

MEMO

To: The Chapter 13 Bar

From: The Chapter 13 Trustees for the Eastern and Western Districts of Michigan

Re: Amendments to the Consumer Financial Protection Bureau's Mortgage Servicing Rule-
Periodic Billing Statements in Bankruptcy

Date: April 18, 2018

The Consumer Financial Protection Bureau ("CFPB") recently issued a final rule to assist mortgage servicers in communicating with borrowers facing bankruptcy. *See* CFR Part 1026. Effective April 19, 2018, servicers must send billing statements to borrowers in bankruptcy unless the loan is subject to an exemption. *See* 12 CFR Section 1026.41(e).

These statements will **only** be sent to debtors and not to trustees or debtors' attorneys; however, receipt of these statements may prompt questions from debtors. In the event a debtor contacts any of the offices of the Chapter 13 Trustees, the staff of the respective trustee will inform the debtor that the statement is required to be sent to the debtor by law. The staff will further inform the debtor to contact their attorney if they have any questions regarding the statement.

A sample of a monthly statement is attached. We are alerting you to avoid any surprise or confusion at your offices.

Thank you.

Important information

Payments received after normal business hours will be credited the following business day.

If you send your payment to any other location, it may cause a processing delay. When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment, and you will not receive your check back from your financial institution. If your mortgage check does not clear upon initial presentment, your bank may charge a fee and we may attempt to withdraw funds from your account electronically up to a maximum of three times. If we are not able to successfully collect these funds, the check amount will be reversed from your loan.

Disputing account information reported to credit bureaus

We may furnish information about your account to credit bureaus. You have the right to dispute the accuracy of information that we have reported by writing to us at the correspondence address noted on the front of this statement and describing the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that you believe relates to identity theft, you will need to provide us with an identity theft report.

Fee schedule

Fees for assumptions, partial releases, and other services will be quoted upon request. Allowable fees for checks and drafts that are not honored by your bank vary by state and will be assessed automatically. States with fixed fees are as follows: ID-\$20, NV-\$25, SD-\$30. Fees are subject to change without notice.

Contact us

If you'd like to request information, notify us of an error, or share any concerns you may have about the servicing of your loan, please contact us at P.O. Box 10335, Des Moines, IA 50306. Please include your account number with all correspondence.

Access your account online any time

View details of your mortgage account, including official tax information, payment activity and more. Please visit the website listed on the front of this statement.

Payment options

There are multiple ways to make a payment:

- Online - You can schedule free payments online. Simply sign on to the website listed on the front of this statement and schedule your payment securely at your convenience.
- Pay by Phone - Payments can be scheduled by calling Customer Service.
- By Mail or in person - You can mail your payment or bring it into any Wells Fargo Branch at no charge. Please be sure to include your payment coupon from your statement.

Need to wire payment funds? For assistance in finding the nearest location, call 1-800-926-9400 for MoneyGram® Express Payments or 1-800-325-6000 for Western Union® "Quick Collect" payments.

Notice regarding Third Party Liens

Wells Fargo will not allow the use of a loan from another lender to pay taxes. Such loans violate your mortgage agreement as they create liens on your property that may take priority over the mortgage lien.

Notice regarding Property Tax Deferrals

Wells Fargo is not able to accept Property Tax Deferrals in all states, based on the terms of the deferral program. Please contact us to confirm if the tax deferral offered in your state is an approved program.

Servicemembers Civil Relief Act -The Servicemembers Civil Relief Act (SCRA) may offer protection or relief to members of the military who have been called to active duty. If either you have been called to active duty, or you are the spouse, registered domestic partner, partner in a civil union, or financial dependent of a person who has been called to active duty, and you haven't yet made us aware of your status, please contact our Military Customer Service Center at 1-866-936-7272 or fax your Active Duty Orders to 1-877-658-4585, attention SCRA.

Housing counselor information

For help exploring options, the Federal government provides contact information for housing counselors, which you can access by contacting the Consumer Financial Protection Bureau at <http://www.consumerfinance.gov/find-a-housing-counselor/> or obtain no-cost assistance by contacting the Department of Housing and Urban Development at <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm> or by calling 1-800-569-4287.

Special note for customers with New York properties

For those customers who reside in the state of New York, the debtor may file complaints about the servicer and obtain further information from the New York Banking Department by calling the Department's Consumer Help Unit at 1-800-342-3736 or by visiting the Department's website at www.dfs.ny.gov.

