

## Requirements for Completion of Revised Liquidation Checklist (12/10)

The purpose of the new checklist is to update the form, allow for quick review by MBOH staff, and meet documentation expectations of auditors. Assume that the checklist will be reviewed by persons who have no intimate knowledge of foreclosures or the foreclosure process. Don't leave spaces blank. If the information requested in a blank is not applicable or unknown, please indicate with an N/A or Unknown.

Please use the new form on which data can be entered then printed. It doesn't save data. The form is at: <http://www.housing.mt.gov/content/SF/docs/LiquidationChecklist.pdf>

Clarification of other requirements on the form:

1. Be sure to click on the circle in front of the MI provider. Experienced servicers can tell the MI provider by their respective numbers but we want to guard against problems arising from an uninformed reviewer.
2. Attach only the Log of contacts with borrowers, not the history of loan payments.
3. Reason for Default and Explain why borrower doesn't qualify for loss mitigation: a short statement of the situation is sufficient. For example, "property has been abandoned" would be sufficient, and this needs to be noted after each of these two questions.
4. "Checked for HAMP eligibility", please have the person who checked for HAMP write their initials in this space, i.e. initial it. This may or may not be the same person who is actually submitting the Liquidation Checklist. In addition, while more information is not required on the checklist, the steps taken/reason the loan isn't eligible for HAMP should be in the Copy of the Log of contact with the borrower.
5. Be sure to click on the circle in front of the recommended manner of liquidation and foreclosure counsel.
6. Enter the correct date in the "Must have first legal recorded by" spot. For example, in the case of most FHA, RD and VA loans, this will be 6 months after the date of default. For HUD 184 loans, this date will be 120 days from the due date of the latest unpaid installment. The date will generally be the last day of a month somewhere in the future.
7. Sign and date the form.

The next page is a sample Liquidation Checklist form attached that shows where each clarification applies.

LIQUIDATION CHECKLIST

FROM: \_\_\_\_\_ PHONE: \_\_\_\_\_

CONTACT: \_\_\_\_\_

①

MI provider: FHA VA RD Genworth MGIC

MBOH # \_\_\_\_\_ SERVICER # \_\_\_\_\_ MI Number: \_\_\_\_\_

PROPERTY ADDRESS: \_\_\_\_\_

PRESENT BORROWER: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_ PHONE \_\_\_\_\_

PRESENT OCCUPANT: \_\_\_\_\_ PHONE \_\_\_\_\_

PRINCIPAL BALANCE: \_\_\_\_\_ AS OF: \_\_\_\_\_ INTEREST RATE: \_\_\_\_\_

INTEREST ACCRUES FROM: \_\_\_\_\_ AT: \$ \_\_\_\_\_ MONTH \$ \_\_\_\_\_ DAY \_\_\_\_\_

FIRST DELINQUENT INSTALLMENT: \_\_\_\_\_ MONTHLY PITI \$ \_\_\_\_\_

Date HUD/VA pamphlet or other educational/outreach materials sent: \_\_\_\_\_

②

Attach Copy of Loan Log/ memos/ comments tracking history of contact with borrower

③

Reason for Default: \_\_\_\_\_

Explain why borrower doesn't qualify for applicable loss mitigation options: \_\_\_\_\_

④

Checked for HAMP eligibility \_\_\_\_\_ (Initialed by file reviewer)

Insurer Approval for Deed in lieu or Short Sale attached if applicable

I hereby certify that all appropriate documentation and notices have been issued to the borrower and that all appropriate and required default servicing procedures have been followed in accordance with guidelines and instructions promulgated by FHA, VA, RD, Genworth, MGIC and MBOH. The loan is in a position to be liquidated in the following manner (circle one):  foreclosure  deed in lieu  short sale by the following Foreclosure Counsel (circle one):  John Grant  Mark Noennig

⑤

⑥

Must have first legal recorded by (enter date): \_\_\_\_\_

⑦

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

Signature of Servicer's Representative/Title

MBOH USE ONLY

FORCLOSURE APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

REV. 11/10