduce your expenses
- or a combination of the two
- ***There is a Loan Modification for everyone***

A photograph of a mortgage loan modification application form. The form is titled "MORTGAGE LOAN MODIFICATION" and has a large red "APPROVED" stamp across it. The form contains handwritten information, including a name "Doe", an address "123 Main Street", and a loan amount of "\$2,000". The form also has sections for "Personal Information" and "Current Income".