

Home

Transition Guide

Understand the ways to avoid foreclosure
and prepare to transition from your house.



Community resource information
provided by United Way.

Bank of America  Home Loans



Home

Transition Guide

What you will find inside

Section 1 of this guide was designed by Bank of America and provides information about options to avoid foreclosure using a short sale or deed in lieu of foreclosure. You will still need to leave your house, but these programs can give you more control over the way you do it.

Section 2 contains community resources provided by United Way and other organizations to help you navigate the process of transitioning out of your current house, including information, referrals and budget tips.

Section 3 contains an Action Sheet of the steps you need to follow to complete a sale, short sale or deed in lieu, and leave your house.

Section 4 contains additional resources that may be helpful to you, as well as an index of all the resources mentioned in the first three sections. You will also find a glossary of terms and a budget worksheet referred to later in this guide.

Table of Contents

Section 1

| | |
|--|------|
| Foreclosure | 6 |
| What is foreclosure and how does the process work? | 6 |
| What are some of the consequences of a foreclosure? | 6 |
| What should I expect during the foreclosure process? | 6 |
| Alternatives to Foreclosure Chart | 7 |
| Short Sale | 8–10 |
| What is a short sale? | 8 |
| Why should I consider a short sale? | 8–9 |
| How do I know if I am eligible for a short sale? | 9 |
| Are there any other restrictions on a short sale? | 10 |
| Will I need to do anything else to settle my mortgage debt after I complete a short sale? | 10 |
| How will a short sale affect my credit? | 10 |
| Deed in Lieu of Foreclosure | 11 |
| What is a deed in lieu of foreclosure? | 11 |
| Will I need to do anything else to settle my mortgage debt after I complete a deed in lieu? | 11 |
| Why should I consider a deed in lieu? | 11 |
| How will a deed in lieu affect my credit? | 11 |
| How do I know if I am eligible for a deed in lieu? | 11 |

Section 2

| | |
|---|-------|
| Special ALERT: Avoiding Scams | 13–14 |
| What are some precautions I should take? | 13 |
| What shouldn't I do? | 13–14 |
| Relocation | 15–16 |
| What are some of my housing options? | 15 |
| Where are some good places to look for rental listings? | 15 |
| What is a reasonable amount for me to pay for housing? | 15–16 |
| I have found the right place. What now? | 16 |

| | |
|--|-------|
| Managing Personal and Family Needs | 17–18 |
| What are some ways I can help my family through this? | 17 |
| How can I find help for my family or myself? | 17 |
| What about my health care coverage? | 18 |
| What if I need employment assistance? | 18 |
| Rebuilding Finances | 19–21 |
| Why is a budget so important? | 19–20 |
| How much of my net income should I spend on what? | 20 |
| What are some ways I can reduce expenses? | 21 |
| Rebuilding Credit | 22–24 |
| What determines my credit score? | 22 |
| How often should I check my credit report? | 23 |
| What are some ways I can help raise my credit score? | 23–24 |
| | |
| Section 3 | |
| Action Sheet | 26–27 |
| Step 1 – Evaluate your options and prepare to relocate | 26 |
| Step 2 – Transition out of the house | 27 |
| | |
| Section 4 | |
| Budget Worksheet | 29–31 |
| Resource Index | 32–35 |
| Glossary of Terms | 36–37 |
| Acknowledgments | 38 |
| Notes | 39 |



Home

Transition Guide

Section 1

Because you are past due on your mortgage and have not successfully completed a loan modification, you are currently on the path to a foreclosure. Short of bringing your mortgage payments up to date, there are no remaining loan options that will allow you to stay in your house.

However, you may have some options remaining that will allow you to avoid foreclosure. You will still need to leave your house, but you will have more control over the way you do it.

In this section, we will first review how the foreclosure process works. Then we will go over what the alternatives are, how they work, how you can find out if you are eligible and how to take the next step.

Speak with a Bank of America specialist about avoiding foreclosure or learn more online:



Call: 1.877.447.3994

Hours: Mon.–Fri. 8 a.m.–10 p.m., Sat. 9 a.m.–5 p.m. and Sun. 3 p.m.–12 a.m. Eastern

Visit: www.bankofamerica.com/hometrtransition

Foreclosure

Unless you make efforts to work with Bank of America to avoid foreclosure and find another solution, you are headed down the path to foreclosure. This section will explain what foreclosure is and what you can expect.

What is foreclosure and how does the process work?

Foreclosure occurs when a customer does not make their mortgage payments as outlined in their loan documents. Foreclosure is a legal process where an investor – the person or company that owns the mortgage – sells a property to recover the amount owed on the mortgage.

Foreclosure proceedings typically begin after you have made no payments for at least 90 days. If no one else offers to buy the property at the foreclosure sale, the lender becomes the owner of the property.

Depending on your state, foreclosures can be handled through the supervision of a court or by a trustee.

What are some of the consequences of a foreclosure?

A foreclosure will negatively affect your credit, including your ability to be approved for credit. You may face much higher rates for loans and insurance.

In addition, a foreclosure will be reported on your credit report. This may prevent you from being approved for loans in the future. If you proceed to foreclosure, Bank of America will provide additional detail on how your loan was reported to the credit bureaus.

What should I expect during the foreclosure process?

Foreclosure results in you being evicted from your home and your house being sold. In order to protect your rights under applicable foreclosure law, it is critical that you continue to respond to any foreclosure notices you may receive. After you contact us to discuss the ways you could avoid foreclosure, the process will continue to move forward while we review your eligibility. Therefore, it is important that you continue to respond to communications regarding your mortgage.

