GSE FLEX AND STANDARD MODIFICATION WATERFALL WORKSHEET

A User's Guide

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I. About MFY's GSE Flex and Standard Modification Waterfall Worksheet

For loan modification applications submitted after December 30, 2016, borrowers will not be eligible for HAMP. Fannie Mae and Freddie Mac, the Government Sponsored Entities (GSEs), have introduced the Flex Modification to replace both HAMP and Fannie Mae and Freddie Mac Standard Modifications. Servicers may begin to review Freddie Mac loans for Flex Modifications as soon as February 15, 2017 and Fannie Mae loans for Flex Modifications as soon as March 1, 2017. All servicers must begin to review both Fannie Mae and Freddie Mac loans for Flex Modifications by October 1, 2017. Once a servicer begins to review loans for Flex Modifications, it can no longer review loans for Standard Modifications. The Standard Modification will not be a "second choice" modification as it was during HAMP. Soon after October 1, 2017, the Worksheet will be updated to remove the review for Standard Modifications.

The Worksheet is compatible with Excel 2007 and newer. It is not compatible with Excel 2003 or older. Unfortunately, these prior versions of Excel do not support the layers of conditional formatting on which the Worksheet relies. The Worksheet is available at http://www.mfy.org/wp-content/uploads/Waterfall-Worksheet-Flex-Modification.xlsx. The Worksheet was created and is maintained by Joseph Rebella of MFY Legal Services, Inc. If you have any comments or questions regarding the Worksheet, you can contact Joseph Rebella by emailing jrebella@mfy.org.

II. Loss Mitigation Covered by the Worksheet

The Worksheet covers the loan modification programs offered by the GSEs for loan applications submitted after the end of HAMP. Depending on whether or not the servicer has begun processing Flex Modifications, the borrower will be evaluated for either a Flex Modification or a Standard Modification, but not both.

A. Flex Modifications

Like the Standard Modification, the Flex Modification does not create target payment; instead it applies a series of changes to the loan and evaluates the result. A Flex Modification consists of five steps: (1) capitalization of arrears, (2) setting a fixed interest rate, (3) extending the term of the loan, (4) forbearing principal and (5) testing for further principal forbearance.

At the outset, the servicer determines the unpaid principal balance by capitalizing allowable arrears, including accrued interest and allowable fees and costs.

After capitalizing arrears, the servicer must set a fixed interest rate. The resulting interest rate depends on the post-modification mark to market loan to value ratio ("MTMLTV") and the nature of the pre-modification interest rate. If the loan has a fixed interest rate, then the interest rate will not change if the MTMLTV is less than 80%; if the MTMLTV is more than 80%, then the interest rate will be set to the lesser of the contract rate and the GSE's standard modification rate. If the loan has a step rate or adjustable rate, then the outcome depends on whether or not the current rate is at the final rate or the cap rate. Loans that have reached the final or cap rate are treated in a manner identical to fixed rate loans. Loans that have not reached the final or cap rate have the interest rate set to the lesser of the GSE's standard modification rate and the final or cap rate.

After the rate is set, the term of the loan is extended to 480 months from the modification date.

In the first evaluation for principal forbearance, the Flex Modification Waterfall forbears the lesser of (1) the amount necessary to create an amortizing loan to value ratio of 100% and (2) 30% of the capitalized unpaid principal balance.

The second evaluation for principal forbearance depends on the length of the default. For loans that were more than 90 days delinquent at the time of the modification application, the Flex Modification Waterfall determines how much forbearance is necessary to create a 20% reduction in the monthly principal and interest payment. The Waterfall then forbears the lesser of (1) the amount of forbearance to create a 20% reduction in principal and interest payment, (2) the amount required to create an amortizing loan to value ratio of 80% and (3) 30% of unpaid principal balance. For loans that were less than 90 days delinquent at the time of the modification application, the Flex Modification Waterfall determines the amount of forbearance needed to create a 40% housing expense to income ratio. The Waterfall then forbears the lesser of (1) the greater of: (a) the amount of forbearance needed to create a 40% housing expense to income ratio, and (b) the amount of forbearance to create a 20% reduction in principal and interest payment, (2) the amount required to create an amortizing loan to value ratio of 80% and (3) 30% of unpaid principal balance.

Even if the Flex Modification Waterfall is not able to create a 20% principal and interest reduction or reach the 40% HTI[1] target, the borrower will still be eligible as long as the modification results in a payment less than or equal to the pre-modification payment.

