

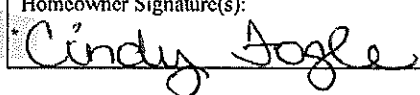
**Approval to Participate
Pre-foreclosure Sale Procedure
Property Sales Information
Property Occupancy & Maintenance**

**U. S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

OMB Approval No.2502-0464
(exp. 07/31/2009)

Public reporting burden for this collection of information is estimated to average 9 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Section 204 of the National Housing Act authorizes the Secretary to pay an insurance claim that bridges the gap between the fair market value proceeds from the HUD-approved third party sale of a property. The respondent's mortgage lenders (mortgagee's), counselors and homeowners who are attempting to sell their properties prior to foreclosure. The Privacy Act of 1974 pledges assurances of confidentiality to respondents. HUD generally discloses this data only in response to a Freedom of Information request.

Mortgagee Contact Person and Phone Number: Brian Bonner 319-236-7539	Control Number: 0595390105	FHA Case Number: 4938210632703	Date: 01/21/2010
Homeowner Name(s): Cindy Fogle		Property Address: 9223 BIRCH SPRINGS DRIVE HOUSTON TX 77095	
Homeowner Signature(s): 			

Homeowner(s): Please Read This Information Carefully.

Approval to Participate

Your interest to participate in the HUD Pre-foreclosure Sale procedure has been approved. By signing this form and returning to the above referenced mortgagee within 7 days, you are agreeing to abide by the following conditions of the program.

Property Sales Information

The property must be listed for sale with a licensed Realtor unrelated to you within 7 days of your receipt of this letter for a list price at or near \$ 135000.00, which is the "AS IS" value indicated on the appraisal of your property. The listing agreement must include the following specific cancellation clause in the event the terms of a sale are not acceptable to HUD: "Seller may cancel this agreement prior to the ending date of the listing period without advance notice to the broker, and without payment of a commission or any other consideration if the property is conveyed to the mortgage insurer or the mortgage holder." The sale completion is subject to approval (under HUD guidelines) by the mortgagee.

Your deadline to obtain a signed Contract of Sale from a qualified buyer is 05/21/2010. If you have not been able to obtain an acceptable contract by that date, your mortgagee must recommence foreclosure or accept a deed-in-lieu of foreclosure.

Acceptable Terms of Sale

Program criteria require that "net" amount payable to HUD as a result of this sale, after allowable expenses will be at least \$ 118800.00. You must submit your proposed Contract of Sale for approval to the Mortgagee Contact named above. The sale must be an "arm's length" transaction; the buyer cannot be a member of your family, business associate, or other favored party. No hidden terms or special understandings can exist between you, the buyer, appraiser, sales agent or mortgagee. If you negotiate with a buyer to pay for discount points, a home warranty, repairs not required for a new mortgage, transfer taxes or

other costs normally paid by the buyer, you must pay for these expenses. You must also pay prorated real estate taxes and assessments at closing. Your mortgagee can explain which sales costs may be deducted from HUD's sale proceeds.

Relocation Services

A relocation service affiliated with your employer may contribute a fixed sum towards the proceeds of the PFS, without altering the arm's length nature of the sale. This contribution simply reduces the shortfall between the proceeds and the amount owed on the mortgage note. As with any other PFS, such a transaction must result in the outright sale of the property and cancellation of the FHA mortgage insurance.

Occupancy and Property Maintenance

You are responsible for property maintenance and repair until closing. This includes but is not limited to cutting the grass, snow removal, regular interior and exterior cleaning, immediate repair of broken doors and windows, and paying utility bills as they become due. If the property is vacant or becomes vacant during marketing, you must inform your mortgagee immediately and ensure that the property is protected from freeze damage by "winterizing" plumbing pipes. You may arrange with your sales agent to provide property maintenance but you will continue to be responsible for the condition of the home until it is sold. Damage and repair expenses resulting from fire, flood or other natural causes must be reported immediately to the insurance company and to your mortgagee.

Borrower's Incentive Compensation

If you successfully close a sale of your home under this procedure, you will be paid compensation of \$750 at closing. Your compensation will increase to \$1,000 if the sale of your property closes on or before 04/21/2010. You may elect to receive cash or apply some or all of the compensation to sales costs not paid by HUD, for example, discount points, or home warranty plans. You may also use it to pay off junior liens.

Questions concerning any of this information, or your responsibilities in the Pre-foreclosure Sale procedure, must be directed to the contact person at your mortgagee's office at the above telephone number.

Information/Disclosure
Pre-foreclosure Sale Procedure

U. S. Department of Housing and
Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0464
(exp. 07/31/2009)

Public reporting burden for this collection of information is estimated to average 3 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. The Department of Housing and Urban Development (HUD) may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Section 204 of the National Housing Act authorizes the Secretary to pay an insurance claim that bridges the gap between the fair market value proceeds from the HUD-approved third party sale of a property. The respondents may be lenders, counselors, and homeowners who are attempting to sell their properties prior to foreclosure. The Privacy Act of 1974 pledges assurances of confidentiality to respondents. HUD generally discloses this data only in response to a Freedom of Information request.