Speak with a Bank of America specialist about the foreclosure process or learn more online:



Call: 1.877.447.3994

Hours: Mon.–Fri. 8 a.m.–10 p.m., Sat. 9 a.m.–5 p.m. and Sun. 3 p.m.–12 a.m. Eastern

Visit: www.bankofamerica.com/hometrtransition

Alternatives to Foreclosure Chart

The chart below provides an overview of selling your house, a short sale, a deed in lieu and a foreclosure by comparing their different features.

| | Selling Your House | Short Sale | Deed in Lieu | Foreclosure |
|---|--------------------|------------|--------------|-------------|
| I will need to leave my house. | ✓ | ✓ | ✓ | ✓ |
| I will be able to put my house up for sale. | ✓ | ✓ | | |
| I will need to provide documentation and engage in the process. | | ✓ | ✓ | |
| There may be relocation assistance available for those who qualify. | | ✓ | ✓ | |
| There are eligibility requirements that will determine whether I can participate. | | ✓ | ✓ | |
| My house will be sold by public sale or auction. | | | | ✓ |
| I will be forcibly evicted from my house. | | | | ✓ |
| There will be a public notice of foreclosure. | | | | ✓ |
| I will have more control over how I leave my house. | ✓ | ✓ | ✓ | |

Short Sale

One way you could avoid foreclosure is with a short sale. While you will still have to leave your house, you will not have a foreclosure appear on your credit history and you will avoid the potential public sale or auction of your house. Additionally, you will have more control over the timing and manner in which you leave your house.

In the following section, we will explain a short sale, give you steps to take to see if you qualify and walk you through the process.

What is a short sale?

A short sale is a commonly used alternative to foreclosure. Generally, when putting your home on the market, the goal is to market and sell your house for an amount greater than any and all outstanding liens against the property. Liens include all mortgages, escrows and fees on the property. For further clarification on liens and related restrictions, please contact a licensed real estate agent.

If you can no longer afford to make your mortgage payments and your house is worth less than you owe, a short sale allows you to sell your house at the current fair market value. You then have an option to move to a more affordable situation. In a short sale, the investor or owner of your loan must approve the sale because they are entitled to repayment of the loan and will be receiving less than the amount owed.

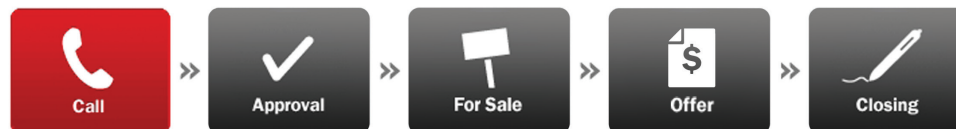
If you have additional liens on your property with other lenders, such as a home equity loan, all investors must come to an agreement in order to complete the short sale. This process takes time, and you will need to call Bank of America to see if you are eligible.

Why should I consider a short sale?

In addition to settling your mortgage debt for less than you owe, you may be eligible for a relocation assistance program that will financially help you with moving costs. You can also avoid a public eviction notice in the newspaper and sign on your front door. Additionally, you can list and sell your property, allowing you to avoid foreclosure, eviction and a public sale or auction of your house. If you are considering a short sale, or have your property listed but have not received an offer on your home, we recommend:

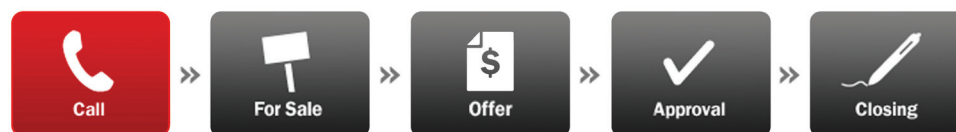
Home Affordable Foreclosure Alternatives (HAFA) — A federal government short sale program that simplifies the approval process with predetermined eligibility requirements for customers. The terms of the short sale are established up front, allowing you and your real estate agent to market the house.

If you do not qualify for HAFA, we will consider you for a similar short sale program developed by Bank of America. Below is an overview of the steps:



If you already have an offer on your home, you will follow a different process:

Traditional Short Sale Process – You put the property on the market and receive an offer before beginning the short sale eligibility and approval process. The approval process takes longer with a traditional short sale than it does with HAFA. However, since you already have an offer, the overall timeline may not be as long. Below is an overview of the steps:



How do I know if I am eligible for a short sale?

To determine if you are eligible for one of these programs, it's important that you call us as soon as possible.

Speak with a Bank of America short sale specialist:



Call: 1.877.447.3994

Hours: Mon.–Fri. 8 a.m.–10 p.m., Sat. 9 a.m.–5:30 p.m. Eastern

When you call Bank of America, be prepared to discuss your income and financial hardship in detail. After we talk, we may need some additional paperwork that could include:

- Income verification, including pay stubs, bank statements and tax returns
- A letter explaining your hardship
- Listing agreement
- A copy of a recent utility bill

In order to complete a short sale with Bank of America, you must use a real estate agent during the process. You will not have to pay the cost of the real estate agent, as he or she will be paid from the sale of the house.

TIP — An experienced real estate agent is important

Reach out to a licensed real estate agent who has experience with short sales, which are more complex than traditional sales. The real estate agent will also help you:

- Prepare and market your house
- Find a buyer and field potential offers
- Interact with Bank of America to process the short sale
(If your agent has questions about the short sale process, direct him or her to call a short sale specialist at **1.866.880.1232** Mon.–Fri. 8 a.m.–10 p.m. and Sat. 9 a.m.–5:30 p.m. Eastern.)

Are there any other restrictions on a short sale?

You cannot sell the house to a family member or anyone else you have a personal connection with. This is known as an arms-length market transaction.

Will I need to do anything else to settle my mortgage debt after I complete a short sale?

A deficiency is any additional amount owed on the loan that is not covered by funds from the short sale. Whether or not you will be responsible for paying a deficiency is determined based on factors such as what state you live in and short sale program guidelines.

How will a short sale affect my credit?

During the short sale process, Bank of America will continue to report your delinquency status to the credit bureaus. If you complete a short sale, we will provide additional detail on how your loan was reported.

A short sale generally takes less time to complete than a foreclosure, so your reported delinquency could be shorter than it would with a foreclosure. As a result, after the final status of your account is reported, your credit will likely improve faster than it would if your house goes to foreclosure.

Speak with a Bank of America short sale specialist or learn more online:



Call: 1.877.447.3994 **Hours:** Mon.–Fri. 8 a.m.–10 p.m., Sat. 9 a.m.–5:30 p.m. Eastern
Visit: www.bankofamerica.com/hometrtransition

Deed in Lieu of Foreclosure

A deed in lieu of foreclosure (also known as a deed in lieu) still results in you leaving your house. However, you'll avoid having a foreclosure on your credit history and you'll avoid the public sale or auction of your house.

