



# RESTRUCTURING SUMMARY

Loan Number: 787526

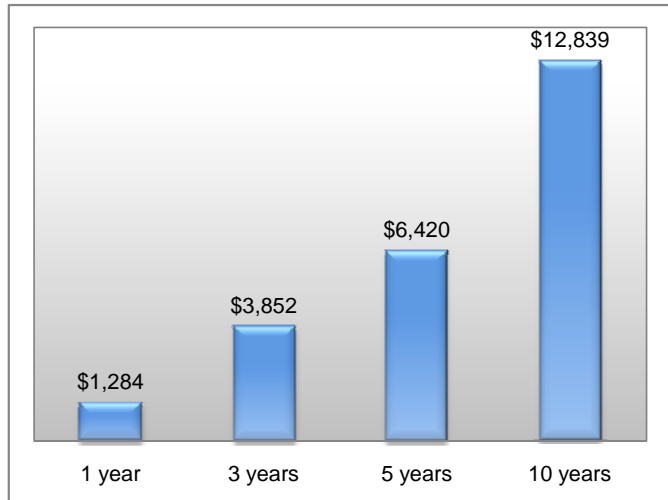
This summary describes the benefits a PennyMac loan restructuring may provide you. Keep in mind that benefits can be both short and/or long-term and may be financial (such as a lower payment or lower rate) and/or non-financial (such as fixing an interest rate for a longer period of time or removing a prepayment penalty). This summary excludes second lien loans that are provided by another lender. We are pleased to offer this restructuring opportunity to you and invite you to discuss it with our Loan Specialists at (866) 545-9070 should you have any questions.

	PennyMac Current Loan	PennyMac Loan Restructuring Programs			Restructuring Savings	
		First Lien	Second Lien	Total	Monthly	Annually
Balance	125,000	96,000	29,000	125,000	0	0
Interest Rate	6.7800%	6.7800%	1.0000%			
<b>Loan Characteristics</b>						
Loan Type	3/1 ARM	30 yr Fixed	5/1 ARM			
Term (months)	360	360	192			
Interest Only (months)	0	120	0			
First Reset (months)	36	NA	60			
First Reset Maximum	3.00%	NA	2.00%			
Periodic Reset Maximum	3.00%	NA	2.00%			
Lifetime Reset Maximum	8.00%	NA	5.00%			
Minimum Rate	3.75%	NA	2.25%			
<b>Monthly Payment</b>						
Principal & Interest	813.24	542.40	163.85	706.25	106.99	1,283.90
Taxes	233.23	233.23	0.00	233.23	0.00	0.00
Insurance	<u>82.59</u>	<u>82.59</u>	<u>0.00</u>	<u>82.59</u>	<u>0.00</u>	<u>0.00</u>
<b>Total</b>	<b>1,129.06</b>	<b>858.22</b>	<b>163.85</b>	<b>1,022.07</b>	<b>106.99</b>	<b>1,283.90</b>



### Restructuring Savings

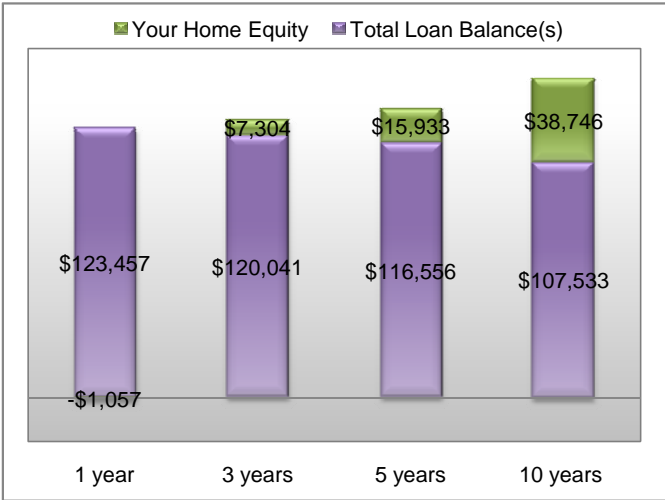
Your savings from lower monthly payments



**How To Read This Chart** - This chart displays your projected savings as a result of a lower interest rate and/or lower principal balance. These amounts reflect the total, cumulative amounts that you will save under the restructuring program. These savings assume the interest rates on your current loan and restructured loan do not change from the rates shown above. While taxes and insurance may not be required to be escrowed by PennyMac, they are included to show a complete picture of your financial obligation regarding your property.

