

## **Loss Mitigation Opportunities**

### **Modification**

A modification agreement is typically used when the customer has the ability to pay some of the past due payments and to continue making future payments, but does not have the funds to completely reinstate the loan. Typically, the Customer's loan terms are modified in order to resolve the mortgage delinquency and to help customers who have a significant reduction of income that severely impacts their ability to pay and will last past the foreseeable future. This agreement makes the mortgage more affordable for the customer.

### **Forbearance**

A forbearance agreement is a written agreement between the borrower and the lender to enact a payment moratorium due to unforeseen circumstances wherein the property or employment status is affected. At the expiration of the term the customer pay the total arrearage in a lump sum payment or elect a repayment plan. This agreement is typically used when a customer has a short-term reduction of income that severely impacts their ability to pay for a short period of time.

### **Repayment Plan**

An informal repayment plan is typically offered to customers with the ability to make the payment plus while making payments towards the delinquency, but not the ability to pay everything that is due at once. A down payment on the arrearage is accepted from the customer, the account is segregated from the collection population and monitored separately while the customer makes the regular monthly payment plus a predetermined payment towards the arrearage. Foreclosure action is held during this process contingent on the successful completion of the plan. Upon completion of the plan, the loan becomes current.

### **Short Sale**

The customer does not have either the desire or ability to keep the property and is willing to sell the property to satisfy the debt. This option is utilized when the amount owed less acceptable closing costs to sell the property is more than the value of the property. The deficiency resulting from the sale is written off.

### **Deed-in-Lieu of Foreclosure**

The customer does not have either the desire or the ability to keep the property. The customer is unable or unwilling to sell the property. The customer is willing to sign the property over to Citi in exchange for stopping the foreclosure action.

Deeds in lieu of foreclosure are generally accepted only after all other options have been exhausted.

### **Extension**

The customer has the ability to pay some of the past due payments and to continue making future payments, but does not have the funds to completely reinstate the loan. Partial payment is accepted and the balance of the deficiency is deferred until the end of the loan term. This option is utilized when the customer's hardship that caused the delinquency was temporary and has been resolved prior to execution of the extension.