What is a deed in lieu of foreclosure?

With a deed in lieu, you voluntarily transfer ownership of the property to your investor to satisfy the amount due on your first mortgage. In some cases, you may be eligible for a deed in lieu without first attempting a short sale of your home. A deed in lieu generally takes about 90 days, depending on your situation.

Will I need to do anything else to settle my mortgage debt after I complete a deed in lieu?

As in a short sale, whether or not you will be responsible for paying a deficiency is determined based on factors such as what state you live in and deed in lieu program guidelines.

Why should I consider a deed in lieu?

You may be eligible for a relocation assistance program that will financially help you with moving costs, and you'll have more control over the timing and manner in which you leave your house.

How will a deed in lieu affect my credit?

During the process, Bank of America will continue to report your delinquency status to the credit bureaus. If you complete a deed in lieu, we will provide additional detail on how your loan was reported.

A deed in lieu generally takes less time to complete than a foreclosure, so your reported delinquency could be shorter than it would with a foreclosure. As a result, after the final status of your account is reported, your credit will likely improve faster than it would if your house goes to foreclosure.

How do I know if I am eligible for a deed in lieu?

To see if you are eligible for a deed in lieu, call us as soon as possible so we can get started.

Speak with a Bank of America deed in lieu specialist or learn more online:



Call: 1.877.447.3994 **Hours:** Mon.–Fri. 8 a.m.–10 p.m., Sat. 9 a.m.–5:30 p.m. Eastern

Visit: www.bankofamerica.com/hometransition

Home

Transition Guide

Section 2

As you prepare to leave your home, it is important that you take time to develop a plan of action that will best position you and your family on a pathway to rebuilding. This section was developed in partnership with United Way and other community organizations to offer a variety of low-cost or free resources and services to help you address the challenges you and your family may experience.

It's important that you consider using available community resources such as housing assistance programs to help you through this transition.

Go online to identify the local services in your zip code or call United Way's exclusive referral number for Bank of America customers:



Visit: www.bankofamerica.com/communityresources (Search by zip code. Print or email results.)

Call: 1.877.430.5451 **Hours:** Mon.–Fri. 8 a.m.–10 p.m., Sat. 9 a.m.–5:30 p.m. Eastern

When you see the above icon throughout this guide, you will be reminded to search for a community resource for that specific content. Additionally, within the guide, we have made reference to websites and national organizations whose resources and services are low-cost or free. In many cases, these organizations are supported through charitable funding; therefore, be aware that capacity and services could be limited.

This publication is provided for your convenience and information only. Bank of America and United Way Worldwide assume no liability for loss or damage as a result of your reliance on information in this publication. The goal is for the contents of this publication to be accurate as of the date this issue was printed. However, neither Bank of America nor United Way Worldwide guarantees that any content is accurate or complete. Unless expressly stated otherwise, Bank of America is not affiliated with or responsible for the products or services of any non-Bank of America company that may be mentioned or depicted in this publication. Similarly, a reference to any non-Bank of America agency or program in this publication does not constitute endorsement by Bank of America or United Way Worldwide of said agency or program unless specifically stated.



Community resource information
provided by United Way.

Special ALERT: Avoiding Scams

Home loan scams are on the rise, and scam artists are targeting homeowners who are in financial distress and facing possible foreclosure.

To protect yourself and your family from fraud, you should always work with your lender, a U.S. Department of Housing and Urban Development (HUD)-approved counseling agency or a lawyer representing you when seeking options to avoid foreclosure.

What are some precautions I should take?

The National Foundation for Credit Counseling advises homeowners who choose to work with someone other than their lender to proceed with extreme caution if an individual or company:

- Calls itself a “mortgage consultant” or “foreclosure service”
- Encourages you to lease your home so you can buy it back over time
- Collects a fee before providing any services to you
- Instructs you to cease all contact with your lender, credit or housing counselors, lawyer or other legitimate experts
- Tells you to make your mortgage payments to anyone other than your lender
- Requires that you transfer your property deed or title to anyone other than your lender
- Tells you that, as part of the deal, you will need to move out of your house for some period of time for remodeling or other reasons
- Offers to buy your house for cash at a fixed price that is not set by the housing market at the time of sale

What shouldn't I do?

- Don't be pressured to sign a contract. Take your time to review all documents thoroughly, preferably with a lawyer who is representing your interests.

- Don't sign anything containing blank lines or spaces where someone can later add information without your approval.
- If you do not speak English, never use anyone other than your own trusted translator.
- Don't fall for promises that are often used to lure homeowners into scams. For example:
 - Claims to save your credit rating
 - Promises of instant cash
 - Guarantees that a buyer will be found within a certain number of days
 - Claims that filing for bankruptcy can “stop the foreclosure”
 - Offers of free rent or gifts

TIP — Learn more about scams

For more information about scams, visit www.loanscamalert.org, sponsored by NeighborWorks® America. If you feel your identity has been stolen, contact your lender.

Relocation

In this section, we will provide tips and explore some community resources to help you find a new place to live.

What are some of my housing options?

- Renting a house, apartment or condominium on your own or as part of a shared housing plan
- Staying with a friend or family member
- Checking into an extended-stay hotel

Where are some good places to look for rental listings?

- Look in the real estate rentals section of your local newspaper or the free Apartment Guide® publication found at most local supermarkets.
- Visit www.socialserve.com, a resource offering information on affordable housing.
- Contact a local real estate agent or local property management firm that works with rental properties in your area. Go online to www.narpm.org to contact the National Association of Residential Property Managers.

TIP — Use the Action Sheet

In **Section 3** of this guide, you will find an Action Sheet that includes detailed steps to take as you prepare to move out of your house.

What is a reasonable amount for me to pay for housing?

- Financial counselors advise spending no more than one third of your income before taxes (gross income) on housing.
- If you are unable to find housing in your current community, you may want to consider relocating to an area where the cost of housing is not as high or where the job market is better.

- If the amount you can pay for housing is less than the average cost of a rental property, you may be eligible for subsidized housing, public housing or a housing voucher.

Go online for more information on these guidelines:



Visit: www.bankofamerica.com/resources

Click: United States Department of Housing and Urban Development (HUD) link

I have found the right place. What now?

