



Mortgage Modification Program

Thank you for your recent request concerning the modification of your existing mortgage loan with Hudson City Savings Bank. There are a number of legal issues that must be addressed before Hudson City Savings Bank "(the Lender)" can renegotiate the rate on your existing loan. Through this letter, Hudson City Savings Bank will provide you with the terms and conditions of our Modification Policy. It is important, therefore, that you carefully read the information contained in this letter and be familiar with the terms and conditions outlined herein.

PROGRAM DEFINITIONS & PARAMETERS

Rate Modification - The renegotiation of your existing loan with Hudson City Savings Bank at our prevailing rate of interest, paid over the remaining term of the loan or on a reduced term, if specifically requested. **Please note that the prevailing rate may increase if Custom or Exception Pricing (i.e. Loan was approved under our No Income Program, Stated Income/Self-Employed Program, Loan to Value Exceptions, etc) This may also apply for loan amounts exceeding \$1 Million. If it is determined that "Custom or Exception Pricing" was used at time of the origination of your loan, it may take approximately one additional day from initial response to properly determine the correct rate for your desired program.**

Eligible Properties - The program is available on any 1-4 family home that is currently being serviced by Hudson City Savings Bank. Properties in which title is held in the name of a Trust, LLC or Partnership are also eligible for a Mortgage Modification. However, the Processing fee on these specific applications is \$500.00 in addition to the extra 0.125% on rate as originally priced upon approval.

Ineligible Loans - The program is not applicable to any loan request seeking to increase either the term of the loan beyond the original maturity date or to increase the loan amount above the current unpaid principal balance. These requests can be accommodated by applying under our regular refinance programs currently being offered by the Bank. Properties, which have been converted into investment properties after the original closing as a primary/second home, will only be considered on a case-by-case basis with appropriate rate add-ons applicable.

Types of Modifications – There are many modification options available. Please read the descriptions below for a complete understanding:

1. **Fixed Rate (Including Fixed Interest Only) to Fixed Rate** - You may select to retain the remaining term of the existing loan or a reduced term, if specifically requested. The interest rate will be changed and the

Principal & Interest constant will be re-calculated based on the remaining principal balance and remaining or reduced term.

2. **ARM (Including Interest Only ARM loans) to Fixed Rate** - You may select to retain the remaining term of the existing loan or a reduced term, if specifically requested. The interest rate will be changed and the Principal & Interest constant will be re-calculated based on the remaining principal balance and remaining or reduced term.
3. **ARM to ARM (Excluding Interest Only loans)** – The interest rate will be changed and the Principal and Interest constant will be re-calculated based on the remaining term only and hold in place until the Rate Change Date agreed to in your original Note. The type of ARM program (i.e. 3/1, 5/1, 7/1 or 10/1) cannot be changed to another type of ARM program and the new modified interest rate remains in effect only until the Interest Change Date disclosed in your Note and Mortgage. The Annual and Lifetime Caps referenced in your documents will also remain the same but the maximum future increases or decreases will be based off of your new modified interest rate.
4. **Interest Only ARM to Interest Only ARM** - The interest rate will be changed and the new interest only payment will be calculated based on the remaining principal balance and hold in place until the Rate Change Date agreed to in your original Note & Mortgage. The type of ARM program (i.e. 5/1, 7/1 or 10/1) cannot be changed to another type of ARM program and the new interest rate remains in effect only until the Interest Change Date disclosed in your Note & Mortgage. The Annual and Lifetime Caps referenced in your documents will also remain the same but the maximum future increases or decreases will be based off of your new modified interest rate.
5. **Interest Only Fixed Rate to Interest Only Fixed Rate** - The interest rate will be changed and the new interest only payment will be calculated based on the remaining principal balance and hold in place until the loan begins amortizing beginning in year eleven (11) as agreed to in your original Note.

Interest Rate - The interest rate will be set as of the date of receipt of your completed Mortgage Modification Application Form along with a \$100.00 non-refundable processing fee. Please note, if title is in the name of an LLC, Trust or Limited Partnership, the processing fee will be \$500.00 due to the additional paperwork and review process required. Any request for a reduction in rate, after the filing of the initial modification application, will require the additional payment of our standard mortgage application fee (Currently \$500.00). This option will be allowed only one time during the processing of your request and this rate reduction option will no longer be available once you execute the Modification Agreement and pay the required modification fee. If you do not wish to pay this \$500.00 application fee in order to avail yourself of a lower interest rate than which you locked in when we received your modification application, you must wait 90 days before you can re-apply and then pay the regular required processing fee once again.

