

Because you are a valued IndyMac Federal Bank, FSB customer

# We want to help you stay in your home.

December 4, 2008

Kushbir [REDACTED]  
[REDACTED]  
Stockton, CA 95212-2918

Reduce your monthly payment of principal and interest to \$899.39 and bring your loan current!

If you have any questions, call toll-free: 1.888.947.3863.

Loan #: [REDACTED] 5888  
Property Address: [REDACTED]  
Stockton, CA 95212-2918

Dear Kushbir [REDACTED],

IndyMac Federal Bank, FSB\* proposes to permanently modify your mortgage, bring past due amounts current, and provide you with an affordable monthly payment.†

### What we offer:

- Specifically, based on income information you have provided, we will cap your interest rate at the current interest rate of 6.000% set by Freddie Mac for your remaining loan term.
- In addition, to provide time for you to regain a more secure financial footing, we will reduce that rate to 3.000% for the first five years of your loan. This will result in a monthly principal and interest payment of \$899.39 for the first five years, a reduction of \$104.52. You will continue to be responsible for taxes and insurance on your home. Please note that the payment for principal and interest on your modified mortgage does not include monthly amounts to cover your taxes and insurance. However, you should include tax and insurance amounts in determining your monthly housing expenses.
- After five years, your loan will slowly readjust to 6.000% by no more than 1% each year. The enclosed Modification Agreement includes a chart showing your payments during the life of your modified loan. There are no fees or other charges for this modification.
- In addition, to help make your mortgage more affordable, we are doing two things. First, we have reduced your payments by extending the amortization on your mortgage by an additional ten years. However, the maturity date of your mortgage has not changed. This means that you will continue to make monthly payments until the original maturity of your mortgage, but since payments are now calculated over an extended term, a substantial balloon payment will be due on the maturity date.
- Second, we have also deferred \$39,413.25 of principal on your mortgage. You will not have to repay this deferred amount until you sell your house, refinance your mortgage, or the maturity date of your mortgage. No interest will accrue on this deferred principal.
- Our offer to modify your mortgage to provide you with an affordable payment is based on currently available information from you about your income. However, to finalize this modification, we must verify your income to confirm that you qualify. To verify your income, please sign and return the enclosed Request for Transcript of Tax Return (4506-T) or enclose a copy of your two most recent pay stubs, or provide documentation of other sources of income you would like us to consider, such as bank statements. If you wish to provide alternative verification, please contact us at 1.888.947.3863. To remain eligible for this modification, you also must continue to make timely modified mortgage payments.

### What you do:

All it takes for you to bring your mortgage current and confirm you qualify for this modified mortgage is to:

1. Sign and return the enclosed Modification Agreement along with a check for \$899.39 to be credited for your monthly principal and interest payment and
2. Provide verification of your income to confirm that you qualify for the proposed modification offer.†

If your verified income is different from our information, we will contact you to discuss a different modification offer to your mortgage that may help you keep your home.

We want to help you stay in your home, so please return the signed Modification Agreement, your check, and verification of your income by 12/31/2008.

### Other options:

#### Can't afford the reduced payments?

If after reviewing this offer you decide you still cannot afford your home, please call us at 1.877.908.4357. We may be able to help you. We look forward to hearing from you.

Sincerely,

Brandon Latman  
First Vice President  
IndyMac Federal Bank, FSB



**IMPORTANT INFORMATION YOU SHOULD KNOW:** We are sending this modification offer to you because information we have about you indicates you are eligible to modify your current IndyMac Federal Bank, FSB mortgage loan. We still have to confirm your eligibility for this loan modification. If, after you provide the information we have requested, you are not eligible for this loan modification, your mortgage Note, Security Instrument (and any other related or applicable agreements) will not be modified. If you are not eligible for this loan modification, we still want to work with you to determine if there are alternative ways to help.

<sup>1</sup> In order to reinstate your loan to a current status IndyMac Federal Bank, FSB will add: (1) the interest portion of any past due payments; (2) any advances made to pay property taxes and insurance regardless of whether or not the loan is escrowed for taxes and insurance; and (3) servicing costs, such as fees incurred by IndyMac Federal Bank, FSB to third parties. The total of such amounts will be added to your outstanding loan balance and will become your new principal balance. There are no fees or other charges for this modification. All unpaid late charges will be waived. If the foreclosure process has been initiated, you may be charged additional fees related to the foreclosure process. You are responsible for paying these fees and they are not included in this offer.

**NOTE:** It is important to note that by increasing the amortization term of your loan, you will pay more interest over the life of the loan.

**BALLOON PAYMENT:** This modification contains a balloon payment.

How this modification affects your loan:

<sup>2</sup> As a result of this modification, a portion of your outstanding principal has been deferred (Deferred Principal) until the loan is paid off or matures. This Deferred Principal amount will not accrue interest. The loan terms on the remaining outstanding principal balance (Reduced Principal) will be modified. Your payment will be based on the new interest rate, new Reduced Principal balance and an increased amortization term. This means that your monthly payments will not be sufficient to pay the outstanding Reduced Principal balance on the maturity date; the maturity date of your loan has not changed. In addition to your Deferred Principal payment, you also will have a substantial balloon payment due at maturity.

The modification will permanently cap your interest rate at the Freddie Mac Weekly Mortgage Market Survey Rate (Freddie Mac Rate) shown on the front of this document. During the first five (5) years of the modification, your interest rate will be reduced to the interest rate shown on the front of this document. At the end of the five (5) years, your interest rate will increase annually by no more than one percent (1%) per year until it reaches the Freddie Mac Rate shown on the front of this document. We will notify you at least 30 days prior to payment change dates and advise you of the new monthly payment amount.