Before you sign any rental agreement, consider the following:

- Ensure that everything you and the landlord agree upon is in writing.
- Retain a copy of the signed lease for your files.
- Protect your security deposit by doing a walk-through with the landlord to record or photograph any existing damage.
- If you are renting from an individual, ask your landlord for proof that he or she is current on the mortgage.

TIP — Consider renters insurance

Your landlord's insurance policy will not cover your losses due to theft or damage. Renters insurance is relatively inexpensive and covers loss due to theft or damages caused by other people or some natural disasters.

TIP — Consider your plans for your pets

If you have a pet, be sure to consider whether your new residence allows pets.

Go online for guidance on what to do if you need to find a new home for your pet:



Visit: www.bankofamerica.com/resources

Click: American Society for the Prevention of Cruelty to Animals (ASPCA) link

Managing Personal and Family Needs

In this section, you will find resources that can help you manage the stress that often arises during this difficult time, including information on supporting your family, finding employment opportunities and getting health care and insurance.

One of the first and simplest steps you can take to manage stress is to divide things into small tasks. For example, make the transition process more manageable by using the Action Sheet in **Section 3**.

What are some ways I can help my family through this?

- During stressful events, such as moving and periods of financial difficulty, it can be hard to keep the lines of communication open and productive. Be open with family members and share age-appropriate information with your children.
- Structure time for family meetings in order to keep everyone informed. Listen to your family's concerns. Some questions a child may have are:
 - Do I have to change schools?
 - What about my neighborhood friends?
 - Where will we live?

How can I find help for my family or myself?

There are many low-cost, confidential ways to find the emotional support you need:

- Speak with your local clergy or a family counselor.
- Ask your employer or human resources representative if a free employee assistance program (EAP) is available to you.
- Go online to www.sesameworkshop.org/toughtimes to find helpful tips about communicating with your family.

Go online for local resources if you need emotional support during this difficult time or call United Way's exclusive referral number for Bank of America customers:



Visit: www.bankofamerica.com/communityresources

Call: 1.877.430.5451 **Hours:** Mon.–Fri. 8 a.m.–10 p.m., Sat. 9 a.m.–5:30 p.m. Eastern

What about my health care coverage?

If you do not have health care coverage due to job loss or other financial challenges, learn more about your insurance options at www.HealthCare.gov, which is managed by the U.S. Department of Health and Human Services.

What if I need employment assistance?

Below are some things to consider as you begin looking for employment opportunities:

- Alert your business and personal contacts that you are looking for a new opportunity.
- Join a professional or trade association. These associations frequently list open positions and offer message boards to post your résumé.
- Use networks such as www.Linkedin.com, a free professional networking site that employers and recruiters often use.
- Check your local library, community college or union to find out about low-cost or free classes and certificate programs that will further your education and help you strengthen or develop skills.
- If you have lost employment through no fault of your own, you may be eligible to receive unemployment insurance benefits or funding for continuing education classes.

Go online or see Section 4 for local resources if you need employment assistance, or call United Way's exclusive referral number for Bank of America customers:



Visit: www.bankofamerica.com/communityresources

Call: 1.877.430.5451 **Hours:** Mon.–Fri. 8 a.m.–10 p.m., Sat. 9 a.m.–5:30 p.m. Eastern

Rebuilding Finances

Whether you complete a short sale or deed in lieu, or have your home foreclosed on, defaulting on your mortgage can take its toll financially. In this section, we will provide you with guidelines for restoring your finances, starting with building a budget.

Why is a budget so important?

According to the National Foundation for Credit Counseling, a budget is one of the most useful tools you can use for managing your financial resources. With a budget, you get a clear idea of how much money is coming in, what you're spending it on and where there may be opportunities to save.

To create a realistic budget, you will need access to detailed information:

- Base your budget on the net income for everyone in your household, which you'll find on your pay stubs. That's the cash you bring home after your employer deducts taxes, Social Security, health care costs and 401(k) deductions.
- List your monthly expenses. Make sure that you record the detailed information on your fixed expenses (which stay the same from month to month), such as rent, and variable items (which may change), such as fuel bills or entertainment.

TIP — Get help gathering details on your expenses

To track your historical spending by category, it may be helpful to reference your monthly bank statements, whether you receive them in paper format, through Online Banking with Bank of America or through another bank's online banking system.

You may also want to track your monthly out-of-pocket spending by using a spending journal. Everyone in your family who spends money should keep their own journal and write down every purchase in their notebook each day. You can also save all of your receipts and total them by category at the end of each week.

Next, decide how you would like to work on your budget — online or on paper. Using the Bank of America online budget worksheet not only makes developing a household budget easier, it also provides some additional advantages.

After completing it, you'll have the following:

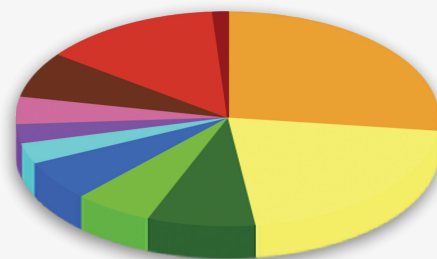
- A summary of your spending, from net income to detailed expenses, organized by category in an easy-to-understand chart
- Recommended spending percentages to guide you
- Tips for saving money in every area of your budget

At www.bankofamerica.com/budgeting, you can find the online budget worksheet. You can save a copy to your computer or print it out to share with a home loan specialist or financial counselor.

If you prefer, at www.bankofamerica.com/worksheet, you can print out a pencil-and-paper version. With this printout, you can record the same budget information by category. This will help you see how the numbers add up. You can also find a copy of this worksheet in **Section 4** of this guide.

How much of my net income should I spend on what?