B. GSE Standard Modifications

Standard Modifications take different forms depending on the post-modification MTMLTV and on whether the modification is done through the streamlined process.

1. <u>MTMLTV >80%</u>

For loans with MTMLTV above 80%, GSE Standard Modifications follow these waterfall

[1] HTI is the housing payment to income ratio. The housing payment is the first lien mortgage payment plus taxes, insurance and any homeowners' association dues.

steps: (1) capitalizing eligible arrears, (2) setting a fixed interest rate, (3) extending the term of the loan to 480 months from the modification date, and (4) forbearing principal to the lesser of (a) the amount needed to create a post-modification MTMLTV ratio of 115% or (b) 30% of the post-modification unpaid principal balance. To set the interest rate, both Fannie Mae and Freddie Mac both use in-house rates that are available online.[2]

After running the loan through the waterfall, the servicer must test for affordability. A Standard Modification must produce (1) a principal and interest payment reduction and (2) a DTI ratio that is greater than or equal to 10% and less than or equal to 55%.[3] If the modification does not meet these requirements, then the borrower is not eligible for a Standard Modification.

2. MTMLTV<80%

Loans with MTMLTV below 80% are eligible for an alternative Standard Modification without interest rate reduction or principal forbearance.[4] The interest rate is set depending on the nature of the current interest rate. If the loan is a fixed rate loan, then the interest rate is not changed. If the loan is either an adjustable rate or a step-rate loan, then the interest rate is set to the greater of (1) the current interest rate of the loan or (2) the relevant GSE's standard modification interest rate.

Aside from these differences, Standard Modifications for loans with MTMLTV<80% are the same as those with higher MTMLTVs. The arrears are capitalized, and the term of the loan is

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[2] The Freddie Mac rate is available at http://www.freddiemac.com/singlefamily/service/standardmodrate.html. The Fannie Mae rate is available at https://www.fanniemae.com/content/guide_exhibit/fannie-mae-standard-modification-interest-rate.pdf

[3] *See* FDMC Guide § B65.18(a); FNMA Guide § D2-3.2-05.

[4] All descriptions of Standard Modifications for loans with MTM LTV <80% refer to FNMA Guide § F-1-22 and FDMC Guide § B65.18.

extended to 480 months.[5] The modification must produce (1) a principal and interest payment reduction and (2) a DTI ratio that is greater than or equal to 10% and less than or equal to 55%.

3. Streamlined Process

Both GSEs also provide modifications in streamlined form. Streamlined Modifications are not unique modification products, but instead alternate processes by which borrowers receive a Standard Modification.[6] The servicer sends the borrower a solicitation for the Streamlined Modification program within 15 days of the borrower becoming eligible. The solicitation lists the amount of monthly payments that would be due under a Standard Modification and requires the borrower to contact the servicer to accept.

Streamlined Modifications are only offered to borrowers who are at least 90 days in default, but less than 720 days in default. Additionally, the borrower cannot be involved in another loss mitigation option, such as an active and performing TPP, forbearance, repayment plan, or approved liquidation workout.

The terms of the Streamlined Modification are calculated in the same way that Standard Modifications are calculated, including the same MTMLTV analysis. Streamlined Modifications must create a principal and interest payment reduction, but because the modification is provided without an application, the DTI range requirement does not apply.

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[5] Both GSEs allow terms shorter than 480 months if certain financial criteria are met. However, because there is no rational economic reason to prefer a shorter loan term, the Worksheet does not perform these calculations.

[6] Unless otherwise cited, all statements regarding Fannie Mae's and Freddie Mac's policies on Streamlined Modifications derive from FNMA Guide § F-1-24 and FDMC Guide § B65.12.1, respectively.

III. Using the Worksheet

A. Introduction

The Worksheet consists of four tabs of inputs and outputs for first liens and one tab for second liens. Within each of the tabs, the cells are color coded. Blue Cells must be filled in by the user. Yellow Cells indicate the cell is showing the result of a calculation. Green Cells indicate that the cell is showing the contents of another cell, often located on another tab. Purple Cells indicate that the cell is showing an important or final calculation result.

B. Waterfall Inputs

The first lien inputs for the Worksheet are contained entirely on the "Inputs" tab.

1. Borrower Information

Inputs related to the borrower and the property are found on the left side of the screen.

