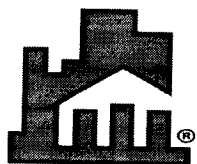


V.A.



LoanCare

December 18, 2012

Attention: Lauren Nemeschansky
Email: realtorlauren@gmail.com

RE: LoanCare Loan#
Investor Loan#
Borrower(s)
Property Address:

Dear Lauren

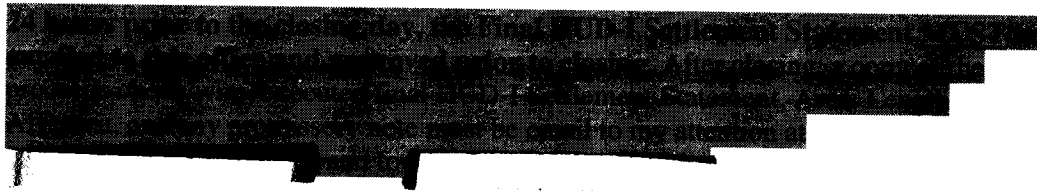
The PreForeclosure Sale that you requested on the aforementioned property has been approved, subject to the following terms:

1. The closing date should occur on or before **01/29/13**.
2. PreForeclosure Settlement Statement:
 - a. Gross Sales Price: \$ 305,000
 - b. Total Closing Costs: \$5,855.47 (Seller cannot exceed this amount; this includes all taxes, title & title insurance, and any HOA assessments)
 - c. Broker Commission: \$18,300 (Cannot exceed this amount)
 - d. Negotiated Lien Release: 00.00
 - e. Net Sales Proceeds: \$280,844.53 (**No Less will be ACCEPTED**)
3. In the event there is a **TAX CREDIT** at closing, the amount is to be added to the approved net proceeds.
4. **The HUD1 must be signed** by all buyers, sellers and settlement agent – **regardless of the laws of that state (see attached example)**
5. **The Arms Length Affidavit must be signed by all sellers and buyers, and also the buyer's and seller's agent. All signatures must be notarized including the agents.**
6. **For FHA Loans only** – Closing worksheet **must be initialed** by the **seller** and then **signed by both the seller's agent/broker and by the closing agent** in the appropriate boxes.

7. **The Borrowers ARE NOT to receive any funds from the proceeds of the sale, unless the investor has approved an incentive or Relocation payment.**
8. All Extension requests MUST be submitted in writing for approval
9. **NO ELECTRONIC OR RUBBER STAMPED SIGNATURES WILL BE ACCEPTED** (ie. If original signatures are not affixed to the listing agreement & purchase contract and received prior to closing; this approval letter is null and void. If original signatures are not affixed to the Arm's Length Affidavit & Final HUD1 at closing this letter is null and void and short-sale funds will be returned.)
10. If a promissory note was requested, the original must be executed and delivered with the entire closing package to our office.
11. **If a Power of Attorney is required**, it must be presented prior to final approval of the short-sale offer reviewed and approved, if presented after final approval, the Short-sale Approval letter is Null and Void
12. The net amount will be accepted as final payment and the lien released, an IRS 1099C will be filed at year end in accordance with IRS regulations.

13. If you would like to Bank Wire the short-sale funds, see below instructions:

Wells Fargo Bank
301 South College St.
Charlotte, NC 28288 – 10013
ABA _____
Account Name: LoanCare
Clearing Account Numbe _____



Please forward all executed documents and a copy of the proceeds check/wire to the address shown below:

Attn: _____
LoanCare _____
3637 Sentara Way
Virginia Beach, VA 23452

If the above instructions are **NOT** followed, we will not be able to accept the short sale funds.

Should you have any questions, please email me at _____

Sincerely,
Cathy Jarboe
Loss Mitigation Specialist

Please type the below wording onto the HUD1 and have all parties sign

Example of wording required on HUD 1

Buyers & Sellers

I have carefully reviewed the HUD1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD1 Settlement Statement.

Buyer Date

Seller Date

Buyer Date

Seller Date

SETTLEMENT AGENT:

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause funds to be disbursed in accordance with this statement.

Settlement Agent Date

WARNING: IT IS A CRIME TO KNOWINGLY MAKE FALSE STATEMENTS TO THE UNITED STATES ON THIS OR ANY OTHER SIMILAR FORM. PENALTIES UPON CONVICTION CAN INCLUDE A FINE AND IMPRISONMENT. FOR DETAILS SEE: TITLE 18 U.S. CODE SECTION 1001 AND SECTION 1010.



AFFIDAVIT OF "ARM'S LENGTH TRANSACTION"

LOAN NUMBER: _____

Pursuant to a residential purchase agreement (the "Agreement"), the parties identified below as the "Seller(s)" and the "Buyer(s)," respectively, are involved in a real estate transaction whereby the real property commonly known as _____ the "Property") will be sold by the Seller(s) to the Buyer(s).

LoanCare (the "Lender") holds a deed of trust or mortgage against the Property. In order to complete the sale of the Property, the Seller(s) and the Buyer(s) have jointly asked the Lender to discount the total amount owed on the Loan(s) which is secured by the deed of trust or mortgage. The Lender, in consideration for the representations made below by the Seller(s), the Buyer(s), and their respective agents, agrees to accept the amount of \$280,844.53 to resolve its Loan(s) (pursuant to a separate agreement between the Lender and the Seller[s]) on the express condition that the Seller(s), the Buyer(s), and their respective agents (including, without limitation, real estate agents, escrow agents, and title agents) each truthfully represents, affirms, and state as follows:

- 1) The purchase and sale transaction reflected in the Agreement is an "Arm's Length Transaction," meaning that the transaction has been negotiated by unrelated parties, each of whom is acting in his or her own self-interest, and that the sale price is based on fair market value of the Property. With respect to those persons signing this Affidavit as an agent for either the Seller(s), the Buyer(s), or both, those agents are acting in the best interests of their respective principal(s).
- 2) No Buyer(s) or agent of the Buyer(s) is a family member or business associate of the Seller(s) or the borrower(s) or the mortgagee(s).
- 3) No Buyer(s) or agent of the Buyer(s) shares a business interest with the Seller(s) or the borrower(s) or the mortgagee(s).
- 4) There are no hidden terms or hidden agreements or special understandings between the Seller(s) and the Buyer(s) or among their respective agents which are not reflected in the Agreement or the escrow instructions associated with this transaction.
- 5) There is no agreement, whether oral, written, or implied, between the Seller(s) and the Buyer(s) and/or their respective agents which allows the Seller(s) to remain in the Property as tenants or to regain ownership of the Property at any time after the consummation of this sale transaction.
- 6) The Seller(s) shall not receive any proceeds from the sale of the Property reflected in the Agreement.
- 7) No agent of either the Seller(s) or the Buyer(s) shall receive any proceeds from this transaction except as is reflected in the final estimated closing statement which shall be provided to the Lender for approval prior to the close of escrow.
- 8) Each signatory to this Affidavit expressly acknowledges that the Lender is relying upon the representations made herein as consideration for discounting the payoff on the Loan(s) which is secured by a deed of trust or mortgage encumbering the Property.