The chart below highlights some recommended percentages to serve as a general guideline.*



Distribution of spending by category

| Category | Typical Range |
|----------------|---------------|
| Housing | 20 - 35% |
| Food | 15 - 30% |
| Transportation | 6 - 20% |
| Utilities | 4 - 7% |
| Insurance | 4 - 6% |
| Personal Care | 2 - 4% |
| Health | 2 - 8% |
| Clothing | 3 - 10% |
| Savings | 5 - 9% |
| Personal Debt | 10 - 20% |
| Miscellaneous | 1 - 4% |

*Source: "It Pays to Do the Math In the Budget Game," *The Washington Post*, 9/10/2006

What are some ways I can reduce expenses?*

Once you have reviewed your monthly income and expenses, look for changes you can make to everyday routines that will help lower what you spend in certain areas of your budget. Here are some ways to save money:

- For dining out, many restaurants offer discounts or coupons and even have kids-eat-free nights.
- Remove all unnecessary features from your phone plan (e.g., call forwarding, call return, etc.). Ask the provider about special rates for local limited-calling programs and make sure that your calling plan reflects your actual usage. Many companies provide discounts for bundling services.
- Remember to stay within your minutes and plan specifications.
- Commit to using fewer utilities by turning off lights and unplugging appliances when not in use.
- Ask your utility providers about programs that can reduce your monthly payments. To learn more about your options, call the National Energy Assistance Referral (NEAR) service at **1.866.674.6327**. They can direct you to your local Low Income Home Energy Assistance Program (LIHEAP).

Go online to learn more about ways to save money or call United Way's exclusive referral number for Bank of America customers:



Visit: www.bankofamerica.com/communityresources

Call: 1.877.430.5451 **Hours:** Mon.–Fri. 8 a.m.–10 p.m., Sat. 9 a.m.–5:30 p.m. Eastern

TIP — Take control by changing spending and saving habits

Understanding how to change spending and saving habits can help you regain control over your finances and decrease the likelihood of future financial crises.

Go online to find useful interactive tools and exercises:



Visit: www.bankofamerica.com/resources

Click: National Foundation for Credit Counseling link

Rebuilding Credit

A short sale, deed in lieu or foreclosure will have a negative impact on your credit. In this section, we'll look at what goes into your credit score and give you some suggestions to rebuild it.

What determines my credit score?

The most commonly used credit scores are provided by Fair Isaac Corporation and are known as FICO® scores. They range from 300 (the worst) to 850 (the best).

Factors that affect your credit score:*

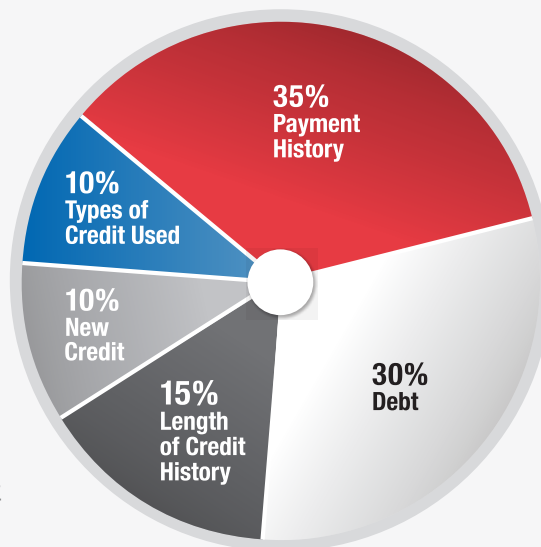
Payment history: Reflects on-time payments, late payments, delinquent or over-limit accounts, bankruptcies and liens.

Debt: Includes the ratio of how much you owe to the amount of your available credit.

Length of credit history: Shows how long you have been using credit and how you have managed your finances in the past.

New credit and inquiries: Consists of accounts you have just opened and recent inquiries from companies you have applied to for credit.

Types of credit in use: Looks at how you use credit, including credit cards, installment loans and mortgages.



TIP — Find educational programs

The National Foundation for Credit Counseling offers free financial education online at www.nfcc.org/FinancialEducation, or you can call **1.800.388.2227** to find educational programs in your area.

How often should I check my credit report?

Since your credit score is based on the information contained in your credit report, improving your credit score begins with obtaining your credit report. Experts recommend that you review your credit report once a year to be sure everything is correct.

You're entitled to one free report a year from each of the three major credit bureaus, which you can get by visiting www.annualcreditreport.com or calling **1.877.322.8228**.

TIP — Report identity theft

If you suspect an error or think you have been a victim of identity theft, contact the below organizations, explain your dispute and request an investigation:

- The Federal Trade Commission at www.ftc.gov (click "Identity Theft")
- The company reporting your account status
- Equifax® Credit Information Services at **1.800.997.2493**
- Experian™ at **1.888.397.3742**
- TransUnion Corporation® at **1.800.888.4213**

What are some ways I can help raise my credit score?

According to the National Foundation for Credit Counseling, the following recommendations may help you rebuild your credit score over time:

- 1. Pay bills on time going forward.** This is the most important thing you can do to build a better credit history. Use a monthly budget to help track and control excess spending.

2. Minimize the use of available credit. It is recommended to use less than 30% of your available credit.

3. Explain hardships. You are allowed to write a 100-word statement explaining your hardship and have it entered into your credit report.

Go online to find more information about writing a hardship letter:



Visit: www.bankofamerica.com/resources

Click: TransUnion Corporation® link

4. Don't apply for too much new credit at once. This can lower your credit score and appear as though you are desperate for credit, making lenders less inclined to extend you credit.

To find more information and tools to help you rebuild your credit, visit www.bankofamerica.com/solutions and go to the Managing Credit section.

TIP — Find a credit counselor

If you're having financial problems, a credit counseling agency can be a good place to get solid financial advice. To find an accredited credit counseling agency in your area, contact:

- The National Foundation for Credit Counseling at www.nfcc.org or **1.800.388.2227**
- The Association of Independent Consumer Credit Counseling Agencies at www.aiccca.org or **1.866.703.8787**
- Your credit card company. They can refer you to someone they have worked with before.

Home

Transition Guide

Section 3

Keep in mind that as you are pursuing a sale, short sale or deed in lieu, transitioning out of your house will be a requirement. Be sure to use the Action Sheet to get an idea of what steps to take when.

Action Sheet

Step 1 — Evaluate your options and prepare to relocate

Whether you are pursuing a sale, short sale or deed in lieu, once we have determined how you will avoid foreclosure, it is time to prepare to move.