Homeowners who have defaulted on their mortgages often attempt to sell their properties in order to avoid foreclosure and to protect their credit standing. However, because of declining property values in certain areas, some homeowners cannot realize enough from the sale to pay off their mortgage balances.

Therefore, HUD has implemented the Preforeclosure Sale (PFS) procedure. With some restrictions, homeowners who are permitted to engage in a PFS attempt to sell their homes for a fair market sale price, which can be less than the amount they owe to the lender. HUD then reimburses the lender for the difference between the sale proceeds and the outstanding mortgage indebtedness.

There are certain criteria which must be met before you can be permitted to pursue a PFS: (1) you must be an owner-occupant; and (2) your mortgage must be in default as the result of a documentable involuntary loss of income or unavoidable increase in expenses.

Homeowners who sell their properties under this procedure will not only benefit by avoiding the effect of a foreclosure on their credit rating, but there are also provisions for cash consideration to those program participants who go to closing on the sale of their properties within a predetermined period of time.

You will be required to work with real estate sales professionals to improve your chances of accomplishing the sale. If, after a good faith effort, an acceptable purchase offer is not obtained within

the allotted time, the lender will usually accept a deed-in-lieu of foreclosure. A deed-in-lieu is less desirable than a pre-foreclosure sale, but is looked upon more favorably than a foreclosure.

Contact a HUD-approved housing counseling agency by calling 1-800-569-4287 for the housing counseling agency nearest you. These agencies are valuable resources and frequently have information on services and programs offered by government agencies as well as private and community organizations that could help you. The housing counseling agencies offer numerous services and are usually free of charge.

Please note, there may be tax consequences incurred by you as a result of a Pre-foreclosure Sale or a Deed-in-Lieu of Foreclosure. Homeowners considering these options should seek counseling from a tax professional of their choice. **Please note, that new legislation "the Mortgage Forgiveness Debt Relief Act of 2007" enacted on December 20, 2007 may have an impact on your tax liability.** Any tax liability derived from a Pre-foreclosure Sale or a Deed-in-Lieu or Foreclosure is solely the responsibility of the homeowner.

By calling this number, 888-714-4622, you will receive further details from your lender about the procedure and whether you can qualify. **Remember, you are under no obligation by making this call.**

Uniform Residential Appraisal Report

File No 1223858

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property

Property Address 9223 Birch Springs Drive City Houston State TX Zip Code 77095-7243

Borrower Cindy Fogle Owner of Public Record Cindy Fogle County Harris

Legal Description Lot 32, Block 1, Canyon Lakes A Stonegate, Section 14

Assessor's Parcel # 126-143-001-0032-001 Tax Year 2009 R.E. Taxes \$ 3,897.62

Neighborhood Name Canyon Lakes at Stonegate Map Reference KM:407D Census Tract 5410.00

Occupant Owner Tenant Vacant Special Assessments \$ N/A HOA \$ 550.00 per year per month

Property Rights Appraised Fee Simple Leasehold Other (describe)

Assignment Type Purchase Transaction Refinance Transaction Other (describe) Asset Valuation

Lender/Client GMAC MTG LLC/FHA Address 3200 Park Center Drive, Ste 150 Costa Mesa, CA 92626

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No

Report data source(s) used, offering price(s), and date(s) Per MLS, the subject property was listed on 10/15/2009 at \$155,000 and stayed at that list price for 76 days until the list price was lowered to \$152,000 where it is currently listed. The total DOM to date is 96.

I did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. This is a pre foreclosure and the purpose is for an asset valuation and thus no contract exists.

Contract Price \$ N/A Date of Contract N/A Is the property seller the owner of public record? Yes No Data Source(s) N/A

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No. If Yes, report the total dollar amount and describe the items to be paid. N/A N/A

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Table with Neighborhood Characteristics and One-Unit Housing Trends. Includes rows for Location, Built-Up, Growth, and Neighborhood Boundaries.

Neighborhood Description The neighborhood is located 23 to 25 miles NW of downtown Houston. The area is convenient to schools, shopping, and recreation.

Market Conditions (including support for the above conclusions) The subject's area is considered to be in balance with respect to supply and demand. The marketing time is between 90 to 120 days. There is ample financing available through several sources.

Dimensions See Comments Area 5900 SF Shape Irregular View Average

Specific Zoning Classification No Zoning Deed Restrict Zoning Description See Attached Addendum.

Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe.

Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private

Electricity Water Sanitary Sewer Street Concrete Alley None

Gas FEMA Special Flood Hazard Area Yes No FEMA Flood Zone X FEMA Map # 480287 0420L FEMA Map Date 06/18/2007

Are the utilities and off-site improvements typical for the market area? Yes No If No, describe.

Are there any adverse site conditions or external factors (basements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe. As no survey was provided, the appraiser cannot comment on easements or encroachments. No adverse conditions were noted. The site size was obtained from the tax records.

Table with columns: GENERAL DESCRIPTION, FOUNDATION, EXTERIOR DESCRIPTION, INTERIOR. Includes rows for Units, # of Stories, Type, Design, Year Built, Effective Age, Atrio, Floor, and Appliances.

