

# John M. Brennan

Attorney

Susan T. Chartier, Attorney  
Maryland, D.C., Rhode Island

Brennan Title Company

Brennan Management Company

Brennan Real Estate Exchange

Brennan Financial Corporation

Hamilton Associates L.P.

Hamilton Equity L.P.

Diversified Resources Corporation  
(NASD Approved Broker/Dealer)

Oaklawn I Partnership

## CONTRACT FOR LIMITED LEGAL SERVICES

Date: \_\_\_\_\_

Name: \_\_\_\_\_, hereinafter referred to as  
"Client(s)"

Property Address: \_\_\_\_\_, hereinafter referred to as  
"premises", and

John M. Brennan, Attorney, hereinafter referred to as "Attorney" (to include any and all attorney's associated with John M. Brennan), agree, as follows:

1. Attorney shall provide services in connection with the application and/or negotiation of reduced or modified mortgage payments related to "premises" or for the release of the existing deed of trust(s) in support of a sale of the premises for an amount less than the actual debt or for a reconveyance of premises to lender by "Deed in Lieu of Foreclosure". Attorney's services and duties are limited in scope to this specific purpose.
2. Attorney acting directly or thru his affiliated attorneys and with the assistance of Brennan Title Company is hereby authorized to represent Client(s) in any and all matters relating to the above stated services and to deal in our name and as our counsel with \_\_\_\_\_ Lender in connection with any and all matters related to loan # \_\_\_\_\_. Client discloses that there (is) (is not) a second deed of trust, homeowner equity line of credit or other lien effecting the said premises.
3. Bankruptcy Clause: Client(s) represents and warrants to Attorney (and "others") that Client(s) are not in bankruptcy nor does Client(s) contemplate seeking bankruptcy protection during negotiations or until Attorney (and "other") have completed negotiations with lender. Should Client(s) seek bankruptcy protection at any time during the

negotiation by Attorney (and "others"), the fee provided for in this agreement will be due in full and the Attorney (and "others") will terminate all services. Attorney does not perform bankruptcy services and cannot advise Client(s) regarding the propriety or necessity of such action. Client is advised to seek the advice or services of a bankruptcy attorney to determine the appropriateness of such action.

4. Client(s) Fee: It is the contemplation of Attorney and Client that Attorney fees shall be paid by Lender(s) from sums due lender(s) in the settlement of short sale, modification or Deed in Lieu. However, Attorney's fee for services provided for in this agreement is \$2,500.00, (plus cost reasonably necessary in providing services to client such as title report and overnight delivery) which sum shall be due and payable upon the completion of short sale, Deed in Lieu or modification.
5. Termination: Either Client(s) or Attorney (and "others") may terminate any obligation for future services under this agreement effective immediately upon receipt of written notice of termination. Any such sums paid will be paid and applied to costs and work performed. Client(s) will upon performance by Attorney (and "others") be required to pay for services rendered to date as per paragraph 4.
6. Other Professionals: Other professionals or service providers, including title company, real estate agents, accountants, appraisers, surveyors, engineers, or other Attorneys and paralegals can be hired by the Attorney to assist in your case. The Attorney will select these other professionals and service providers.
7. Client (s) Cooperation and Duties: The Attorney (and "others") cannot complete their tasks without the cooperation and assistance of the Client(s). The Client(s) agrees to immediately provide requested information required by the lender, within 48 hours of said request. Failure to do so will be a violation of this agreement and the attorney may terminate all services.
8. Settlement: Client(s) will provide in any existing or future listing that upon execution of any sale agreement that Brennan Title Company will be selected by buyer and seller to handle the closing. Seller hereby irrevocably (a) instructs any title company or attorney or other entity closing the sale of the "premises" to pay from the said closing the Attorney fee agreed to herein; (b) assigns to "Attorney" any and all proceeds of and from the sale of the said premises, to include any allowance by the lender under the HAFA program, or other credits from lender(s) an amount equal to the fees agree to herein and (c) authorizes lender to deduct said fee and to pay said fee from any amount due to lender to Attorney at settlement.

9. I/We understand that the lender(s) may approve a Short Sale (reduced payoff), however, we are further aware that the lender may reserve the right to collect funds owed to them over and above the amount to be paid and approved by said lender in this transaction and, therefore, may seek to collect the remaining funds owed to the lender in the form of a note to be signed by us at closing or may seek to collect the remaining sums owed at some time after closing. I/We understand that John M. Brennan, Attorney is not responsible for obtaining a full release of personal liability but has been hired solely to provide release of the mortgage lien so that I/we may convey the premises to the purchaser free and clear of any outstanding lien on the premises.
10. Lender may provide an IRS Form 1099 to us stating the amount of deficiency that has been forgiven and we may be required to pay state and federal taxes on this amount. **You should obtain tax advice from your tax accountant on this matter.** Current law provides relief from this tax for certain homeowners where the premise has been occupied as a permanent residence. This relief may expire if the premise is not conveyed by 12/31/12..