Important bankruptcy notice -If you are presently seeking relief (or have previously been granted relief) under the United States Bankruptcy Code, this statement is being sent to you for informational purposes only. It is provided to you as a courtesy should you voluntarily decide to make payments on your account. Notwithstanding any language contained in this statement, we want to assure you that we:

- Are not providing this information to you in an attempt to collect a debt from you or in any way violate any provision of the United States Bankruptcy Code;
- Will not seek collection of any amount owing on your account that will be (or has been) discharged in connection with your bankruptcy case, except any amount that may be payable to us as a result of filing a proof of claim in your bankruptcy case; and
- Will only file a proof of claim for any amount owing on your account in your bankruptcy case if and when it is appropriate to do so.

In addition, if you filed a Chapter 7 bankruptcy case and received a discharge, but you did not reaffirm this debt, then please be advised that we are not sending this statement to you in an attempt to collect this debt from you personally and we can only exercise our rights against the property securing this debt.

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Address and phone number change -Please be sure to check the box on the front of payment coupon.

Borrower first name

Borrower last name

Co-borrower first name

Co-borrower last name

New mailing address

City, state/zip

Home phone

Work phone

Loan number: 0

Summary of amounts past due before bankruptcy filing (pre-petition and/or post-petition arrearage)

Confirmed plan amount*	\$764.85	PLEASE NOTE: If any unpaid amounts were on the account prior to the bankruptcy filing, then those amounts will be disclosed in this section. This amount may change when we file our proof of claim and/or the bankruptcy plan is confirmed by the court. This amount may also include post-filing amounts, as allowed by the court. However, if there were no unpaid amounts on the account prior to the bankruptcy filing, then no financial information will be disclosed in this section unless and until we file a proof of claim for unpaid post-filing amounts. Based on the terms of the plan, the trustee may be sending us the payments (reflected as "Paid since last statement" or "Total paid during bankruptcy"), if any. *If the plan has not yet been confirmed this amount has not been finalized, please contact your attorney.
Paid since last statement	\$0.00	
Total paid during bankruptcy	\$764.85	
Current balance	\$0.00	

Helpful Terms for Understanding Your Statement

Arrearage -Late or unpaid payments, interest and/or fees which may be paid over the length of a bankruptcy repayment period.

Bankruptcy plan - A bankruptcy plan enables individuals with regular income to develop a plan to repay all or part of their debts. The plan lays out how much each creditor will get paid, how long the plan will last, the values of the debtor's property and must be confirmed by the bankruptcy court in order for the case to proceed.

Confirmed plan amount - The arrearage amount that is approved to be repaid through the bankruptcy plan.

Consent Order (or Agreed Order)- A Consent or Agreed Order is an agreement between the debtor and the creditor to allow the debtor to catch up on payments.

Discharge - A bankruptcy discharge releases the debtor from personal liability for certain specified types of debts. In other words, the debtor is no longer legally required to pay any debts that are discharged.

Debtor -A person who has filed a petition under the Bankruptcy Code.

Interest rate- This interest rate is governed by the terms of the loan unless otherwise modified by a court order.

Pre-filing (or Pre-petition)- Occurring before the filing of a bankruptcy petition.

Proof of claim -A written statement setting forth a creditor's claim. A proof of claim shall conform substantially to the appropriate official bankruptcy form.

Post-filing (or Post-petition)-Occurring after the filing of a bankruptcy petition.

Trustee- Reviews the debtor's plan and collects and distributes payments made by the Chapter 12 or 13 debtor.

Post-petition fees -Not all post-petition fees displayed on this periodic statement may be recoverable from the account holder(s). Any advances, fees, or costs listed on the transaction history will be recoverable if any required notices are filed with the bankruptcy court or the court otherwise enters an order allowing recovery of those amounts.

Stipulated payment- Payment amount set out in a Consent or Agreed Order in addition to the Current or Total payment amount.

Unapplied funds balance- This balance represents the total amount of all unapplied funds on the account, including any claim amounts being paid by your trustee. We refer to any payment that is less than the payment amount established by the terms of the loan as a "partial payment". If we receive a partial payment, we will hold the partial payment until we receive additional funds that can be combined to make a full payment.

Unpaid principal balance- This is a principal balance only (and does not include interest and/or fees). The principal balance(s) is governed by the terms of the loan unless otherwise modified by a court order.