Supplemental Directive 11-01 ***February 17, 2011***

Making Home Affordable Program – Dodd-Frank Certification, Internal Quality Assurance and Verification of Income Update

In February 2009, the Obama Administration introduced the Making Home Affordable (MHA) Program to stabilize the housing market and help struggling homeowners obtain relief and avoid foreclosure. In March 2009, the Treasury Department (Treasury) issued uniform guidance for loan modifications by participants in MHA across the mortgage industry and subsequently updated and expanded that guidance. In December 2010, Treasury issued version 3.0 of the Making Home Affordable Program Handbook for Servicers of Non-GSE Mortgages (Handbook), a consolidated resource for guidance related to the MHA Program for mortgage loans that are not owned or guaranteed by Fannie Mae and Freddie Mac (Non-GSE Mortgages).

This Supplemental Directive provides new guidance related to servicer's internal quality assurance processes and revises guidance related to the Dodd-Frank Certification and income verification. Except as stated herein, this Supplemental Directive is effective May 1, 2011; however, servicers may begin to implement the changes outlined herein immediately.

Servicers that have executed a servicer participation agreement and related documents (SPA) must follow the guidance set forth in this Supplemental Directive. This guidance does not apply to first and second lien mortgage loans that are owned or guaranteed by Fannie Mae or Freddie Mac, or insured or guaranteed by a federal agency, such as the Federal Housing Administration, Veterans Administration or the Department of Agriculture's Rural Housing Service.

This Supplemental Directive covers the following topics:

- Dodd-Frank Certification
- Internal Quality Assurance
- Verification of Income

Dodd-Frank Certification

To verify compliance with Section 1481 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203), Treasury required delivery of a certification (Original Dodd-Frank Certification) from borrowers to servicers which is available on www.HMPadmin.com. The form of the Original Dodd-Frank Certification is amended as set forth in Exhibit A attached to this Supplemental Directive (Amended Dodd-Frank Certification). The Amended Dodd-Frank Certification deletes the check boxes contained in the Original Dodd-Frank Certification. Upon receipt of either an Original or Amended Dodd-Frank Certification executed by the borrower, the servicer is required to date stamp the certification, regardless of whether it was dated by the borrower, and retain a copy in the servicing file.

Effective immediately, to the extent a borrower executed and delivered a Dodd-Frank Certification, regardless of whether such borrower checked any boxes included therein or dated it, such borrower shall be deemed to have complied with the requirement to deliver a Dodd-Frank Certification. If the borrower dated the certification, the servicer shall use the borrower's date as the compliance date for determining borrower eligibility. If the borrower returned the certification undated, the servicer shall use its own date stamp as the compliance date for determining borrower eligibility.

Internal Quality Assurance

This Supplemental Directive clarifies existing requirements with respect to a servicer's responsibility to develop and execute an effective internal quality assurance program covering its MHA activities. The text below will be added to the *Handbook* in its entirety as a new Section 2.7 of Chapter I incorporating Internal Quality Assurance guidelines into the existing compliance guidelines described in such Chapter.

2.7 Internal Quality Assurance

Each servicer must develop, document and execute an effective quality assurance (QA) program that includes independent reviews of each MHA program (e.g. HAMP, UP, 2MP, PRA, HAFA, Treasury FHA-HAMP, RD-HAMP and FHA2LP) in which the servicer is participating pursuant to an executed SPA to ensure that the servicer's implementation and execution of such program(s) conforms to the requirements of the SPA and this Handbook.

2.7.1 Establishment of a Quality Assurance Function

Each servicer must establish an internal QA function that:

- Is independent of the servicer's MHA management team;
- Is comprised of personnel skilled at evaluating and validating the processes, decisions and documentation utilized throughout the implementation of each applicable MHA program;
- Has the appropriate authority, privileges, and knowledge to effectively conduct internal QA reviews;
- Coordinates activities and validates results with other risk and control units within the servicer's organization including, but not limited to, internal audit, compliance, and operational risk;
- Evaluates whether management, at varying levels, is receiving appropriate information on a timely basis which would allow for the identification of process failures, backlogs, or unexpected results or impacts; and
- Evaluates the completeness, accuracy and timeliness of the servicer's response to MHA-C servicer-level review reports.

