August 10, 2011

Gainesville, VA 20155

Re: Short Sale / Lien Release

PenFed Account Mortgage # 9

Equity Loan #

Property Address:

Gainesville, VA 20155

Balance:

\$503,646.41 \$ 92,990.69

Dear Sir / Madame:

In connection with the sale of the above referenced property, be advised that the Pentagon Federal Credit Union ("PenFed") is agreeing to the following conditions:

1. PenFed is agreeing to a short sale with a purchase price in the amount of \$495,000.00 with the closing to be held on or before August 30, 2011.

PenFed is agreeing to a short sale and will accept an amount of no less than \$463,237.25 for the 1<sup>st</sup> mortgage at the closing to be held on or before August 30, 2011, under the condition that a portion the remaining balance is repaid by seller,

3. PenFed is agreeing to a short sale and will accept an amount of no less than \$5,000.00 for the equity loan at the closing to be held on or before August 30, 2011, under the condition that a portion of the remaining balance is repaid by the

4. Seller is agreeing to execute a promissory note in the amount of \$45,000.00 with an interest rate of 4.99% for no more than 96 months, monthly payment not to exceed \$572.00.

Upon receipt of the proceeds of no less than \$468,237.25, the signed executed promissory note and final signed HUD, PenFed will release it's lien on the property referenced above.

The remaining shortage from the total amount due will be reported as charged off and subject by law to any applicable legal reporting requirements promulgated by the IRS.

IRS form 1099C representing the charged 7. PenFed will issue to seller, off/deficiency balance amount.

Any funds that are held in the sellers' escrow/impound account will be considered the property of PenFed and applied to the promissory note.

Fax 1-703-838-1535 1-800-451-7269 DCC, Box 1432, Alexandria, Virginia 22313-2032

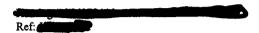


- 9. Any additional funds remaining from the sale after all approved closing costs must be paid to PenFed.10. Proceeds to be wired to PenFed as follows:

1st mortgage

Attn Mortgage Servicing/1177

Equity Loan



If there are any questions or additional information required in connection with this matter, please do not hesitate to contact me at <a href="mailto:Shortsales@PenFed.org">Shortsales@PenFed.org</a>.

Vice President, Collections

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