- *Estimated Value of Property* – requests the current fair market value of the property. This is used to calculate the amount of principal forbearance, if any.
- *Rental Property* – requests a yes or no response to whether or not the property is a rental property, *i.e.*, not owner occupied.
- *Timing of Employment Income* – provides six options as to when the borrower is paid to calculate monthly employment income.
    - *Weekly* – borrower is paid once a week.
    - *Biweekly* – borrower is paid once every two weeks.
    - *Bimonthly* – borrower is paid twice a month.
    - *Monthly* – borrower has a monthly pay figure.
    - *Annual* – borrower has an annual pay figure.
    - *YTD* – ("Year-To-Date") borrower has a figure showing total paid to-date

over the year.

- *Enter Date of YTD* – only available if Timing of Employment Income is set to YTD. Date of YTD requires the pay date used in the YTD figure.
- *Employment Income* – borrower's gross employment income over the timeframe selected in Timing of Employment Income.
- *Contribution* – money provided on a monthly basis to the borrower from a non-borrower occupant for payment of the mortgage.
- *Untaxed Income* – monthly income that is not subject to federal income tax. Examples include SSI, SNAP, VA benefits and adoption assistance payments. The worksheet will automatically gross up untaxed income by 25%.
- *Fixed Income* – taxable income received on a monthly basis. Examples include SSA, SSD and pension payments.
- *Rental Income*
  - *Primary Residence* – income received from renting units in the primary residence. The worksheet will automatically adjust the rental income down by 25%.
  - *Rental Property* – income received from renting another, non-owner occupied property. The worksheet will automatically adjust the rental income down by 25% and subtract the PITIA on Rental.
  - *PITIA on Rental* – the housing cost of the rental property, when the borrower receives income from another, non-owner occupied property.

2. <u>Mortgage Information</u>

Inputs related to the mortgage are found on the right side of the inputs screen.

- *Owner Type* – requests the owner of the mortgage. The user selects from Fannie Mae or Freddie Mac.
- *Original Principal* – the amount of principal borrowed. If the loan was previously modified, enter the loan data from the modification.
- *Term in Months* – term of the loan in months.
- *Current Interest Rate* – the interest rate currently being charged on the loan.
- *Rate Type* – the type of loan product. The user can select either a Fixed Rate (set for the life of the loan), Adjustable Rate (adjusts based on an index) or Step Rate (changes through a series of preset rates).
- *Date of First Payment* – day that the first payment on the loan is due. This date is later than the date of origination.
- *Current Monthly P&I Payment* – available only when the mortgage has an adjustable or step rate. This cell requests the amount of monthly principal and interest payments currently due.
- *Amount of Principal Forbearance* – the amount of any non-interest-bearing balloon due at the maturity of the loan. For fully amortizing loans, this amount is zero.
- *Monthly Property Taxes* – amount of property taxes due on a monthly basis, corresponding to the "T" in PITIA.
- *Monthly Homeowner's Insurance* – cost of homeowner's insurance due on a monthly basis, corresponding to the second "I" in PITIA.
- *Monthly Association Fees* – cost of homeowner's association fees due on a monthly basis, corresponding to the "A" in PITIA.
- *UPB ("Unpaid Principal Balance") Information* – information the user has regarding the UPB, provides three options:
    - *Capitalized UPB* – user has both the UPB at the time of default and the

arrears to be capitalized. Such capitalization would include interest arrears and bona fide foreclosure-related costs, but not late fees.

- *UPB at Default* – user has both the UPB at the time of default, but not the total capitalizable arrears. The worksheet will calculate interest arrears based on the amount of the UPB at Default and time since default, assuming a fixed interest rate.
- *Default Date Only* – borrower only knows the default date. The worksheet will calculate UPB and interest arrears based on the amortization schedule of the mortgage, assuming a fixed rate thirty year amortization.
- Note – both the UPB at Default and Default Date Only option calculate tax, insurance and association (collectively "TIA") arrears assuming a concurrent default and fixed costs. This creates three potential calculation inaccuracies. First, an inaccuracy will result if the TIA costs have changed since the default. Second, borrowers, especially those without escrow accounts, may continue to pay some of the TIA costs past the date on which they default of their mortgage. Finally, most TIA costs are not incurred monthly, creating a problem when the charges are evened out on a monthly basis. For example, a borrower who pays for a year of insurance and then defaults for 10 months will have no actual insurance arrears, but the worksheet will indicate the depleting value of the policy and show the borrower as having 10 months of insurance arrears. If the amount of TIA arrears is known and varies from the amount estimated by the worksheet, make adjustments in the foreclosure fees section to even out the numbers.