2.7.2 Scope of Quality Assurance Reviews

The QA function must conduct reviews that are commensurate with the size, complexity, and risk of the servicer's program activities. The QA function must also be capable of assessing the impacts and consequences of identified risks and weaknesses, especially those that may have adverse borrower impacts (e.g., non-approvals, foreclosures, broad-based exclusions, servicing transfers, fraud identification, etc.). The established QA function must evaluate all components of the servicer's participation in applicable MHA programs, including, but not limited to:

- Availability and responsiveness of servicing personnel to borrower inquiries, questions, and complaints , including Escalated Cases;
- Solicitation and outreach to potentially eligible borrowers;
- Determination of borrower eligibility for any MHA program;
- Pre-screening practices – verbal borrower evaluation for income exclusion and/or exclusion from solicitation due to known eligibility failures or automated programs used to target and identify potentially eligible or qualified individuals for MHA programs;
- Tracking and retention of documentation submitted by borrowers;
- Documentation and application of servicer-specific HAFA and PRA Policies;
- Documentation and application of investor-specific requirements for all MHA programs;
- Compliance with the requirements concerning Borrower Notices as described in Section 2.3 of Chapter II;
- Reporting of Government Monitoring Data (GMD) as described in Section 4.1.2 of Chapter II;
- Reporting of reason codes as described in Section 11.4.1 of Chapter II;
- Adherence to prohibitions on referral of loans to foreclosure and conducting of scheduled foreclosure sales as described in Section 3 of Chapter II and elsewhere in the Handbook;
- Underwriting, including assessment of imminent default and hardship circumstances, calculation of borrower income, debts and escrow analysis; valuation of property; application of the standard modification waterfall and, if required, the alternative modification waterfall;
- Base NPV Model calculations:
    - For all servicers, the QA function must assess controls designed to ensure the accuracy of the Base NPV Model inputs and outputs and the appropriate use, management, and storage of NPV-related data.
    - In addition, for servicers that have recoded the Base NPV Model into their loss mitigation systems, the QA function must assess the servicer's model management and application development processes.
- Documentation of a request for and approval of a modification (or other loss mitigation option) by the mortgage insurer, investor and/or other interested party in a loss position;

- Conduct of trial period plans (TPP), including documentation, application of payments and use of suspense/unapplied funds accounts, credit reporting and conversion to permanent modification for both first and second lien mortgages as appropriate;
- Correctly matching the terms of a borrower's second lien modification with the terms of the borrower's first lien modification for purposes of processing 2MP modifications;
- Timely consideration of alternative loss mitigation options, as well as other foreclosure alternatives including HAFA, when a permanent modification is not appropriate;
- Management of Escalated Cases as described in Section 3;
- External reporting (e.g., to credit bureaus, mortgage insurers, investors and guarantors);
- Reconciliation and distribution of incentives payments;
- Reconciliation and correction of MHA data with the Program Administrator for the HAMP Reporting Tool;
- Maintenance of documentation appropriate to support MHA requirements and decisions; and
- Reporting of MHA data timely and accurately for recording in the HAMP Reporting Tool, including data related to incentive payments, and the process used to map program data from the servicer's loss mitigation system to the HAMP Reporting Tool.

2.7.3 Quality Assurance Review: Methodology, Timing and Reporting

The QA plan must include a variety of audit techniques including loan file evaluations that are based on an appropriate sampling process: either statistically valid sampling with a 95 percent confidence level, or a stratified sample of loans. In either case, the sampling methodology must be documented and must include both random and risk-based selection criteria, as appropriate. The QA plan must ensure that other available information such as information relating to complaints or the results of prior reviews is documented and used as appropriate to determine the focus of QA activities and the loan sample criteria.

QA reviews must occur at least quarterly. Within 45 calendar days of QA review completion, a report must be distributed to the appropriate executives or board-level committees, including senior management independent of the area under review. The report must include at least the following:

- Results of the QA reviews;
- Results of the latest MHA-C servicer-level review reports;
- Trending reports:
  - Each trending report must summarize the data from the 12 months prior to the report date. The trending data must be used in management's assessment of the effectiveness of established MHA processes and training.
- Recommendations to improve internal oversight;

- Recommendations to improve MHA processes and training; and
- Remediation actions, if necessary.

The QA plan must include a rigorous follow up process (generally at 30-day increments after report issuance) to ensure that management is taking necessary remediation actions to address identified issues, including assigning a specific manager to implement process improvements and oversee remediation efforts addressing exceptions identified by QA. Remediation efforts must include re-evaluating loans not properly considered for MHA programs if appropriate.