- If you are able to sell your house for more than you currently owe, call our 24-hour loan administration automated payoff request line at **1.800.669.5833** to order a payoff quote so you understand exactly how much you owe on your home loan so you can put your house on the market.
- To see if you are eligible for a short sale, call **1.877.447.3994** Mon.–Fri. 8 a.m.–10 p.m. and Sat. 9 a.m.–5:30 p.m. Eastern to speak with a Bank of America specialist who will provide an explanation of the process and what programs you may qualify for.
- If a deed in lieu is your best option, speak with a Bank of America specialist by calling **1.877.447.3994** Mon.–Fri. 8 a.m.–10 p.m. and Sat. 9 a.m.–5:30 p.m. Eastern. We will provide an explanation of the process and your next steps during our conversation.
- Regardless of what program you are eligible for, we may need some documentation from you. If so, gather and return it to us as soon as possible.
- If you are selling your house or pursuing a short sale, select a real estate agent and work with them to get your home ready to list for sale.
- Consider your housing options. Will you be renting or staying with family or friends? If you will be renting, begin looking for appropriate listings.
- Reserve your moving company/vehicle or be sure to schedule a friend with a truck.
- Start preparing an inventory of things you will be moving.

Once your relocation date has been determined, it is time to get ready to move. Continue to work with your agent and Bank of America to finalize your short sale or deed in lieu.

Step 2 — Transition out of the house

Now that you have a moving plan, it is time to make sure everything is in order and begin moving.

- Finalize your new housing arrangements.
- If you are moving out of your current area, consider transferring doctor's office records, prescriptions, bank account(s) and your children's school records.
- Begin collecting packing supplies such as boxes, bubble wrap, etc.
- Refer to the U.S. Postal Service at www.usps.com/moversguide for help with moving logistics, access to savings coupons and instructions on changing your mailing address.
- Contact your utility companies to disconnect or transfer old services and to connect services to your new address.
- Move all important documents to a safe place.
- Notify individuals and any companies you do business with of your new address.
- Confirm any moving travel arrangements, such as rental trucks or hotels.
- Reserve any loading docks, elevators or parking areas.
- Pack a box of things you will need during the move, such as toiletries, and clearly label it "DO NOT MOVE."
- Make moving-day arrangements for kids and/or pets.
- Plan meals for moving day that do not require cooking or heating.
- Donate items you no longer need or have room for to a local charity and save your receipts for tax purposes.

There's a lot involved in transitioning out of your house. However, using this Action Sheet can help keep you organized and on track.

Home

Transition Guide

Section 4

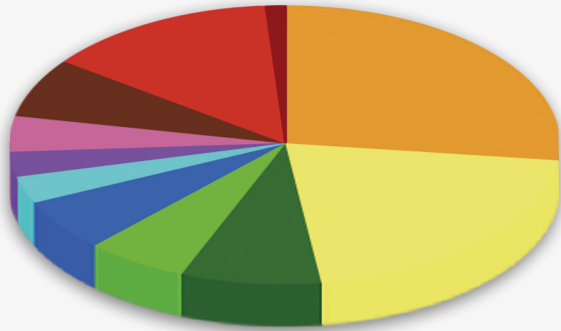
In this section, you will find an index of resources referred to throughout this guide, as well as some additional important resources. You will also find a glossary of terms that have appeared in this guide and the budget worksheet referred to in **Section 2**.



As a reminder, you can go online to find all the resources in this section at www.bankofamerica.com/resources

Budget Worksheet

To help you better balance your income with your spending, we've included typical expense ranges to serve as a general guideline. Everyone's situation is unique, so you may need to make adjustments to meet your specific needs.



Distribution of spending by category

| Category | Typical Range |
|----------------|---------------|
| Housing | 20 - 35% |
| Food | 15 - 30% |
| Transportation | 6 - 20% |
| Utilities | 4 - 7% |
| Insurance | 4 - 6% |
| Personal Care | 2 - 4% |
| Health | 2 - 8% |
| Clothing | 3 - 10% |
| Savings | 5 - 9% |
| Personal Debt | 10 - 20% |
| Miscellaneous | 1 - 4% |

Source: "It Pays to Do the Math In the Budget Game",
The Washington Post, 9/10/2006

$$\begin{array}{r}
 \underline{\hspace{10em}} \quad \quad \quad \text{---} \quad \quad \quad \text{=} \quad \quad \quad \underline{\hspace{10em}} \\
 \text{Your monthly income total} \quad \quad \quad \text{Your monthly expenses total} \quad \quad \quad \text{Difference}
 \end{array}$$

Filling out the categories below will help you see what money you have coming in, and where you're spending it.

\$ Monthly Income

- | | |
|-------------------------------|-------------------------------------|
| job _____ | rental / room & board income _____ |
| spouse or partner's job _____ | alimony _____ |
| part-time job _____ | child support _____ |
| investment income _____ | support from family / friends _____ |
| social security _____ | other _____ |
| unemployment benefits _____ | |
| | total _____ |

TIP — Get help on other Bank of America products

If you are having difficulty making payments on your other Bank of America products, such as a credit card, line of credit or auto loan, please call

1.866.575.9070 Mon.–Fri. 8 a.m.–10 p.m., Sat. 8 a.m.–5 p.m. Eastern.

\$ Monthly Expenses

Housing

Actual Revised

rent _____
 housekeeper _____
 furnishings _____
 other _____
total _____

Food

Actual Revised

groceries _____
 paper / toiletry / cleaner _____
 at work / school _____
 dinners out _____
 other _____
total _____

Transportation

Actual Revised

car payment 1 _____
 car payment 2 _____
 car payment 3 _____
 car insurance _____
 DMV / smog _____
 gasoline _____
 car maintenance / repairs _____
 tolls / parking _____
 parking tickets _____
 public transportation _____
 taxis _____
 other _____
total _____

Utilities

Actual Revised

electric / gas _____
 water _____
 sewer _____
 garbage _____
 home phone _____
 mobile phone _____
 cable TV _____
 internet _____
 other _____
total _____

Insurance

Actual Revised

If contributions towards your insurance are taken out of your paycheck before taxes, the fields should be left blank.

medical / dental / vision _____
 life _____
 disability / accidental _____
 other _____
total _____

Personal Care

Actual Revised

gym membership _____
 barber / salon _____
 manicure _____
 cosmetics _____
 laundry _____
 dry cleaning _____
 other _____
total _____

Health

Actual Revised

Do not include any medical expenses that you pay with a pre-tax account.

