QUESTIONS REGARDING:

* THEFT OF PERSONAL PROPERTY
* HARDEST HIT FUNDS

When I purchased the vacant Mishawaka, IN asset, the rear door had been rekeyed and the home contained a large amount of personal property.    The BPO agents took pictures of the personal items and placed a lock box on the back door. The home has not been trashed out--only inspected, photographed and grass cut to avoid city code violations.

The asset is now boarded with Allied. They have contacted the borrower who would  like to keep the home vs deed in lieu.  He was instructed by   the hardest hit fund counselor to turn on utilities and  move back into the home so as to qualify for the HHF. Allied thinks he is a great candidate for HHF due  to being unemployed and now on long term disability.   He would to mod his  adjustable rate loan.

Yesterday, on a subsequent call to the borrower from Allied, he threatened a law suit because he claims his gun safe was removed from the home. I have pictures from 2 different agents showing the drilled out safe was still on premises as of 11/25 taken during their property inspection. I also have email from the 2 agents claiming no knowledge of the removing the safe. On of the agents noted the rear window showed signs of forced    entry.

Note specifics:

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| --- | --- | --- | --- |
| 624 E. MARION ST | MISHAWAKA | IN | 46545 |

2/1/1

UPB                                                                                                            $56300

Plus--LATES                                                                                 $8500

Plus--TAXES PAID BY CHASE TO BRING CURRENT              $7000

TOTAL DUE                                                                                                             $71,800+/-

INTEREST RATE                                                                8%

CURRENT MONTHLY PAYMENT  P & I                   $460.58

BPO VALUE RANGE-                                                   $65,000-70,000

LAST PAYMENT                                                           7/24/12

Title is clean—the first is the only lien on the asset.

Suggestions?

Dave Franecki