Results of QA activities must be supported by adequate work papers and other documentation that is well organized and sufficiently detailed to allow a knowledgeable third party who did not participate in the review to assess the documentation and understand how the conclusions reached in the associated report are substantiated.

Results of QA activities, the written QA plan, and all associated documentation including work papers must be retained in accordance with the records retention provisions of the SPA and made available to MHA-C upon request.

Verification of Income

Borrower income is used to qualify a borrower for HAMP and to determine certain HAMP incentive payments. Therefore, it is critical that servicers correctly calculate a borrower's monthly gross income. The guidance set forth in Exhibit B of this Supplemental Directive clarifies the existing verification guidance in Section 5 of Chapter II of the *Handbook* but does not change the types of income servicers must consider when evaluating borrowers.

Each participating servicer must develop and adhere to a written policy and procedures (Verification Policy) that describe the basis on which the servicer will determine a borrower's monthly gross income (or the borrowers' combined monthly gross income in the case of co-borrowers) and non-borrower household income. This requirement is intended to ensure that similarly situated borrowers will be treated in a consistent manner. The Verification Policy must describe the following:

- Under what circumstances documentation in addition to the documentation described in Section 5 of Chapter II of the *Handbook* may be requested;
- How the servicer will reconcile discrepancies between the Request for Modification and Affidavit (RMA), tax documents and income documents;
- How the servicer will calculate non-traditional income scenarios such as underemployment, recent employment, overtime and seasonal or sporadic income; and
- Circumstances under which servicing personnel may exercise business judgment in calculating borrower income.

The Verification Policy must detail income calculation methodologies for HAMP evaluations, including specific details as to how income is verified and calculated under various scenarios with a level of detail similar to the underwriting guidelines published by Fannie Mae and Freddie

Mac. An example of an income calculation worksheet that is suitable for servicers to use when documenting their analyses, assumptions, and calculations related to determining monthly gross income is attached as Exhibit C to this Supplemental Directive.

Other enhancements to the guidelines set forth in Exhibit B to this Supplemental Directive include:

- Verifying, in certain circumstances, that a borrower's trial period payment amount was correct if the borrower fails a trial period plan (TPP) for non-payment, and when appropriate, providing the borrower with a new TPP with the corrected payment amount;
- Requiring up to four consecutive months of bank statements as an alternative to obtaining a profit and loss statement or if, following receipt, it is determined that the information in the profit and loss statement is insufficient;
- Identifying the specific sources and amount of a borrower's passive or non-wage income;
- Verifying the occupancy of a non-borrower (after obtaining written consent to obtain the non-borrower's credit report) in the same manner the servicer verifies the occupancy of a borrower;
- Excluding income (e.g., income tax refunds, severance payments and grants) and establishing guidance around what must not be considered when verifying the borrower's monthly gross income; and
- Prohibition on the use of the monthly gross income of a borrower, co-borrower or non-borrower occupant as the basis for a TPP or permanent modification if that income was previously used as the basis for a permanent modification, even if that individual's principal residence has changed.

EXHIBIT A
AMENDED DODD-FRANK CERTIFICATION FORM

Help for America's Homeowners
MAKING HOME AFFORDABLE

Dodd-Frank Certification

The following information is requested by the federal government in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203). **You are required to furnish this information.** The law provides that no person shall be eligible to begin receiving assistance from the Making Home Affordable Program, authorized under the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201 *et seq.*), or any other mortgage assistance program authorized or funded by that Act, if such person, in connection with a mortgage or real estate transaction, has been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud, or forgery, (B) money laundering or (C) tax evasion.

I/we certify under penalty of perjury that I/we have not been convicted within the last 10 years of any one of the following in connection with a mortgage or real estate transaction:

(a) felony larceny, theft, fraud, or forgery,
(b) money laundering or
(c) tax evasion.

I/we understand that the servicer, the U.S. Department of the Treasury, or their agents may investigate the accuracy of my statements by performing routine background checks, including automated searches of federal, state and county databases, to confirm that I/we have not been convicted of such crimes. I/we also understand that knowingly submitting false information may violate Federal law.

This Certificate is effective on the earlier of the date listed below or the date received by your servicer.

______________________________	____________________
Borrower Signature	Date
______________________________	____________________
Co-Borrower Signature	Date

EXHIBIT B
MHA HANDBOOK MAPPING

The following guidance amends and supersedes the notated portions of the *Handbook*. Changed or new text is indicated in italics. Text that is lined out was deleted.