READ THIS AGREEMENT CAREFULLY BEFORE SIGNING AND RETAIN A COPY. ASK QUESTIONS ABOUT ANY ITEM(S) YOU MAY NOT UNDERSTAND. YOUR SIGNATURE ACKNOWLEDGES YOUR UNDERSTANDING OF YOUR OBLIGATIONS HEREIN AND YOUR AGREEMENT TO PAY ACCORDING TO ITS TERMS.

John M. Brennan, Attorney

By \_\_\_\_\_ Date \_\_\_\_\_

Client(s)

Name \_\_\_\_\_ Date \_\_\_\_\_ SS# \_\_\_\_\_

Name \_\_\_\_\_ Date \_\_\_\_\_ SS# \_\_\_\_\_

Lender Account # \_\_\_\_\_

Email Contact \_\_\_\_\_

Home Phone \_\_\_\_\_ Mobile \_\_\_\_\_ Work \_\_\_\_\_

**JOHN M. BRENNAN, ATTORNEY  
AUTHORIZATION TO RELEASE INFORMATION**

To Whom It May Concern:

1. Initial all that apply:

I/we have a mortgage loan with \_\_\_\_\_  
1st Trust Account No. \_\_\_\_\_  
I/we have a 2nd mortgage loan with \_\_\_\_\_  
2nd Trust Account No. \_\_\_\_\_

\_\_\_ I/we have a lien, judgment, or Home Equity Line of Credit with (please provide account number, case number, and any contact information you have available)

\_\_\_ I/we authorize you to provide to John M. Brennan, Attorney, phone 301-261-8199, fax 410-224-8343, e-mail is: [Jbrennan@brennantitle.com](mailto:Jbrennan@brennantitle.com), and also to Brennan Title Company, Lisa Borza or Sandy Posey, 116 Defense Hwy, Suite 205, Annapolis, MD 21401 phone 301-261-8999, fax 410-224.8343, Lisa's email: [lborza@brennantitle.com](mailto:lborza@brennantitle.com); Sandy's e-mail: [sandy@brennantitle.com](mailto:sandy@brennantitle.com) or Anne Pell, phone 410-798-0064 email: [ann@annpell.com](mailto:ann@annpell.com) any and all information and documentation that they request such information includes, but is not limited to, payment history, payoff information, credit information , costs relating to attorney fees and any other fees associated with my loan.

\_\_\_ I/we authorize you to speak with, communicate with and negotiate with Brennan Title Company and or Lisa Borza, Sandy Posey, Anne Pell relating to payment of the Mortgage Loan.

2. This authorization includes the mortgage lender and any investor servicing the Mortgage loan and any attorneys working for the lender or judgment creditors relating to the collection of this loan.

**3. FEE AUTHORIZATION:**

\_\_\_ I/we authorize John M. Brennan, Attorney to receive his fee of \$2500.00 from our lender \_\_\_\_\_ and agree that any funds provided to us by the lender may be retained by the attorney provided such funds to not exceed the amount of \$2,500.00.

A copy of this authorization may be accepted as an original:

\_\_\_\_\_  
Borrowers Signature, Printed Name                      SS#                      Phone No.

\_\_\_\_\_  
Borrowers Signature, Printed Name                      SS#                      Phone No.

Property Address: \_\_\_\_\_

TO: Title Company  
RE: Property Address: \_\_\_\_\_

SELLER: \_\_\_\_\_  
BUYER: \_\_\_\_\_

**ASSIGNMENT OF COMMISSION**

I Seller/Listing Agent/Selling Agent agree to pay a portion of your fee of \$2500.00, if said fee is not authorized by the short sale lender, to be paid to you at closing by way of a reduction in our commission and authorize the title company handling this transaction to collect the sums upon receipt of an invoice from John M. Brennan, Attorney and approved by my/our broker.

Seller \_\_\_\_\_

Listing Agent \_\_\_\_\_

Selling Agent \_\_\_\_\_

Listing Agent Broker \_\_\_\_\_

Selling Agent Broker \_\_\_\_\_

## Basic Requirements for a Short Sale Package

Items listed below **without** a check **must be provided and/or completed by the homeowners or borrowers** and returned to the Agent for submission to the Lender(s). The documents already checked will be the responsibility of the Agent to provide.

