

Bank Loan Modification

CONSULTING SERVICE AGREEMENT

This "**CONSULTING AGREEMENT**" ("**Agreement**") is made as of this ___ day of _____, 200__ by each of the undersigned parties,

_____,
(individually and collectively, the "**Client**") in order to hire and retain the consulting services of Fidelity Modification Consultants ("**Company**") for the purpose of assisting Client in negotiating and modifying Client's present mortgage terms with _____ ("**First Mortgage Lender**") for loan # _____ ("**1st Mortgage Loan**") and _____ ("**Second Mortgage Lender**") for loan # _____ ("**2nd Mortgage Loan**"), which presently encumber the residential real estate premises located at _____ (the "**Premises**").

EACH OF THE PARTIES HERETO AGREES AS FOLLOWS:

1. **AGREEMENT TO HIRE AND RETAIN.** Client wants to hire and retain Company for the purpose of negotiating and modifying Client's present mortgage loan terms for the Premises.
2. **ACCEPTANCE OF ENGAGEMENT.** Subject to the terms and conditions hereof and Client's provision of true and accurate information, Company accepts engagement by Client.
3. **DESCRIPTION OF SERVICES.** For one or more reasons, Client has stated that Client's present mortgage terms are too difficult for Client to manage at the present time. At the time that Client closed on the existing mortgage loans, such loan(s) may or may not have been the best loan for Client. There are many factors that are considered when a bank makes a loan to a borrower. These factors include consumer credit scores, appraisal values, sufficiency of supporting income documentation, title issues, as well as many other factors. Company's services, along with the help of legal counsel, include the following:
 - a. review Client's existing loan terms;
 - b. review the process in which such loan(s) were made to Client to see whether they are compliant with applicable laws like TILA, RESPA and the state's banking laws;
 - c. review Client's past and present financial summary;
 - d. determine what options may be available to Client; and
 - e. negotiate the terms of Client's present mortgage loans with the lender(s).
4. **TERM.** The term of this Agreement shall expire on the ninetieth (90th) calendar day following the date first written above, unless further extended by a written agreement signed by all of the parties hereto.
5. **FEES.** Client shall pay Company consulting fees for the services provided herein in an amount of **PERCENT** (____%) **PERCENT** of the total unpaid balance(s) of the mortgage(s) being negotiated and modified, including any monies in arrears.

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- a. one half (1/2) of the total Consulting Fee shall be paid upon execution of this Agreement; and
- b. one half (1/2) balance of the total Consulting Fee shall be paid within thirty (30) days of the date hereof.

Payment may only be made by credit card, debit card, money order or bank/official check. No other forms of payment will be accepted. If Client defaults in making full and timely payment to Company, Company shall have the right to terminate this Agreement without a refund of monies to Client.

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6. **NO GUARANTEES.** There is NO GUARANTEE that Company will succeed in satisfactorily negotiating with your lender(s). For this reason, Client will receive a refund of all monies paid minus the NON-REFUNDABLE \$950 application fee.

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7. **REFUND POLICY.** If the Company is unable to receive an approval for a loan modification that is beneficial to Client ("**Beneficial Loan Modification**"), the Company will refund all of the monies paid by Client less Company's \$950 non-refundable application fee. The \$950 application fee is retained to cover our processing and legal fees. Clients who receive a Beneficial Loan Modification of their existing mortgage and subsequently do not wish to go forward with are NOT entitled to any refund. If you provide the Company with any false or fraudulent information, you are also NOT entitled to any refund.

