

A reverse mortgage with James B. Nutter & Company remains active up until the property goes into default. Reasons for default include death or other permanent vacancy, delinquent taxes and/or insurance or incomplete property maintenance including required repairs. As soon as default occurs, the loan becomes due and payable as regulated and approved by the Department of Housing and Urban Development.

If the mortgage is in default due to delinquent taxes and/or insurance payments, temporarily vacated property, or for inability to complete required property repairs, please contact us to discuss options for reinstating your loan.

If the loan is in default due to the passing of the mortgage holder, there are no reinstatement options available. The legal transfer of the deed must be initiated through a foreclosure. However, if legal authority to dispose of the property has been granted to an individual through a probate court proceeding, satisfying the mortgage through a short sale or a deed-in-lieu of foreclosure is possible. Enclosed is a brief description of the options for the legal transfer of the deed which are available from the Department of Housing and Urban Development (the insurer of the mortgage), Fannie Mae (the investor who owns the mortgage), and James B. Nutter and Company (the mortgagee).

Although these are legal actions, you will not be required to hire an attorney. If you choose to enlist the services of an attorney, it will be at your own expense or the expense of the estate.

As identified in the signed Note on the reverse mortgage, there are no deficiency judgments filed or sought by either HUD, Fannie Mae, or James B. Nutter and Company against either the mortgagor or anyone who has the legal authority to dispose of the property.

In order to initiate the transfer of the deed through one of the available options, please return the enclosed letter to us via one of the following methods:

- 1) E-mail to: jbnlossmitigation@jbnutter.com
- 2) Fax to: 816-751-6917
- 3) Mail to: James B. Nutter & Company, 4153 Broadway, Kansas City, MO 64111 Attn: Reverse Servicing

Should you have questions regarding the Reverse Mortgage, call our office at 1-800-943-7334 extension 1868.

Property Surrender Options

Short Sale (NON-Family member buyer): A short sale is defined as the lender's agreement to accept a payoff that is less than the amount owed on the property. The responsibility for completing the short sale lies with the legally appointed heir(s) or executor/executrix of the estate. The property must be sold on an "as is" basis with no contingencies. In order to begin the short sale process, we must receive a completed Property Surrender Option Selection Form indicating your choice of short sale Non-Family Member. We will order an interior/exterior property appraisal and an acceptable offer can be no less than 95% of that value. In order to initiate this transaction we need:

- a. Completed Property Surrender Option Selection Form indicating Short Sale Non-Family Buyer
- b. Documents showing that the Personal Representation/Executor has the authority to sign the short sale closing documents (e.g., Power of attorney, Letters of Administration, Affidavit of Conservatorship, etc.)
- c. Letter of authorization granting us permission to speak to the licensed realtor
- d. Listing agreement from the licensed realtor
- e. Note: If the property is in a Homeowners or Condo Association, the dues/maintenance fees are the responsibility of the mortgage holder(s)/Estate up until closing.
- f. Property maintenance during the marketing period is the financial responsibility of the mortgage holder(s)/Estate up until closing.

Short Sale (FAMILY buyer): The same guidelines apply here as for a non-family buyer although a realtor's involvement is less likely. If you would like to secure the services of a realtor, it is your right to hire one. We will order an interior/exterior property appraisal and an acceptable offer can be no less than 95% of that value. In order to initiate this transaction we need:

- a. Completed Property Surrender Option Selection Form indicating Short Sale Family Buyer
- b. Documents showing that the Personal Representation/Executor has the authority to sign the short sale closing documents (e.g., Power of attorney, Letters of Administration, Affidavit of Conservatorship, etc.)
- c. Note: if the property is in a Homeowners or Condo Association, the dues/maintenance fees are the responsibility of the mortgage holder(s)/Estate up until closing.
- d. No listing agreement is needed if a realtor is not involved in transaction.

Deed in Lieu: A deed in lieu (DIL) is defined as the legal process for exchanging property for the debt. The deed to the property is willingly signed over to the lender. In order to complete a DIL, the lender must agree to accept the DIL and Fannie Mae must approve the request. The title to the property must be clear without liens or judgments. Move in condition of the property is strictly enforced as outlined below. In order to initiate this transaction we need:

- a. Completed Property Surrender Option Selection Form indicating Deed in Lieu
- b. Property must be vacant and in move-in condition (broom swept clean and all personal items removed), per guidelines stated in HUD Mortgagee Letter 2010-18:
- c. Documents showing that the Personal Representation/Executor has the authority to sign the DIL documents (e.g., Power of attorney, Letters of Administration, Affidavit of Conservatorship, etc.)
- d. Property must be free of structural, foundation, or roof damage; and other excessive repairs such as mold, plumbing, or missing air conditioner/furnace.
- e. Note: If the property is in a Homeowners or Condo Association, the dues/maintenance fees are the responsibility of the mortgage holder(s)/Estate until the Deed in Lieu is recorded.

Foreclosure: Foreclosure is defined as the process by which the lender obtains legal possession of a property through the court process followed by a public sale. After the borrower has defaulted on the contract conditions as stated in the mortgage or deed of trust; death or other permanent property vacancy, delinquent taxes and/or insurance or incomplete property maintenance including required repairs as outlined in the original contract, the lender has the legal right to initiate foreclosure. Foreclosure can be initiated without the completed Property Surrender Option Selection Form, but if the form is received, it will be added to the file.

Property Surrender Option Selection Form

Mortgagor and/or legal representative for the Estate of:

Mortgagor's Property Address:

JBN Loan Number: _____

I wish to pursue the following option:

- Short Sale (NON-Family Buyer)
- Short Sale (Family Buyer)
- Deed in Lieu
- Foreclosure

Borrower or Legal Representative's Contact Information (must be completed):

Name: _____
Print Name

Address: _____
Print Address

Phone: _____ Cell phone: _____ Work phone: _____

Email: _____

Signed: _____ Date: _____