- *Default Date* – only appears when the user does not have the Capitalized UPB and asks the date of the first missed payment.

- *Allowable Fees and Costs* – only appears when the user does not have the Capitalized UPB and asks the amount of capitalizable fees and costs.
- *Standard Modification Rate* – This cell requests the current standard modification rate for the relevant GSE. This rate is available by clicking the link on the input title.
- *Primary Residence PITIA* – only available when the property at issue is a rental property. This cell requests the amount of the borrower's housing cost on his primary residence.

C. Waterfall Outputs

The Waterfall's outputs are divided between two tabs: the "Flex Mod" tab and the "Standard" tab. The Flex Mod tab displays the relevant calculations for Flex Modifications, and the resulting modification terms if the loan is eligible. The Standard tab displays the calculations for Standard Modifications, and the resulting modification terms if the loan is eligible. Advocates should determine if the servicer at issue has begun evaluating borrowers for Flex Modifications and consult the appropriate tab.

IV. Waterfall Worksheet Examples

A. Flex Modification

Bernardo Soares financed the purchase of his home with a mortgage for $300,000 on December 2, 2007. Mr. Soares's first payment was due on January 1, 2008. His mortgage has a fully-amortizing fixed interest rate of 6.0% and principal and interest payments of $1,798.65. Mr. Soares fell behind in February 2014. Mr. Soares earns employment income of $3,500 per month and also receives $900.00 per month by renting a portion of his home. After reducing his rental income by a factor of .75, Mr. Soares's gross monthly income for modification purposes is $4,175.00. He pays $300.00 a month in property taxes and $120.00 a month for homeowner's insurance. The property has fallen in value and is currently worth approximately $250,000. Mr. Soares's loan is held by Fannie Mae, and serviced by a company that has begun evaluating homeowners for Flex Modifications.

In the Flex Modification analysis, the Worksheet begins by calculating Mr. Soares's capitalized UPB. Based on the default date of the mortgage, the Worksheet estimates that Mr. Soares's UPB at default was $272,904.37 and that he has accumulated $70,882.77 in eligible arrears. These add up to a capitalized UPB of $343,787.14.

Next, the Worksheet determines the interest rate for the Flex Modification. Because Mr. Soares has a fixed rate loan, his interest rate under a Flex Modification is the lesser of the Fannie Mae Modification Rate and his current, contractual interest rate. Because the current Fannie Mae modification rate is 4.25% and Mr. Soares's contractual rate is 6.00%, the Flex Modification rate is set to 4.25%. After extending the term of the loan to 480 months, the Worksheet calculates the amount of forbearance.

Forbearance in a Flex Modification is set to the lesser of (1) the amount needed to create a post-modification loan to value ratio of 100% and (2) 30% of the capitalized UPB. Here, the amount of forbearance required to create a 100% loan to value ratio is $93,787.14 and 30% of the unpaid principal balance is $103,136.14. As a result, the Worksheet sets the forbearance to $93,787.14, creating an amortizing principal balance of $250,000.00.

Next, the Worksheet determines whether or not additional forbearance is necessary. Because Mr. Soares is over 90 days delinquent on his mortgage, the Flex Modification only attempts to determine whether or not additional forbearance is required to lower the monthly principal and interest payment by 20%. At a 4.25% interest rate over 30 years, Mr. Soares would need an amortizing balance of $331,839.05 to achieve a 20% reduction in his monthly principal and interest payment. Because his amortizing balance is already lower than this amount, no additional forbearance is required.

After the completion of the waterfall, Mr. Soares is eligible for a modification with a principal balance of $343,787.14 with $93,787.14 of that consisting of principal forbearance. The amortizing portion of the principal balance is charged interest at 4.25% over 480 months. This creates a principal and interest payment of $1,084.05 and a complete housing payment of $1,504.05. Note that, because Mr. Soares is over 90 days delinquent on his mortgage, this modification is calculated and offered without regard to Mr. Soares's income.