Term - No maturity extension changes will be permitted. The existing maturity date recited in the original mortgage document will continue to be the maturity date under the Modification Agreement or, if specifically requested, a reduced term can be selected.

Principal Prepayments – Any optional prepayment of your principal balance must be received either prior to or together with your completed Modification Application in order to have your new Principal & Interest constant reflected in the Modification Agreement.

Modification Fee - The modification fee charged will be according to the following schedule based off the unpaid principal balance reflected on the Modification Agreement:

Principal balance at time of modification request:		
Less than or equal to \$300,000	70 basis points (.70% of loan balance)	Minimum Fee \$1500.00
Between \$300,001 - \$500,000	60 basis points (.60% of loan balance)	
Between \$500,001 - \$700,000	50 basis points (.50% of loan balance)	
Between \$700,001 - \$1,000,000	40 basis points (.40% of loan balance)	
Greater than \$1,000,000	35 basis points (.35% of loan balance)	

**** Program availability, rates and fees are subject to change without notification****

The modification fee is a nonrefundable fee and will be due upon signing of the Modification Agreement. Should this fee not accompany the returned Modification Agreement within the required time period as stated in the agreement, no adjustment will take place and your loan will continue under the original terms. In addition, any change to the term selected or any other revision (excluding re-application for lower rate) after the Modification Application has been processed will require payment of an additional \$100.00 processing fee.

Loan Adjustment Date - Based upon the date the Lender receives your loan modification document, your adjustment will take place either on the first day of the next month, or, at the latest, the first day of the month thereafter. **All modifications will be made as of the first of either month to avoid odd days interest collection at varying interest rates. You must continue to make your scheduled payment as billed until advised of the adjustment by the Bank to avoid any late charges. Also, please note that a Mortgage Modification cannot be processed until after at least the first mortgage payment has been made on the loan.**

Other Requirements - In order to qualify for a loan modification, the loan must be current at the time of modification.

Automatic Payment Deduction - We offer you the option of having an automatic deduction of your monthly mortgage payment taken from either an existing or newly established Hudson City Savings Bank statement savings

or checking account or a checking account at any other bank or type of financial service institution that offers transaction accounts. Please contact our Customer Service Department for more information.

After completing the Mortgage Modification Application Form, it must be signed by all parties who signed the original note and mortgage. Information regarding your existing loan balance etc. can be readily found on your last mortgage statement. The completed and signed Mortgage Modification Application Form, along with the required \$100.00 or \$500.00 processing fee, should be returned in person or via mail to:

Hudson City Savings Bank (Attn: Mortgage Modification Area)
West 80-Century Road
Paramus, NJ 07652

You may also drop off the completed application and processing fee to one of our local branches. Due to the possible complex nature of the transaction, however, branch personnel may not be able to answer specific questions relative to the modification process or properly recalculate your new payment.

No modification request can be processed without the applicable fee.

Once again, thank you for choosing Hudson City Savings Bank as your source of mortgage financing.

If you need information about other mortgage programs offered, current rate quotations or if you have additional questions, please contact us at (201) 967-1900 and ask for Mortgage Origination or visit our website at <https://www.hcsbonline.com/>

For Branch Use Only Fax To: 201-261-3804	
Accepted By: _____	
Location Name: _____	
Date: _____	Time: _____

For Department Use Only
Interest Rate: _____
Modification Fee: _____
Approved by: _____

Hudson City Savings Bank

Mortgage Modification Application Form

I/We hereby request modification of the following mortgage currently held by your Bank:

Borrowers Loan Number: _____

Borrowers Names: _____

Property Address: _____

Borrowers Telephone No.: Home () _____ Office/Cell () _____

Email Address: _____

Present Loan Amount (from last statement): \$ _____

Optional Additional Reduction to Principal (check enclosed) \$ _____

Select one of the following choices:

Modification Type: Please check one of the following	Remaining Term	Reduced Term (Indicate # of months)
Fixed Rate (Including Fixed Rate Interest Only) to Fixed Rate		
ARM (Including Interest Only ARM loans) to Fixed Rate		
ARM to ARM (excluding Interest Only loans)		N/A
Interest Only ARM to Interest Only ARM		N/A
Interest Only Fixed Rate to Interest Only Fixed Rate		N/A

Kindly have all parties to this transaction sign this form, which acknowledges your receipt and review of our Mortgage Modification Program information, by returning it to us together with the processing fee. The Modification Agreement will be forwarded to you generally within two to three weeks for signature and acceptance. Please retain a copy of this application for your records.

Please note: The interest rate will be set at the comparable new mortgage application rate being charged by Hudson City Savings Bank as of the date of actual receipt of your completed Mortgage Modification Application Form.

X _____ X _____
X _____ X _____