- Authorization to Release Information Form
- Hardship Letter
- Financial Worksheet
- Most recent mortgage statement(s) from each lender
- ✓ Listing Agreement
- Copies of Tax Returns (last 2 years-first 2 pages only)
- Copies of All Bank Statements (last 2 months for all borrowers)
- Copies of Pay Stubs (last 2 pay periods for all borrowers)
- ✓ Signed Purchase Offer (See Note #3 Below)
- ✓ Buyer's pre-qualification letter from lender. If cash, proof of funds from banking institution.
- ✓ Estimated Closing Sheet (Estimated HUD-1)
- ✓ CMA
- ✓ If Junior Liens, those must be negotiated by agent/borrower

### Note #1:

If the homeowner is self-employed and does not have any pay stubs, a year-to-date Profit and Loss Statement and Balance Sheet must be provided.

### Note #2:

A brief explanation is required from the borrower if any of the above documentation is unavailable. The borrower will need to sign and date the document.

### Note #3

*Conventional and VA loans:* Include the signed offer and HUD-1 when submitting the short sale pkg.

*FHA loans:* Submit offer and HUD-1 *after* borrower is accepted into the program and an appraisal has been ordered.

### Note #4

When receiving the offer from the Buyer or Buyer's Agent, confirm the language below is included in the "Special Provisions" section of the Buyer's Offer. The Offer will NOT be executed until the lender approves the offer. However, the Lender wants to know there is both a willing buyer and a willing seller, therefore the homeowner will need to initial and sign the Offer before it is sent to the Lender for approval.

"All parties understand that (1) the subject property is being sold via a Short Sale and all terms of this contract must be approved by the Seller's lender, (2) the property is being sold as-is, and (3) this contract will not be executed and therefore the Option Period will not begin until approval is received from by the Seller's lender".

### Note #5

In isolated cases some lenders have *Lender specific documents they require on their own letterhead or stationary.*

~ Client Questionnaire ~

Borrower	Property Street Address	Date
Co-Borrower	Property City & Zip	Borrower(s) Phone
Borrower's SS#	Borrower Mailing Address	Borrower(s) Email
Co-Borrower's SS#	Borrower Mailing Address	Co-Borrower(s) Phone
Are Utilities Still On?	Borrower's Mailing Address City & Zip	Co Borrower(s) Email
Year Purchased	Purchase Price	Borrower(s) Fax
Loan Number	Mortgage Lender (1st)	Amount Owed? Number of Mos. Late
Loan Number	Mortgage Lender (2nd)	Amount Owed? Number of Mos. Late
HOA Fees Current? If not how much is owed?	Bedrooms/Bathrooms/Livings/Stories	Occupied? Owner or Tenant
HOA Phone Number	Purchase Price	Year Built
Square Feet	List Other Liens Filed Against Property? Amount(s) Lien	Estimated Repair Costs
Referring or Current Agent	Broker/Real Estate Company	Referring Agent Phone/Email

Notes:

Include the name, email, phone number and/or fax of person at your Lender you have been talking to.

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## Hardship Letter Guidelines

Remember to state the following items in your hardship letter:

1. **Hardships** – What are your hardships (current and past). For example – unemployed, car accident, medical problems (personal or family), etc. Go into a little detail about each hardship. The following are the most important messages to get across to the Lender:
  - a. Why you will not be able to be current again on your loan.
  - b. We do not have enough income to make these payments.
  - c. We are leaving the property.
2. **Your Assets** – Explain that you have no assets with which to continue paying.
3. **Any signed exemptions of documents** – If you do not have bank statements, pay stubs or tax returns, you will need to explain the reason in more detail in your letter as to “why” you can not provide those documents. (i.e. I’ve been unemployed for 6 months and have not been able to find work) Note- realize that if you don’t have tax returns, then the bank will ask for Extension-Fillings. So, if you don’t have Extension-Fillings either, explain why in this letter. (i.e. “I haven’t worked in over 2 years and so I haven’t filed taxes nor extensions”, or “I haven’t filed my tax returns for the past 2 years and I failed to file extensions as well).
4. **Bankruptcy** – You could also mention “I don’t want to have to file bankruptcy”.

## Sample Hardship Letter

[\*Remember, YOU must write your own Hardship Letter to the Lender(s)]  
To Whom It May Concern:

I have been unable to make my payments on my house, and I am now facing foreclosure. My inability to keep up with the monthly payments is the result of (loss of job, illness, accident, death or disability of a wage earner – describe in detail what your hardship is)

In spite of my current financial difficulties, I expect that it will only get (better / worse). I am not in a position to continue making my mortgage payments. This was not at all what I intended but I have come to the conclusion that this is my only option.