doctor / chiropractor _____
 optometrist / lenses _____
 dentist / orthodontist _____
 prescriptions / medications _____
 counseling / therapy _____
 other _____
total _____

Clothing

Actual Revised

clothing / jewelry _____
 other _____
total _____

Savings

Actual Revised

savings account _____
 IRA _____
 other _____
total _____

Personal Debt

Actual Revised

personal loan payment _____
 student loans _____
 other _____

Credit Cards

When entering your credit card payment amounts, we ask that you put in your minimum card payments. If you find that you have additional money available each month after revising your spending, consider making larger payments to lower your credit card debt.

credit card #1 _____
 credit card #2 _____
 credit card #3 _____
 credit card #4 _____
total _____

Miscellaneous

Actual Revised

Child Care

daycare / sitting _____
 child support _____
 after-school programs _____
 other _____

Education

tuition _____
 other _____
 (such as field trips, clubs, activities)

Entertainment

movies / video _____
 bars / clubs _____
 travel _____
 music / concerts / sports _____
 books / newspapers / mag. _____
 video games _____
 other _____

Miscellaneous

alimony _____
 children's allowance _____
 cigarettes / alcohol _____
 club dues _____
 gifts _____
 lottery tickets _____
 pet care _____
 postage / mail _____
 charitable donations _____
 tithe _____
 other _____
total _____

Resource Index

Below is a list of additional resources, as well as resources discussed throughout this guide. Please contact the listed organizations directly for more information.

Employment/Education:

- Free or low-cost classes: www.publiclibraries.com or www.aacc.nche.edu
- Online professional networking resource: www.Linkedin.com
- Information on starting your own business: www.mymoney.gov (search for “buying a business”)
- U.S. Department of Labor unemployment insurance information: www.dol.gov/dol/topic/unemployment-insurance/index.htm
- U.S. Department of Labor job-seeking information: www.dol.gov/dol/audience/aud-unemployed.htm

Credit Bureaus:

Equifax® Credit Information Services
1.800.997.2493
www.equifax.com

TransUnion Corporation®
1.800.888.4213
www.transunion.com

Experian™
1.888.397.3742
www.experian.com

Finances:

- For one free report a year from each of the three major credit bureaus: www.annualcreditreport.com or **1.877.322.8228**
- Corporation for Enterprise Development (CFED) matched savings programs directory: www.cfed.org/programs/idas
- National Foundation for Credit Counseling: www.nfcc.org/FinancialEducation or **1.800.388.2227**
- Administration for Children and Families (ACF) temporary assistance for needy families: www.acf.hhs.gov/programs/ofa/tanf/about.html
- Administration for Children and Families (ACF) utility payment assistance for low-income households: www.acf.hhs.gov/programs/ocs/liheap/brochure/brochure.html or **1.866.674.6327**
- Internal Revenue Service Volunteer Income Tax Assistance: www.irs.gov/individuals/article/0,,id=219171,00.html or **1.800.906.9887**

Healthcare:

- Information about your insurance options: www.HealthCare.gov

Identity Theft:

- The Federal Trade Commission: www.ftc.gov
(click “Identity Theft”)
- Information about scams: www.loanscamalert.org

Moving:

- National Association of Residential Property Managers:
www.narpm.org
- Information about affordable housing: www.socialserve.com
- U.S. Department of Housing and Urban Development’s list of renters’ rights by state: http://portal.hud.gov/hudportal/HUD?src=/topics/rental_assistance/tenantrights
- U.S. Postal Service Mover’s Guide: www.usps.com/moversguide

Special Needs:

Housing Opportunities for Persons with AIDS (HOPWA)

HOPWA provides housing assistance and supportive services to low-income people with HIV/AIDS and their families. HOPWA funds may also be used for a variety of other supportive services.

Visit www.hud.gov/offices/cpd/aidshousing to get more information.

Utility Assistance:

Weatherizing your home can reduce utility expenses. To find a weatherization program in your area, visit the U.S. Department of Energy’s website at www1.eere.energy.gov/wip/project_map

In some states, free cell phones and airtime minutes are available to individuals who are considered income-eligible. Go to www.safelinkwireless.com/EnrollmentPublic/ParticipatingStates.aspx

To learn about reducing your monthly utility payments, call the National Energy Assistance Referral (NEAR) service at [1.866.674.6327](tel:1.866.674.6327).

Senior Citizens:

Eldercare Locator (U.S. Administration on Aging)

This is a public service of the U.S. Administration on Aging that will connect you to services in your community for older adults and their families.

Visit www.eldercare.gov or call **1.800.677.1116** for more information.

National Center for Benefits Outreach and Enrollment

The center helps organizations enroll seniors with limited means and younger adults with disabilities in a wide range of benefits programs.

Visit www.centerforbenefits.org or call **1.202.479.1200**.

The National Council on Aging (NCOA)

This organization has an easy online screening tool at www.BenefitsCheckUp.org that can help determine your eligibility for program services and assistance.

NCOA currently operates 27 Senior Community Service Employment Program (SCSEP) projects in 11 states. SCSEP is funded by a grant from the U.S. Department of Labor. Go to www.NCOA.org/enhancing-economic-security for more information.

SCSEP offers on-the-job training and job placement to help older workers build job skills and confidence.

Visit www.doleta.gov/seniors or call **1.877.872.5627**.

Persons with Disabilities:

Aging and Disability Resource Center (U.S. Department of Health and Human Services)

If you are seeking information about or assistance with long-term services and support, visit www.adrc-tae.org/adrcs/show_adrcs.php to locate the Aging and Disability Resource Center nearest you.

Disability.gov (U.S. Department of Labor)

Disability.gov can connect you to resources relating to benefits, housing, health, education, emergency preparedness, employment and transportation.

Visit www.disability.gov/housing

Active Service Members or Veterans:

Bank of America supports our military community.

Bank of America has programs for its mortgage customers serving in the U.S. military, improving key benefits for those on active duty and extending mortgage protections for service members beyond active duty. View those programs at www.bankofamerica.com/military

U.S. Department of Veterans Affairs (VA)

The Veterans Benefits Booklet provides information on eligibility requirements and how to apply for benefits. View the Benefits Booklet online at www1.va.gov/opa/publications/benefits_book.asp or call **1.800.827.1000**.