A. The third paragraph of Section 1.7 of Chapter I is replaced in its entirety and the fourth paragraph is added with the following text:

A servicer must obtain a*n executed* ~~completed~~ Dodd-Frank Certification from each borrower in accordance with the guidance set forth in the table below. *Servicers are required to date stamp the executed Dodd-Frank Certification upon receipt whether or not the borrower has dated it.* The Interim Period described in the table below is the period from September 22, 2010 through December 31, 2010. The Final Period is the period beginning January 1, 2011. The form of the Dodd-Frank Certification is available on www.HMPadmin.com.

An amended form of the Dodd-Frank Certification was released on February 17, 2011 and can be found on www.HMPadmin.com. Servicers must use the amended form beginning on and after May 1, 2011. To the extent a borrower delivered the original form of the Dodd-Frank Certification, regardless of whether such borrower checked the boxes therein or dated it, the borrower shall be deemed to have complied with the Dodd-Frank Certification requirement.

B. Section 2.2 of Chapter I is amended to include the following text related to compliance documentation which will become the new seventh bullet:

- *All written policies and procedures that describe the basis on which the servicer will determine a borrower's monthly gross income (or, in the case of co-borrowers or non-borrower occupants the combined monthly gross income).*

C. The introduction to Section 5 of Chapter II is replaced in its entirety with the following text:

Servicers must develop and adhere to a written policy and procedures (Verification Policy) that describe the basis on which the servicer will determine a borrower's monthly gross income (or, in the case of co-borrowers, the combined monthly gross income). The Verification Policy must:

- *Be compliant with the requirements set forth in this Handbook;*
- *Reflect the business judgment employed by the servicer when modifying loans held in its own portfolio;*
- *Be consistent with investor guidelines, when applicable; and*
- *Contain a level of detail similar to the underwriting guidelines published by Freddie Mac and Fannie Mae.*

The Verification Policy must include use of an income calculation worksheet that demonstrates the analysis, assumptions and calculations used by the servicer to determine monthly gross *income. The completed worksheet, which may be electronic or in hard copy, must be retained in the servicing system and/or mortgage file and made available to MHA-C upon request. A form of an income calculation worksheet is available on www.HMPadmin.com. Use of this form by servicers is optional; however, any alternative form used by the servicer must include a similar level of detail.*

*Prior to offering a TPP or sending a Non-Approval Notice to the borrower***,** ~~S~~servicers must verify a borrower's eligibility for HAMP using the documentation provided ~~by the borrower~~ in the Initial Package *and any other supplemental information provided by the borrower in a timely manner*. ~~prior to offering a TPP.~~

In the event a borrower fails a TPP for non-payment of the trial period payment, the servicer must, prior to issuing a Non-Approval Notice in accordance with Section 2.3.2.2, re-calculate the borrower's income to ensure that the trial period payment was accurately determined based on the income information originally provided by the borrower. This re-calculation of income must be conducted by an employee not involved in the original income calculation. No new income information or verification should be included in the re-calculation.

If, as a result of the re-calculation, the servicer determines that the borrower's trial period payment exceeded by 10 percent or more the correct trial period payment, the servicer must cancel the initial TPP using the cancellation code number 8 "Offer Not Accepted by Borrower / Request Withdrawn" and offer the borrower a new TPP with the correct trial period payment. The new written TPP Notice must include an explanation that the borrower is able to re-start the TPP with a lower trial period payment based on a re-calculation of income. Should the borrower fail to remit the new trial period payment on or before the first trial period payment due date, the servicer must follow the guidelines set forth in Section 8.3. If as a result of the re-calculation the servicer determines that the borrower's trial period payment did not exceed by 10 percent or more the correct trial period payment, the servicer must cancel the TPP in accordance with Section 2.3.2.

Servicers are not required to complete the income re-calculation when the borrower's failure to make timely trial period payments was the result of a significant change in the borrower's circumstances resulting in a reduction of income (e.g., unemployment, divorce). Servicers must retain evidence in the servicing file documenting these changed circumstances. Such evidence may include statements made by the borrower as documented in the servicing notes.

When applicable, servicers must complete the re-calculation within 30 calendar days of the trial period payment default. Until the servicer completes the re-calculation, the servicer shall not report the TPP default in the HAMP Reporting Tool.