Your help and consideration in this matter are very much appreciated.

{Signature}

{Date}

{Printed Name}



## Sample Hardship Letter #1

November 04, 2005

Re: Loan Number 1515041xxx

To Whom It May Concern:

I am writing this letter to explain what has happened in our life to cause us to get delinquent on our mortgage and putting us in the current situation of foreclosure, which we very much regret.

In March of 2004, I took a temporary position with a local company and was there until August of this year. Prior to March my income had varied from week to week and circumstances arose that were beyond our control. Since, buying our home we have experienced serious financial set backs such as: having to replace appliances, elderly parents getting very ill and having to make trips back home, change of jobs, child care expenses, having to buy a vehicle and having to come up with a large down payment because of our poor credit rating, paying off numerous credit cards that arose during our job transitions. There were many months in 2003 that we got behind on the mortgage payment and then we were asked to make 2800.00 payment, which drained us and did not allow us to meet other obligations. It became a vicious cycle. It just seemed as if the more we tried the bigger the hold got. We both come from families who instilled strong work ethics, so we became very discouraged when we had no place to turn for a leg up. As I have said, both of us have elderly parents who have never been accustomed to lending their children money and because of our credit rating, we were unable to turn to banks for loans or refinancing. We wish we could refinance everything but we know this is impossible. We have had enough of this struggle. We have tried to sell the property for months and have gotten no interest and no offers, simply because it is priced too high. But, we cannot drop the price any because of what we owe you, the bank. We spoken to a bankruptcy attorney and have been advised to file, but we don't want to run the risk of ultimately having both a bankruptcy and foreclosure on our record. Since August, I have been employed as a full-time employee with an established company and I plan to make a career there. My wife was recently promoted to Administrative Assistant at her company, where she has been employed since December 2001. We both feel like financially things are beginning to be stable for us. We regret our financial history and are terribly embarrassed by it, but we are determined to move forward and start over. At this time, we have no money to make up the back payments and would ask you to please consider allowing us into your Short Sale Program so that we can drop the price of the house and sell the house quickly, so that we can settle our obligation to you and move on with our lives. Thank you for your time and consideration

Sincerely,

Homeowner

## Sample Hardship Letter #2

Re: Loan #5478xxx

To Whom It May Concern:

I am writing this letter to share some of the hardships I am facing in my life, and to help you understand why I have fallen behind on payments. As you know, my property located at 12345 Main Street, Wherever, Texas, account #5478xxx, is facing foreclosure in the near future.

Following my divorce, I purchased my home as a single mother in hopes of raising my daughter in a stable environment.

In August of 2003 I lost my job of ten years. After searching diligently for months for other employment, without success, I decided to try and start my own business doing interior painting and installing floor tile. This type of work has not been productive, only allowing me to live paycheck to paycheck and even barely at that. I have fallen behind on all my bills, reaching termination status. I am currently seeking other employment and have done so for several months. Again, without success. I am barely making ends meet to put food on the table for my daughter.

As you also know, I have agreed to a repayment plan in hopes that some type of employment would come through for me and bring me current on my payments so that I may keep my home. I have failed to meet the requirements of this repayment plan because of unemployment and accept the fact that I cannot afford to keep my home any longer.

I have been advised to file bankruptcy and have thought seriously about filing, but I prefer to avoid further destruction of my credit. I just want to move forward and start over. I can only do this with your help. I am pleading with you to PLEASE allow my Realtor, Michael Spickes, to work out a Short Sale on my home before it goes into foreclosure. Since I purchased my home, the home values have dropped in our area, so I currently owe more on my mortgage than the home is actually worth. If I put it on the market right now, there is no way I could sell it for anywhere what I need to pay off my mortgage balance plus cover the Realtor commissions and closing costs. In other words, I am terribly upside-down on this house and need help so that I don't have to go through the devastation of foreclosure. I just need someone to give me a huge break. Again, I am asking you to please consider assisting me by allowing my Realtor to begin trying to Short Sale my home.

Should you have any questions or need further information, please feel free to contact me at (123)456-7891.