Bernardo Soares Waterfall Worksheet
Run on: 3/20/2017

BORROWER INPUTS

Cell Color Code

Requires Input	Linked Cell
Formula Cell	Result Cell

BORROWER INFORMATION

Estimated Value of Property	$ 250,000.00	
Rental Property?	No	
Borrower Gross Monthly Income		
Timing of Employment Income	Monthly	
Employment Income	$ 3,500.00	
Monthly Employment Income	$ 3,500.00	
Monthly Contribution	$ -	
Monthly Fixed Income	$ -	
Monthly Untaxed Income	$ -	
	$ -	
Rental income		
Primary Residence	$ 900.00	
	$ 675.00	Reduced by 25%
Rental Property	$ -	
	$ -	
PITIA on Rental	$ -	
	$ -	
Subtotal	$ 4,175.00	
Co-Borrower		
Timing of Employment Income		
Employment Income	$ -	
Monthly Employment Income	$ -	
Monthly Fixed Income	$ -	
Monthly Untaxed Income	$ -	
	$ -	
Subtotal	$ -	
Gross Monthly Income	$ 4,175.00	

MORTGAGE INFORMATION

Owner Type	Fannie Mae
Fannie Mae Mod Rate	4.250%
Loan Terms	
Original Principal	$ 300,000.00
Term in Months	360
Current Interest Rate	6.000%
Rate Type	Fixed Rate
Date of First Payment	1/1/2008
Amount of Forbearance	$ -
Monthly Property Taxes	$ 300.00
Monthly Homeowner's Insurance	$ 120.00
Monthly Association Fees	$ -
Arrears and UPB	
UPB Information:	Only Default Date
Estimate Arrears and UPB at Default:	
Default Date	2/1/2014
Today's Date	3/20/2017
Total Months in Default	38
Est UPB at Default	$ 272,904.37
Taxes in Arrears	$ 11,400.00
Insurance Arrears	$ 4,560.00
Association Fee Arrears	$ -
Interest Arrears	$ 52,704.12
Monthly PITIA Payment	$ 2,218.65
Allowable Fees & Costs	$ -
Total Eligible Arrears	$ 70,882.77

MFY Legal Services Inc.'s Proprietary Waterfall Worksheet

Bernardo Soares Waterfall Worksheet
Run on: 3/20/2017

FANNIE MAE FLEX MODIFICATION

Cell Color Code

Requires Input	Linked Cell
Formula Cell	Result Cell

Gross Monthly Income	**$ 4,175.00**	

CURRENT MONTHLY PITIA AMOUNT

Principal & Interest	$ 1,798.65	
Taxes	$ 300.00	+
Insurance	$ 120.00	+
Association Fee	$ -	+
Monthly PITIA Payment	**$ 2,218.65**	
Remaining Term on Loan	249	months

STEP 1: CAPITALIZE THE ARREARAGE

Current Principal Balance	$ 272,904.37	
Total Eligible Arrears	$ 70,882.77	+
Unpaid Principal Balance	**$ 343,787.14**	

STEP 2: SET INTEREST RATE

Lesser of:

Fannie Mae Mod Rate	**4.250%**
Current Rate	**6.000%**
Result	**4.250%**

STEP 3: EXTEND THE TERM

New mortgage term	480	months

Current as of FNMA Lender Letter 2016-06

STEP 4: FORBEAR PRINCIPAL

Property value	$ 250,000.00
Capitalized UPB	$ 343,787.14
Post-Mod LTV	137.51%
Is post-mod LTV greater than 100%?	**YES**
Forbear the lesser of....	
(i) Post-mod LTV = 100%	
New UPB	$ 250,000.00
Forbearance	$ 93,787.14
(ii) 30% of capitalized UPB	
New UPB	$ 240,651.00
Forbearance	$ 103,136.14
Amount to forbear	$ 93,787.14
New interest-bearing principal balance	**$ 250,000.00**

STEP 5: TEST FOR FURTHER FORBEARANCE

Borrower Over 90 Days in Default. Target P&I Reduction Only	
Target Amortizing UPB for 20% P&I Reduction	$ 331,839.05
Additional Forbearance Needed For Target	$ -
Forbearance Limits	
MTMLTV at 80%	$ 50,000.00
30% of Post-Mod UPB	$ 9,349.00
Additional Forbearance	$ -

MODIFICATION RESULTS

New P&I Payment	$ 1,084.05
New PITIA Payment	$ 1,504.05
New Principal Balance	$ 343,787.14
Principal Forbearance	$ 93,787.14
New Interest Rate	4.250%
New Term	480

MFY Legal Services Inc.'s Proprietary Waterfall Worksheet

B. Standard Modification

For the Standard Modification, we'll assume the same facts, but in this case, Mr. Soares's servicer has not yet begun evaluating homeowners for Flex Modifications. As a result, Mr. Soares is evaluated for a Standard Modification.