Disabled American Veterans

This organization provides free professional assistance to veterans and their families in obtaining benefits and services earned through military service and provided by the U.S. Department of Veterans Affairs and other government agencies. Call **1.877.426.2838**.

The Military Helpline

The Military Helpline, available 24 hours a day, seven days a week, provides compassionate, confidential crisis intervention and referrals for military service members, veterans and their families. Call **1.888.457.4838**.

Other Resource Websites:

- Alliance for Children and Families: <http://alliance1.org/members>
- Association of Independent Consumer Credit Counseling Agencies: www.aiccca.org or **1.866.703.8787**
- HomeFree-USA: www.homefreeusa.org
- Homeownership Preservation Foundation (HPF): www.995hope.org
- National Coalition for Asian Pacific American Community Development (National CAPACD): www.nationalcapacd.org
- National Council of La Raza (NCLR): www.nclr.org
- National Foundation for Credit Counseling (NFCC): www.nfcc.org
- National Urban League (NUL): www.nul.org
- NeighborWorks® America: www.nw.org
- Sesame Workshop™: www.sesameworkshop.org/toughtimes
- United Neighborhood Centers of America: www.unca.org/about-us/who-we-are/our-members

Glossary of Terms

Deed in lieu of foreclosure: An alternative to foreclosure, where you sign over the deed to your property to the lender because you are unable to pay off your mortgage debt. It may also be referred to as a deed in lieu.

Deficiency: A deficiency is any amount owed on a home loan that is not covered by funds from a short sale. Whether or not you will be responsible for paying deficiency requirements is determined based on many factors, such as what state you live in, and by program guidelines.

Foreclosure: A foreclosure is when a lender sells the property securing the mortgage loan at a public sale or auction to recover the amounts owed on the mortgage and any other costs involved in collecting the debt and foreclosing the property. Foreclosure proceedings typically begin after you have made no payments for at least 90 days.

If there are no successful third-party bidders at the foreclosure auction, the title to the property will be transferred to the lender, which may then market and sell the property (known as an REO property) to recover its losses on the loan.

Foreclosure affidavit: A legal document filed with the court that provides information about the foreclosure and the amount that is owed on the note. In states where the courts have jurisdiction over foreclosures, an affidavit is commonly submitted as part of the foreclosure process.

GSE loan: A GSE (Government Sponsored Enterprise) home loan generally refers to a mortgage that is owned or guaranteed by one of the government enterprises, such as Fannie Mae or Freddie Mac.

HAFAs: Part of the federal government's Making Home Affordable (MHA) program, the Home Affordable Foreclosure Alternatives (HAFAs) program was developed to give homeowners a way to settle their mortgage debt without going through a foreclosure. The program offers a streamlined method for selling your home in a short sale.

If you are unable to sell your home in a short sale, the program also offers a deed in lieu option. Under the HAFAs program, homeowners who sell their home in a short sale or sign it over in a deed in lieu are offered incentives to help with relocation.

HAMP: Part of the federal government's Making Home Affordable (MHA) program and backed by government incentives, the Home Affordable Modification Program offers loan modifications that help create affordable and sustainable monthly mortgage payments at 31% of your gross (pre-tax) income.

All modifications begin on a trial basis but are made permanent after you successfully make trial-period payments over a three-month period and provide all required documentation that supports eligibility for the program.

Investor: The investor, or owner, of your loan is the person or entity that is entitled to repayment of the loan. The investor differs from the servicer of your loan in that the loan servicer's role is to collect your mortgage payments, send billing statements and provide day-to-day servicing of your account on the investor's behalf.

Lien: The legal claim of a creditor on a borrower's property, to be used as security for a debt.

MHA: The federal government's Making Home Affordable (MHA) program was created to stabilize the housing market and help struggling homeowners get relief and avoid foreclosure.

Short Sale: A short sale is a commonly used alternative to a foreclosure. If you can no longer afford to make your mortgage payments and your home is worth less than you owe, a short sale allows you to sell your home to pay off the mortgage. In a short sale, the lender agrees to accept an amount less than is actually owed on the loan based on a showing of financial hardship.

Acknowledgments

Bank of America wishes to thank the following national partners for their guidance and support in the development of this Home Transition Guide:

CredAbility

HomeFree-USA

Homeownership Preservation Foundation

National Coalition for Asian Pacific American Community Development

National Council of La Raza

National Foundation for Credit Counseling

National Urban League

NeighborWorks® America

United Way

Speak with a Bank of America specialist about avoiding foreclosure or learn more online:



Call: 1.877.447.3994

Hours: Mon.–Fri. 8 a.m.–10 p.m., Sat. 9 a.m.–5 p.m. and Sun. 3 p.m.–12 a.m. Eastern

Visit: www.bankofamerica.com/hometransition

Go online to identify the local services in your zip code or call United Way’s exclusive referral number for Bank of America customers:



Visit: www.bankofamerica.com/communityresources (Search by zip code. Print or email results.)

Call: 1.877.430.5451

Hours: Mon.–Fri. 8 a.m.–10 p.m., Sat. 9 a.m.–5:30 p.m. Eastern

© 2011 Bank of America. All materials in this Home Transition Guide (the “Content”) are protected as the copyrights, trade dress, trademarks and/or other intellectual property rights of Bank of America or other parties that have licensed their material to Bank of America. The Content is provided for your personal, noncommercial use. You may not modify, copy, distribute, transmit, display, perform, reproduce, publish, license, create derivative works from, transfer, or sell or otherwise exploit any portion of the Content. You may display and electronically copy, download and print hard copy portions of the Content for your own noncommercial use, provided that you do not modify or delete any copyright, trademark or other proprietary notices. Any other use of the Content, including but not limited to the modification, reproduction, distribution, republication, display or transmission of the content, without the prior written permission of Bank of America, is prohibited.

Bank of America, N.A., and the other businesses/organizations mentioned in Section 4 are not affiliated; each company is independently responsible for the products and services it offers. The material provided here is for informational purposes only and should not be construed as financial advice.

Bank of America, N.A. Member FDIC Equal Housing Lender © 2011 Bank of America Corporation. ARK346S2