D. Section 5.1 of Chapter II is replaced in its entirety with the following text :

Servicers *must* request that the borrower provide the income verification documentation listed below, but may, if consistent with ~~contractual requirements,~~ *investor guidelines and the servicer's Verification Policy*, substitute other reliable forms of verification when appropriate. However, servicers may not require verification documentation in addition to the documentation listed below unless the servicer determines that additional documentation is necessary to resolve discrepancies between the RMA, tax documents and income documentation. Servicers are responsible for determining that any information provided by the borrower that is needed to evaluate the borrower's *eligibility* ~~qualification~~ for HAMP is complete and accurate.

The servicer's Verification Policy should describe:

- *Under what circumstances additional documentation will be required;*
- *How the servicer will reconcile discrepancies between the RMA, tax documents and income documentation;*
- *How the servicer will calculate non-traditional income scenarios such as underemployment, recent employment, overtime, seasonal or sporadic income; and*
- *Circumstances under which servicing personnel may exercise business judgment in calculating the borrower income, and how and where the business judgment is to be documented for the borrower's account.*

When verifying a borrower's income and evaluating a borrower's eligibility for HAMP, servicers should use good business judgment consistent with the judgment employed when modifying mortgage loans held in their own portfolio.~~ For example, servicers may use the: current income documentation when there is a discrepancy between tax returns and current income documentation if the borrower has changed jobs or has had a substantial pay cut; or information from the tax transcript obtained via form 4506T-EZ when differences exist between the transcript and the tax return provided by the borrower.~~

E. Section 5.1.1 of Chapter II is replaced in its entirety with the following text :

Each wage earning borrower must provide copies of two recent pay stubs, not more than 90 *calendar* days old at time of submission, indicating year-to-date earnings.

A ~~S~~servicer~~s~~ may accept pay stubs that are not consecutive if, in the business judgment of the servicer, it is evident that the borrower's income has been accurately established. *A servicer may also accept pay stubs that do not show year-to-date income, if, in its business judgment, and based on all other documentation, the pay stubs indicate the borrower's recurring monthly income.*

When two pay stubs indicate different periodic income, servicers may use year-to-date earnings to determine the average periodic income, and account for any non-periodic income reflected in either of the pay stubs.

~~When verifying annualized income based on the year-to-date earnings reflected on pay stubs, servicers may, in their business judgment, make adjustments when it is likely that sources of additional income (bonus, commissions, etc.) are not likely to continue.~~

The Verification Policy should describe how the servicer will:

- *Calculate income based on the frequency of payments*;
- *Make adjustments when it is likely that sources of additional income (bonus, commissions, etc.) are not likely to continue; and*
- *Utilize alternative forms of income documentation (IRS Forms 1099, 1040, W-2, and IRS tax transcripts or letters from employers) when pay stubs are not available or sufficient or do not show year-to-date income.*

F. Section 5.1.2 of Chapter II is replaced in its entirety with the following text :

Each self-employed borrower must provide his or her most recent quarterly or year-to-date profit and loss statement. Audited financial statements are not required.

When calculating gross income for self-employed borrowers, a servicer *must* include the borrower's net profit plus any salary or draw amounts that were paid to the borrower in addition to ~~adding any of the~~ *making* allowable adjustments used in analyzing the tax returns for the business, ~~such as~~ *if applicable, to decrease gross income (e.g.,* nonrecurring income) ~~and~~ *or to increase gross income (e.g.,* expenses, depreciation and depletion) ~~(if applicable)~~.

If consistent with the Verification Policy, servicers may require up to four consecutive months of bank statements as an alternative to obtaining a profit and loss statement or if, following receipt, it is determined that the information in the profit and loss statement is insufficient.

G. Section 5.1.3 of Chapter II is amended to add the following text as the final sentence in such section:

The servicer's Verification Policy must describe whether and how the servicer will discount or not consider other earned income when such income is not likely to continue.

H. The first paragraph of Section 5.1.4 of Chapter II is replaced in its entirety with the following text :

Benefit income includes, but is not limited to, social security, disability, *survivor benefits*, pension, public assistance and adoption assistance. Government benefits granted under the Supplemental Nutrition Assistance Program (i.e., food stamps) are considered to be a source of income for the purposes of HAMP because, like other income, they are used by the borrower to cover reasonable monthly living expenses.