Sincerely,

Homeowner

### Sample Hardship Letter #3

December 8, 2004

To Whom It May Concern:  
Loan #001133xxxx

We are writing this letter to share some of the hardships that we have been dealing with and trying to overcome. As you know, our property located at 123 Main Street, Wherever, Texas is currently facing foreclosure. We were taken to court by my husband's ex-wife and were required by the judge to set up a trust fund for approximately \$6500. In June, it rained seventeen days straight and my husband is in remodeling/construction and was unable to work most of those days. Also, our property taxes are not escrowed into our monthly mortgage payment and we are trying to get this debt paid. We have had our house on the market for two months in an effort to sell. To date, there has been only one offer and it was far less than the amount that we owe the bank and less than the house is worth, given the state of our local economy. Our Realtor, Michael Spickes, has advised us to drop the sales price so that the property will sell, but the only way we can do this is for you, the bank, to take less than what we currently owe you as we do not have any additional cash to close the sale.

Please work with our Realtor, who is advising us to lower the sales price on our house so that we can sell it before we end up in foreclosure. We do not want to file bankruptcy, we prefer to avoid further destruction of our credit. We just want to move on and start over. We are asking your help in this matter.

Sincerely,

Distressed Homeowners

## BORROWER'S FINANCIAL STATEMENT

Loan #:							
Borrower Name:				Social Security #:			
Mailing Address:							
Employer:				Position:			
Employer Address:				Employer Phone:			
Daytime Phone:				Evening Phone:			
Email Address:							
Number of Dependents at this address:							
Co-Borrower Name:				Social Security #:			
Mailing Address:							
Employer:				Position:			
Employer Address:				Employer Phone:			
Daytime Phone:				Evening Phone:			
Email Address:							
<b>ASSETS/LIABILITIES:</b>				<b>MONTHLY INCOME DATA</b>			
DESCRIPTION	Estimated Value	Amount Owed	Net Value	DESCRIPTION	Borrower	Co-Bor	Total
Primary Residence				Gross Pay:			
Other Real Estate				Overtime:			
Automobile:				Commissions:			
Automobile:				Bonus:			
Checking Account:				Child Support:			
Savings Account:				Rental Income:			
IRA/Keough Accts:				Other (Specify):			
401 (k) Acct:							
Stocks/Bonds/CD's:							
Boats:							
Collections/Art/Etc:							
Personal Items:							
				<b>NET INCOME:</b>			
<b>ACKNOWLEDGEMENT and AUTHORIZATION</b>							
<b>ACKNOWLEDGEMENT</b>							
I obtained a Mortgage loan secured by the above referenced mortgaged property. I have described my current financial condition with this Financial Statement form and I certify that all information presented herein, as well as all attachments is true, accurate, and correct to the best of my knowledge. I understand that submission of this information in no way obligates my Lender, Mortgage Servicer, Investor or Insuror to provide assistance to me.							
<b>AUTHORIZATION</b>							
By signing this Financial Statement, I hereby authorize my lender, Mortgage Servicer, Insurer and their respective agents to order a credit report and verify any and all employment and account information.							
Borrower Signature		Date		Co-Borrower Signature		Date	

**MONTHLY EXPENDITURES**

DESCRIPTION	MONTHLY DUE	BALANCE DUE	DELINQUENT Y / N ?
<b>Household Expenses:</b>			
Mortgage Payment			
Other Mortgages			
Alimony / Child Support			
Child Care			
Electric / Gas / Heat			
Water / Sewage			
Telephone / Internet			
Food for Household			
School / Work Lunches			
Clothing / Dry Cleaning			
Cable TV / Satellite			
<b>Total Household Expenses</b>	\$		
<b>Credit Card Expenses:</b>			
VISA			
MASTER CARD			
DEPT STORE CREDIT			
Other Credit Cards			
<b>Total Credit Card Expenses</b>	\$		
<b>Auto Expenses:</b>			
Auto Loan #1			
Auto Loan #2			
Auto Insurance			
Gasoline			
Auto Repairs			
Parking			
<b>Total Auto Expenses</b>	\$		
<b>Personal Loans:</b>			
Personal Loan #1			
Personal Loan #2			
<b>Total Personal Loans</b>	\$		
<b>Ins./Medical Expenses:</b>			
Health Insurance			
Life Insurance			
Doctors / Dentists			
Prescriptions			
Medical bills			
<b>Total Ins/Medical Expenses</b>	\$		
<b>Miscellaneous Expenses:</b>			
Charity / Donations			
Union Dues / Club Dues			
Entertainment			
Sports / Hobbies			
Vacations			
MISC. Expense #1			
MISC. Expense #2			
MISC. Expense #3			
<b>Total Misc Expenses</b>	\$		
<b>TOTAL EXPENSES</b>	\$		

\*\*\*Please note: DO NOT list bills in the MONTHLY DUE column if they are a "one-time" debt.  
 Please NOTATE if any of the above bills are deducted from your paycheck.  
 Please NOTATE any loans which will be paid in full within the next 6 months.