Finished area above grade contains: 8 Rooms 4 Bedrooms 2.5 Bath(s) 2,194 Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.) The features of the subject are similar to competing homes in the neighborhood with no special features noted to significantly add or detract from value.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) See Attached Addendum.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe. The appraiser is not a structural, mechanical, electrical or plumbing inspector. No expressed or implied warranty is made.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe.

Uniform Residential Appraisal Report

File No. 1223858

There are 9 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 114,500 to \$ 159,999							
There are 20 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 119,000 to \$ 165,000							
FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
9223 Birch Springs Drive Address Houston		8419 Copper Cove Dr Houston		16606 Grenada Falls Dr Houston		16638 Shorewood Lakes Drive Houston	
Proximity to Subject		0.20 miles NNE		0.16 miles NE		0.39 miles NNE	
Sale Price	\$ N/A	\$ 133,000		\$ 132,000		\$ 145,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 63.33 sq. ft.		\$ 52.49 sq. ft.		\$ 66.61 sq. ft.	
Data Source(s)	Inspection	MLS#18626245/Tax		MLS#3637470/Tax		MLS#38309388/Tax	
Verification Source(s)	Tax Records	Tax Records		Tax Records		Tax Records	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(1) \$ Adjustment	DESCRIPTION	+(1) \$ Adjustment	DESCRIPTION	-(1) \$ Adjustment
Sale or Financing		VA		FHA		FHA	
Concessions		None		None		Str Pd Buyer Cst	-4,350
Date of Sale/Time		8/28/2009		7/26/2009		10/30/2009	
Location	Suburban	Suburban		Suburban		Suburban	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	5900 SF	5502 SF		5321 SF		9446 SF	
View	Average	Average		Average		Average	
Design (Style)	Traditional	Traditional		Traditional		Traditional	
Quality of Construction	Average	Average		Average		Average	
Actual Age	4 Years	5 Years		4 Years		3 Years	
Condition	Fair	Fair		Fair		Fair	
Above Grade							
Room Count	Total 8 4 Baths 2.5	Total 8 4 Baths 2.5		Total 8 4 Baths 2.5		Total 7 3 Baths 2.0	2,000
Gross Living Area	30.00 2,194 sq. ft.	2,100 sq. ft.	2,800	2,515 sq. ft.	-9,600	2,177 sq. ft.	0
Basement & Finished Rooms Below Grade	None	None		None		None	
Functional Utility	Fair	Fair		Fair		Fair	
Heating/Cooling	Central	Central		Central		Central	
Energy Efficient Items	Typical	Typical		Typical		Typical	
Garage/Carport	2 Car Garage	2 Car Garage		2 Car Garage		2 Car Garage	
Porch/Patio/Deck	Patio, Porch	Patio, Porch		Patio, Porch		Patio, Porch	
Amenities	Typical	Typical		Typical		Typical	
Amenities	Fence	Fence		Fence		Fence	
DOM	96	78		106		114	
Net Adjustment (Total)		(X) + [] - \$ 2,800		[] + (X) - \$ 9,600		[] - (X) - \$ 2,350	
Adjusted Sale Price of Comparables		Net Adj. 2.1% Gross Adj. 2.1% \$ 135,800		Net Adj. -7.3% Gross Adj. 7.3% \$ 122,400		Net Adj. -1.6% Gross Adj. 4.4% \$ 142,650	

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
Data source(s) Houston MLS, Tax Records

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.
Data source(s) Houston MLS, Tax Records

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	In norm. CRs of Researc	In norm. CRs of Researc	In norm. CRs of Researc	In norm. CRs of Researc
Price of Prior Sale/Transfer	No prior sales were found	No prior sales were found	No prior sales were found	No prior sales were found
Data Source(s)	in past 36 mnths.	in past 12 mnths.	in past 12 mnths.	in past 12 mnths.
Effective Date of Data Source(s)	Current	Current	Current	Current

Analysis of prior sale or transfer history of the subject property and comparable sales The appraiser did not find any indication that there has been a deed transfer on the subject property in the past 36 months. Furthermore, the subject has not been listed in the past 3 years, nor was it listed at the time of inspection.

According to the appraisers' search of available research sources, there has not been a sale, deed transfer, or listing on the comparables within the past 12 months prior to their last recorded date of sale.
Summary of Sales Comparison Approach See Attached Addendum.

Indicated Value by Sales Comparison Approach \$ 135,000 As Repaired Value ---->142,000

Indicated Value by: Sales Comparison Approach \$ 135,000 Cost Approach (if developed) \$ 141,400 Income Approach (if developed) \$ N/A
In the final reconciliation the appraiser applied most weight to the Market Approach value since it most accurately reflects the typical actions of buyers and sellers. The Cost Approach supports the Market Approach value. The Income Approach was not applied due to a lack of data to develop a reliable GRM and market rent.

This appraisal is made "as is," subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: No comments or conditions were noted.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 135,000 as of 1/19/2010, which is the date of inspection and the effective date of this appraisal.