I. Section 5.1.5 of Chapter II is replaced in its entirety with the following text:

Borrowers who receive unemployment benefits and request assistance under HAMP must be evaluated for and, if eligible, offered an UP forbearance plan before the borrower may be considered for HAMP. See Chapter III, Home Affordable Unemployment Program. *See also Section 5.1.10 (excluding unemployment benefits from gross income calculations under HAMP).*

J. Section 5.1.7 of Chapter II is replaced in its entirety with the following text :

Servicers may not require ~~B~~*b*orrowers to use alimony, separation maintenance or child support income to qualify for HAMP. However, if a borrower chooses to provide this income, it *must* be documented with (i) copies of the divorce decree, separation agreement or other legal written agreement filed with a court, or a court decree that provides for the payment of alimony or child support and states the amount of the award and the period of time over which it will be received, and (ii) evidence of receipt of payment, such as copies of the two most recent bank statements or deposit advices showing deposit amounts. If the borrower voluntarily provides such income, and that income renders the borrower ineligible for a HAMP offer, the servicer is allowed to remove that income from consideration and re-evaluate the borrower for HAMP eligibility.

K. Section 5.1.8 of Chapter II is replaced in its entirety with the following text:

Notwithstanding the other provisions of this Section 5.1, passive and non-wage income (including rental, part-time employment, bonus/tip, investment and benefit income) does not have to be documented if it constitutes less than 20 percent of the borrower's total *gross* income. *Servicers must identify the specific sources and amount of a borrower's passive or non-wage income and may not assume that a portion of the borrower's income is passive. Servicers must obtain income documentation to verify passive or non-wage income when it equals or exceeds 20 percent of the borrower's total gross income.*

L. The second paragraph of Section 5.1.9 of Chapter II is amended to include the following text as the last sentence:

The servicer must verify the occupancy of a non-borrower in the same manner it verifies the occupancy of a borrower under Section 5.3 after obtaining written authorization from the non-borrower to obtain the non-borrower's credit report.

M. A new Section 5.1.10 of Chapter II related to Excluded Income is inserted in its entirety with the following text:

The servicer must not consider the following items when verifying the borrower's income:

- *Income tax refunds;*
- *Non-borrower non-household income;*
- *Grants, including mortgage assistance payments;*
- *Severance payments; and*
- *Unemployment benefits.*

N. The second paragraph of Section 5.3 of Chapter II is replaced in its entirety with the following text :

A servicer *must* consider a mortgage loan for HAMP that, while originally secured by non-owner occupied property, has become the borrower's principal residence as long as such occupancy can be verified. *However, if an individual's income, whether that individual is a borrower, co-*

borrower or non-borrower occupant, has previously been used as the basis for a permanent modification, that individual may not be considered for a subsequent permanent modification even if the individual's principal residence has changed.

EXHIBIT C

Help for America's Homeowners MAKING HOME AFFORDABLE[SM]

HAMP Income Calculation Worksheet

Prepared By:

I. Borrower and Property Information

Loan Number:____

Borrower Name:____

	Income Type:			**Calculation Method:**				
Borrower:	S/E	Wage	Other	YTD	Weekly	Bi-Wk	Semi-Mo	Annual
Co-Borrower:	S/E	Wage	Other	YTD	Weekly	Bi-Wk	Semi-Mo	Annual
Non-Borrower:	S/E	Wage	Other	YTD	Weekly	Bi-Wk	Semi-Mo	Annual

II. Monthly Income

	Borrower:	**Co-Borrower #1**	**Co-Borrower #2**	**TOTAL**
Base Income:	$	$	$	$
Other Income:	$	$	$	$
TOTAL Income:	$	$	$	$

III. Detailed Summary of Monthly Income Calculation

	Borrower	Co-Borrower #1	Co-Borrower #2	Verified (Y/N)?	Document Used to Verify	Date of Document
Employment:	$	$	$			
Self-Employment:	$	$	$			
Social Security:	$	$	$			
Child Support:	$	$	$			
Alimony:	$	$	$			
Pension:	$	$	$			
Disability:	$	$	$			
Survivor Benefits:	$	$	$			
Rental Income:	$	$	$			
Unemployment:	$	$	$			
Public Assistance:	$	$	$			

Misc/Other Income (Detail below):

Source Description	Borrower	Co-Borrower #1	Co-Borrower #2	Verified (Y/N)?	Document Used to Verify	Date of Document
	$	$	$			
	$	$	$			
	$	$	$			
	$	$	$			
	$	$	$			

IV. Servicer Explanation of Income Calculation (Please show calculations, assumptions and methodology)