In order to clarify any misinterpretation of the term "**Beneficial Loan Modification**", the parties all agree that each of the following shall separately or collectively be enough to qualify as a "**Beneficial Loan Modification**" satisfactory to Client:

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- a. **Interest Rate Reduction.** Lender agrees to reduce the existing interest rate of the loan(s).
 - b. **Interest Rate Status Change.** Lender agrees to change a variable interest rate for the loan(s) to a fixed interest rate, whether temporarily or permanently, at a rate equal to or less than Client's current interest rate.
 - c. **Principal Balance Reduction.** Lender agrees to reduce the principal balance of the loan.
 - d. **Extension of Loan Maturity Date.** Lender agrees to extend the term of the loan in order to reduce the monthly payment obligation.
 - e. **Monthly Mortgage Payment Reduction.** Lender, by one or more ways, reduces Client's monthly mortgage payment obligation by ten percent (10%) or more.
 - f. **Forbearance.** Lender agrees to permit Client to delay or reduce payments for a short period, with the understanding that another option will be used at the close of that period of time to bring Client's account to a current status. Once in agreement, the lender will cease legal actions.
8. **CLIENT REPRESENTATIONS.** Client understands that Company, First Mortgage Lender, Second Mortgage Lender, and all attorneys that review Client's file will be relying on the accuracy and truthfulness of all information provided by Client. Under penalty of perjury, Client hereby represents and warrants that all information and documentation that Client has provided to Company is true and accurate in all respects.
 9. **CLIENT COOPERATION.** Client shall fully cooperate with Company, First Mortgage Lender, Second Mortgage Lender, and all attorneys working on this file in timely (within 5 calendar days of a request to Client) providing requested documentation and information.
 10. **REQUIRED DOCUMENTATION.** Client shall deliver the following "Required Documentation" together with payment of one-half of the Consulting Fees and a Client executed original of this Agreement:

- a. Mortgage Statement(s) (most recent);
- b. Pay Stubs (most recent 2 pay stubs);
- c. W-2s (last 2 years);
- d. Tax Returns (last 2 years);
- e. Leases for any rentals;
- f. Social Security & Pension Income Proof;
- g. Proof of all household income;
- h. Checking & Savings accounts (last 6 months);
- i. Financial Summary Snapshot (fully completed & signed);
- j. Hardship letter; and
- k. Consumer credit report.

11. **NO OTHER AGREEMENTS OR PROMISES.** This Agreement states the total understanding Client and Company as to the scope of services discussed herein.

12. **GOVERNING LAW.** This Agreement and any conflicts arising out of this Agreement shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement has been executed by each of the parties hereto as of the day and date first written above.

WARNING: CAREFULLY READ THIS AGREEMENT BEFORE SIGNING.

\$950 APPLICATION FEE IS NON-REFUNDABLE.

COMPANY CANNOT GUARANTEE OUTCOME.

CLIENT(s)

By: _____
Name:

By: _____
Name:

By: _____
Name:

Subject to delivery of all Required Documentation and the full and timely payment of all Consulting Fees, Engagements accepted by:

COMPANY

Fidelity Modification Consultants,
a New York corporation

By: _____
Name:
Title:

CERTIFICATION AND AUTHORIZATION

CERTIFICATION

Each of the undersigned, under penalty of perjury, certify the following:

1. I/We have applied for a loan modification and negotiation assistance from _____. In applying for such assistance, I/We completed an application containing various personal and financial information, loan information, employment and income information, as well as personal assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentations in the modification application or other documents, nor did I/We omit any pertinent information.

2. I/We understand and agree that _____ reserves the right to verify the information provided on the application with the employer and/or the financial institutions.

3. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this loan modification, as applicable under the provisions of Title 18, United States Code, Section 1014.

AUTHORIZATION TO RELEASE INFORMATION

To Whom It May Concern:

1. I/We have applied for a loan modification from _____. As part of the application process, _____ may verify information contained in my/our application and in other documents required in connection with the loan modification, either before the loan modification is settled or as part of its quality control program.

2. A copy of this authorization may be accepted as an original.

This **CERTIFICATION AND AUTHORIZATION** is dated _____, 200__.

Applicant Signature: _____ SS#: _____

Co-Applicant Signature: _____ SS#: _____