

## Countrywide Settlement FAQ's

### **1. Does the settlement impact my Countrywide loan?**

The Attorney General's settlement with Countrywide provides for loan modifications for eligible borrowers who are 60 days or more delinquent, become 60 days delinquent, or can reasonably be expected to become 60 or more days delinquent and who have subprime or pay option loans that they obtained from Countrywide or from a broker working with Countrywide.

Borrowers with these loans may be eligible for modification if the first payment on their loan was due between January 1, 2004 and December 31, 2007, they live in the property that serves as security for the mortgage, they owe 75% or more of the current value of their home, and they can afford the new, lower payment under the modification.

### **2. I am not sure what type of loan I have. How do I find out if I am eligible for loan modification under the settlement?**

The Attorney General's Office cannot say whether you will or will not get a modification. Countrywide will be notifying eligible borrowers by December 1, 2008. Or, you can call Countrywide toll-free at (800) 669-6607 to find out now if you are potentially eligible for loan modification under this settlement.

### **3. I have a subprime or pay option loan. Does that mean I am eligible for a modification under the settlement?**

The Attorney General's Office cannot say whether you will or will not get a modification – that will depend on your individual circumstances, including whether you can afford payments on the modified loan.

### **4. What if I am delinquent on my mortgage but I do not have a subprime or pay option loan?**

Countrywide is pledging to evaluate all other borrowers with payment difficulties for possible modifications on a case-by-case basis. If you are having difficulties making payments on your loan but do not have a subprime or pay option loan, you should call Countrywide at (800) 669-6607.

### **5. When will the modifications start?**

On or before December 1, 2008, Countrywide will begin contacting borrowers who may be eligible for modifications.

**6. Can I contact Countrywide to ask for a modification?**

Under the settlement, Countrywide will contact all borrowers who may be eligible for a modification under this settlement. However, you can also call Countrywide toll-free at (800) 669-6607 to ask if you are potentially eligible for a modification under this settlement or another program. If you do call Countrywide, please write down the full name of the person you talk to, and the date and time of your call.

**7. I think I should get a modification. Do I have to continue making payments on my Countrywide loan until then?**

The settlement does not by itself change your loan payment or allow you to stop making payments. Borrowers who may be considered for a modification will be contacted by Countrywide and also can contact Countrywide at (800) 669-6607 with specific questions about their loan.

You should not stop making payments on your loan just because you think you might qualify for a modification – doing so may damage your credit and even harm your chances of receiving a loan modification.

**8. What if I am in foreclosure already?**

For borrowers who may be eligible for loan modifications, Countrywide is suspending the foreclosure process and will not be initiating any new foreclosures. Even though modifications might not start until December 1, 2008, Countrywide is suspending these foreclosures for now.

**9. What loan terms will borrowers receive if they obtain a modification?**

The exact terms of a modification will vary from borrower to borrower, depending on the borrower's circumstances (such as loan amount, the borrower's income, and the current value of the borrower's home). Generally, borrowers will be considered for possible interest rate reductions or conversion to an interest-only loan for five or ten years.

**10. Will I have to pay a fee to Countrywide to get a modification?**

No. Borrowers eligible to get a modification under the settlement will not have to pay any fees. The only exception is that a borrower who gets a refinance through the separate federal program known as HOPE for Homeowner's might have to pay a fee. However, the guidelines for the HOPE for Homeowner's Program have not yet been announced by the federal government, so we do not know whether that program will include any fees.

If anyone asks you to pay a fee in order to request or receive a loan modification under the settlement agreement on your Countrywide loan, please report this immediately by calling the Attorney General's Homeowner's Referral Hotline at (866) 544-7151.

**11. Will I have to pay late fees and/or prepayment penalties if I get a modification under the settlement?**

The settlement requires Countrywide to waive unpaid late fees for borrowers with subprime or pay option loans who receive a modification under the settlement, as well as prepayment penalties for borrowers with subprime or pay option loans that are owned by Countrywide who receive a modification or are able to refinance or pay off their loans.

**12. What if I am current on my loan now but think I will not be able to make my payments in the future?**

The settlement requires Countrywide to make loan modifications for eligible borrowers through June 30, 2012. Also, if you think you will have any difficulties making your payments in the future, you are encouraged to contact Countrywide now at (800) 669-6607.

