



August 4, 2010

**RE: Treasury's Supplemental Directive 10-05**

**ATTENTION: Loans with Principal Forbearance Reported prior to 6/3/2010**

Wells Fargo Bank, N.A., in its roles as Master Servicer ("Wells Fargo") and Trustee ("Wells Fargo"), has published this letter to ensure that Servicers understand our position with regard to principal forbearance reporting.

The Treasury's recent publication of Supplemental Directive 10-05 provided clarification about principal forbearance treatment when governing deal documents are silent, but does not clearly state whether or not this treatment is applicable prior to the publication date of the directive.

We wanted to take this opportunity to emphasize to Servicers the importance of Servicer reporting in our process for both understanding Servicer intent and making proper allocations as it relates to principal forbearance. We are actively working with the ASF and the Master Servicer and Servicer Subforums to approve a list of fields that will be required for both HAMP and Non-HAMP loans as it relates to principal forbearance; however, in the interim before that list is sent to Servicers, if a Servicer wishes to restate any active loans that were reported to Wells Fargo where the principal forbearance amount was not reported as a loss originally but now wants them to be processed as such, we require the following:

- A separate and distinct file\* from the regular Investor Reporting file with the following naming convention: "Restatement of Principal Forbearance Amounts Previously Reported.xls".\*\*
- A Servicer may only send one file each cycle
- The file must contain, at a minimum, the following fields:
  - Loan Number (please include all loan number columns that are currently provided in the Investor Reporting file)
  - Loan Modification Effective Date
  - Principal Forbearance Loss / (Recovery) Amount – the amount of principal forbearance that is to be treated as a realized loss.
  - Original Principal Forbearance Amount – the amount of principal forbearance that was reported when the loan modification record was reported.
  - Curtailment Amount Applied to Principal Forbearance Amount, if applicable
  - Current Principal Forbearance Amount – the amount of principal forbearance that is owed by the borrower

\*We understand that some Servicers may be ready to provide a file for HAMP loans but not for Non-HAMP loans. Thus, it is acceptable to Wells Fargo if one file is received now and another file sent in another cycle; however, we'd appreciate it if the number of files were limited to a few. Please ensure that if more than one will be sent that they are numbered or otherwise distinguishable in name from any file previously sent.

\*\*If a Servicer will be creating these files by Investor Number, please be sure to include the Investor Number in the file name as well.

Once a Servicer has completed the restatement of principal forbearance amounts due to the Supplemental Directive, this file is no longer applicable.

If you have questions regarding the communication, please contact: [servicerconnect@wellsfargo.com](mailto:servicerconnect@wellsfargo.com)

Sincerely,  
Wells Fargo Bank, N.A.