### Principal Reduction

Your increased home equity



**How To Read This Chart** - This chart displays your projected loan balance and home equity at various points in the future. Your loan balance declines as parts of your payments are applied to principal. Your home equity increases due to these principal payments and changes in the value of your home. Not shown on the chart is the projected future value of your property, which is the sum of your home equity and loan balance and is based on the following two assumptions (which PennyMac does not warrant or guarantee):

PennyMac's Current Approximation of Home Value	\$120,000
Annual Home Value Appreciation	2%

**This summary is provided to assist you in understanding the changes included in your restructuring. Refer to your modification agreement and accompanying documents for complete information and contractual obligations.**

# RESTRUCTURING SUMMARY

## Frequently Asked Questions

### **Why did my total payment not change more?**

In designing your restructuring program, we take into consideration a number of factors, including your current documentable income and expenses, home value, loan balance, payment history, and credit score. We use this information to calculate a program that is affordable to you and makes you proud to be a homeowner. In some cases, we do not change your payments, but restructure your loan into one that allows you to make your current payment for a longer period of time or allow you to build equity in your home. You should consider both the financial benefits (such as a lower payment or lower rate) and nonfinancial benefits (such as fixing your rate for a longer period of time) in evaluating your restructuring.

### **Why do I have to document my income? I was able to state my income when I originally got my loan.**

PennyMac requires income documentation (or re-documentation) as a condition of all loan restructurings to ensure that the programs are affordable to borrowers. Your conditional approval letter specifies the documents that you need to provide to us. Collecting this documentation helps us better do our job as your lender.

### **Why did PennyMac assume a house price appreciation rate of 2%?**

While current house price appreciation rates may vary (in some cases significantly) from the 2% assumed target, this amount is actually much less than the long-term historical average. According to data from the Office of Federal Housing Enterprise Oversight ([ofheo.gov](http://ofheo.gov)), housing values have increased 5.09% per year over the past 23 years. We use a rate of 2% to provide you a conservative picture of what could happen.

### **How did you determine my home's current value? I think it is worth more (or less)?**

We use a number of methods to determine house values of our borrowers, including appraisals, broker price opinions, automated valuations, and other proprietary means. We realize that the value on the Restructuring Summary may vary from what you feel is the current value, but, unfortunately, we cannot change the value.

### **\* Why are you adding a second lien loan as part of the restructuring?**

By splitting your loan to include first and second lien parts, we can provide you with different features and pricing on each loan. When we split your loan, your total debt does not go up and your payment may even be less. You still have to make the payment on both parts each month, though now you will receive two statements.

### **\* Why does my program include an interest only feature? I thought those were "non-traditional."**

Interest only loans allow you to make lower payments versus amortizing loans because none of your monthly payment is going towards principal balance reduction. Our loans have long interest-only periods of ten years to ensure that you have enough time to either refinance your loan or prepare to make amortizing payments. Also, American homeowners tend to move every 6 years, so a long term interest only loan can be an effective financial management tool.

### **\* What are the four "reset" numbers and the minimum rate?**

These numbers apply only to loans that are adjustable in the future. The "First Reset" tells you the number of months after your restructuring is finalized that your loan will adjust for the first time. The "Maximums" tell you the highest amount the rate will change the first time, every time thereafter, and over the life of the loan. For example, these numbers can be read the following way: Your loan will have the same rate for 60 months (5 years), after which it will adjust at most by 2% over your starting rate. Every time it resets after that the rate can go up at most by 2%. Over the life of the loan, the rate can go up at most by 5% and never have a total rate less than 2.25%. The resets and minimum rate do not apply to 30 year fixed rate loans because the rate does not change over the life of the loan.

### **Do you have any more questions?**

If you have any questions about your restructuring, please call us toll free at (866) 545-9070. One of our Loan Specialists will be happy to answer questions about your program.

\* These questions may not apply to all restructuring programs.