**13. Can I call a local Countrywide branch or my loan broker to ask for a modification?**

No. At this time, you should not call a local branch or broker. Instead, contact Countrywide at (800) 669-6607 to ask about the Nationwide Homeownership Retention Program or to ask any other questions you may have about the settlement.

**14. Can I still sue Countrywide if I get a loan modification under the settlement?**

Yes. Borrowers will not have to release any legal claims they may have against Countrywide in order to receive a modification of their loan under the settlement.

**15. What if I have already lost my house to foreclosure?**

The settlement requires Countrywide to distribute roughly \$8.5 million dollars to Illinois consumers who have already lost their homes to foreclosure. The Attorney General's Office is in the process of determining which specific borrowers will be eligible for payments under this program and the amount of those payments. Eligible borrowers will receive a notice from the Office of the Illinois Attorney General.

Please note that to receive a cash payment under this program, borrowers will have to sign and return a release of any legal claims they may have against Countrywide regarding their mortgage loan. We urge borrowers to consult with a private attorney, or, if they qualify, a legal services attorney before signing the release. Please read below for information on finding an attorney.

**16. What if I lose my house to foreclosure in the future?**

The settlement also requires Countrywide to make relocation assistance payments to borrowers who lose their homes to foreclosure in the future and agree to leave their homes in a timely and appropriate manner. The amount of those payments may vary from borrower to borrower, depending on individual circumstances such as the size of the household.

**17. Can you give me advice on whether I have other legal claims against Countrywide?**

The Attorney General's Office is not able to give you legal or other advice on this matter. If you would like advice, please consult a private attorney of your choosing, or a legal aid attorney if you qualify.

**18. How can I find a lawyer?**

You can find a lawyer through the legal assistance referral agencies listed on our website, <http://www.illinoisattorneygeneral.gov/about/probono.html>.

**19. Can I still file a complaint with the Attorney General's Office about Countrywide?**

Yes. If you wish to file a complaint about your loan, or think you were denied a loan modification when you should have received one, please contact the Attorney General's Homeowner's Referral Hotline at (866) 544-7151.

**20. Is this settlement part of the bailout passed by Congress?**

No. It is a separate settlement between Countrywide and the Illinois Attorney General.

**21. Does the settlement include borrowers outside of Illinois?**

Countrywide is adopting the mortgage modification plan nationwide. However, the monetary relief for borrowers who have already been foreclosed is only available in states that have formally agreed to participate in the settlement. To find out if your state is participating, please contact the Attorney General's Office in your state.

**22. I have additional questions about my Countrywide loan. Where can I obtain more information about the Attorney General's settlement with Countrywide?**

For more information, borrowers who have questions about the Countrywide settlement and how it may affect them can call Countrywide at (800) 669-6607 or the Attorney General's Homeowner's Referral Hotline at (866) 544-7151. When calling Countrywide, you should say you are calling with questions about the Nationwide Homeownership Retention Program.

**23. I called Countrywide, but the person I spoke with was not able to answer my questions or provide assistance.**

If this happens, please call the Attorney General's office by calling the Attorney General's Homeowner's Referral Hotline at (866) 544-7151 and we will help you in getting answers to your questions and assistance from Countrywide. It will be helpful if you have your loan number available.

**24. I do not have a Countrywide mortgage, but I am having trouble making my loan payments. What should I do?**

Borrowers having difficulty making their loan payments should immediately contact their loan servicer to discuss their options. Also, a counselor with a HUD-certified housing counseling agency can provide valuable assistance by assessing the borrower's situation, answering questions, going over options, prioritizing debts, and helping borrowers prepare for discussions with their loan servicers. A list of HUD-certified housing counselors is available at HUD's website, [www.hud.gov](http://www.hud.gov).

**25. Do I have to pay a third party in order to receive a loan modification from Countrywide (or any other lender)?**

No. Borrowers should be aware that mortgage foreclosure rescue consultants prey upon Homeowner's who are having financial hardship. These consultants promise to help consumers stay in their homes – for a fee. They take money and then either provide services that the homeowner or a not-for-profit HUD-certified housing counseling agency could have performed for free or no service at all. If someone contacts you about foreclosure rescue services, please call the Attorney General's Homeowner's Referral Hotline at (866) 544-7151.