This offer requires you to make the monthly payment(s) for principal and interest specified in this letter while IndyMac Federal Bank, FSB is verifying your income information and your qualification for a permanent modification. If your mortgage loan is permanently modified, you will be responsible for making the remainder of the modified principal and interest payments. You also are responsible for paying all taxes and insurance charges for your home.

<sup>3</sup> You must provide information to permit verification of your income. You should sign and return the enclosed Request for Transcript of Tax Return (4506-T) or enclose a copy of your two most recent pay stubs, or provide documentation of other sources of income you would like us to consider, such as bank statements, to allow us to do so. You can also contact us at 1.888.947.3863 to discuss alternative methods for verification. Failure to return the form or to provide necessary documentation in a timely manner will void this offer of a permanent modification. Your financial information will be reviewed to confirm that you qualify for the proposed permanent loan modification offered in this letter. If you do not qualify for the modification offered, the enclosed Modification Agreement is not enforceable.

To be eligible for this offer, you also may not file for bankruptcy between the date of this offer and the completion of the loan modification process.

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**Modification Agreement: Copy for your records**

December 4, 2008

Kushbir [REDACTED]  
[REDACTED]  
Stockton, CA 95212-2918

# Your Copy

**If you have any questions regarding this offer, please call us toll free at 1.888.947.3863.**

**Product:** Stipulated Forbearance to Loan Modification Program  
**Loan Number:** [REDACTED] 5888  
**Property Address:** [REDACTED] Stockton, CA 95212-2918

This letter ("Agreement") will confirm your agreement to modify your Note and your Security Instrument as follows. Capitalized terms used herein have the meaning given them in the Note or the Security Instrument.

1. This Agreement is not binding on Note Holder, unless and until Note Holder, or servicing agent, IndyMac Federal Bank, FSB ("IndyMac"), verifies that you qualify for this modification offer. You will promptly provide IndyMac acceptable information to permit verification of your income, and make the payments shown in the payment schedule in paragraph 5 of this Agreement, while IndyMac verifies your information. If you qualify, IndyMac will sign and return this Agreement to you, and it will be effective on the date it is signed by IndyMac. If you do not make all payments when due while we verify that you qualify, or if you do not qualify, your Note will not be modified. IndyMac will apply any payments you made to the amounts you owe.
2. The unpaid principal balance of your Note as of the date of this Agreement, before modification, is \$270,456.94.
3. The Note and the Security Instrument are modified to increase the principal balance of the Note by the amounts of your arrears on the Note of \$7,892.89, including past due interest in the amount of \$7,870.29, past due Escrow Items totaling \$0.60 and servicing costs totaling \$22.00. The new principal amount of the Note is \$278,349.83 ("New Principal Balance"). All unpaid late charges have been waived. There are no fees or other charges assessed for the modification.
4. You will pay the New Principal Balance by (a) paying the "Amortized Principal", as shown in paragraph 6 below, by making the monthly payments as shown in paragraph 5 below; (b) paying a "Balloon Payment" as shown in paragraph 7 below; and (c) paying the "Deferred Principal Balance" as shown in paragraph 8 below.
5. The interest rate and monthly payment on your Note is modified as follows:

Year	New Interest Rate	Interest Rate Change Date	New Monthly Principal & Interest Payment Amount	Estimated Monthly Escrow Payment Amount	New Monthly Payments Begin On	Number of Payments
1	3.000%	1/1/2009	\$899.39	Adjusts Annually	2/1/2009	60
6	4.000%	1/1/2014	\$1,023.17	Adjusts Annually	2/1/2014	12
7	5.000%	1/1/2015	\$1,151.86	Adjusts Annually	2/1/2015	12
8	6.000%	1/1/2016	\$1,284.59	Adjusts Annually	2/1/2016	232
One additional balloon payment of \$116,992.06 is due on 6/1/2035 for your loan to be paid in full.					Balloon Payment	1
One additional payment of \$39,413.25, your deferred principal balance, is due on 6/1/2035 for your loan to be paid in full.					Deferred Principal Balance	1

6. Your monthly payment stated in your Note will change, effective with the payment due on 2/1/2009 (i.e., one month after the effective date of the reduction of your interest rate, as set forth in paragraph 5 above). This monthly payment will consist of principal and interest, and will continue until the Maturity Date. This monthly payment will be sufficient to pay \$121,944.52 of the principal amount of the Loan at your New Interest Rate ("Amortized Principal"), however, these payments will not be sufficient to pay in full your New Principal Balance.

- 7. This means that you need to be aware that you will be required to pay in full the Balloon Payment of \$116,992.06, upon the earliest of (i) the date you sell the Property, (ii) the date you refinance the Property, or (iii) the Maturity Date.
- 8. You also will be required to pay in full the Deferred Principal Balance of \$39,413.25, upon the earliest of (i) the date you sell the Property, (ii) the date you refinance the Property, or (iii) the Maturity Date. The Note Holder will not charge you interest on this amount.
- 9. The Maturity Date stated in your Note does not change; the Maturity Date remains 6/1/2035.
- 10. The monthly payments for principal and interest, stated above, do not include required payments for taxes and insurance, which may be substantial. Your monthly requirements for taxes and insurance will change periodically during the term of your mortgage.
- 11. Your Security Instrument will continue to secure payment and performance of the Note as amended by this Agreement. Except as modified by this Agreement, all terms and provisions of the Note, any Riders, and the Security Instrument remain in full force and effect. The Note and Security Instrument are duly valid, binding agreements, enforceable in accordance with their terms, and are hereby reaffirmed.

INDYMAC FEDERAL BANK, FSB

By: \_\_\_\_\_ Date

I/We agree to the modification of my/our Loan as described above.

Kushbir \_\_\_\_\_ Date

\_\_\_\_\_ Date