The first few steps in the waterfall are the same. The Standard Modification uses the same capitalization method to calculate a capitalized UPB of $343,787.14. For fixed rate loans, the interest rate calculation is also the same. The Worksheet takes the lesser of the Fannie Mae modification rate (4.25%) and the contractual interest rate (6.00%). The Worksheet also extends the term to 480 months.

But forbearance in the Standard Modification is less generous than in the Flex Modification. Forbearance in a Standard Modification is set to the lesser of (1) the amount needed to create a post-modification loan to value ratio of 115% and (2) 30% of the capitalized UPB. Here, the amount of forbearance required to create a 115% loan to value ratio is $56,287.14 and 30% of the unpaid principal balance is $103,136.14. As a result, the Worksheet sets the forbearance to $56,287.14, creating an amortizing principal balance of $287,500.00.

The waterfall then tests for affordability. With an amortizing principal balance of $287,500.00 accruing annual interest of 4.25% over 480 months, Mr. Soares's principal and interest payment is $1,246.66 with a total housing payment of $1,666.66. The total housing payment is 39.92% of his gross monthly income. Because the DTI is between 10% and 55%, Mr. Soares's modification meets the debt to income ratio affordability requirement. The new monthly principal and interest payment is 30.69% less than his pre-modification payment. Because the modification creates a payment reduction, Mr. Soares is eligible for a Standard Modification.

After the completion of the waterfall, Mr. Soares is eligible for a modification with a principal balance of $343,787.14 with $56,287.14 of that consisting of principal forbearance. The amortizing portion of the principal balance is charged interest at 4.25% over 480 months. This creates a principal and interest payment of $1,246.66 and a complete housing payment of $1,666.66.

Bernardo Soares Waterfall Worksheet
Run on: 3/20/2017

FANNIE MAE STANDARD MODIFICATION

Cell Color Code

Requires Input	Linked Cell
Formula Cell	Result Cell

Gross Monthly Income	**$ 4,175.00**	

CURRENT MONTHLY PITIA AMOUNT

Principal & Interest	$ 1,798.65	
Taxes	$ 300.00	+
Insurance	$ 120.00	+
Association Fee	$ -	+
Monthly PITIA Payment	**$ 2,218.65**	
Remaining Term on Loan	249	months

CAPITALIZE THE ARREARAGE

Current Principal Balance	$ 272,904.37	
Total Eligible Arrears	$ 70,882.77	+
Unpaid Principal Balance	**$ 343,787.14**	

REDUCE INTEREST RATE

Lesser of:

Fannie Mae Mod Rate	**4.250%**
Current Rate	**6.000%**
Result	**4.250%**

EXTEND THE TERM

New mortgage term	480	months

Current as of FNMA Servicing Announcement 2015-12

FORBEAR PRINCIPAL

Property value	$ 250,000.00
Capitalized UPB	$ 343,787.14
Post-Mod LTV	137.51%
Is post-mod LTV greater than 115%?	**YES**
Forbear the lesser of….	
(i) Post-mod LTV = 115%	
New UPB	$ 287,500.00
Forbearance	$ 56,287.14
(ii) 30% of capitalized UPB	
New UPB	$ 240,651.00
Forbearance	$ 103,136.14
Amount to forbear	$ 56,287.14
New interest-bearing principal balance	**$ 287,500.00**

TEST FOR AFFORDABILITY

Post-mod P&I payment	$ 1,246.66
Post-mod PITIA payment	$ 1,666.66
(1) Is new DTI between 10% and 55%	
Post-mod DTI	39.92%
Answer	**YES**
(2) Is new P&I less than old P&I?	
Percent Reduction	30.69%
Answer	**YES**

Modification Results

New P&I Payment	$ 1,246.66
New PITIA Payment	$ 1,666.66
New Principal Balance	$ 343,787.14
Principal Forbearance	$ 56,287.14
New Interest Rate	4.250%
New Term	480

MFY Legal Services Inc.'s Proprietary Waterfall Worksheet