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LLS Litton Loan Servicing

Dec 28, 2007

174
 Anaheim, CA 92801-4026

RE: Mortgagor(s):
 LLS #: 1564
 Secured Property: 174 Avenue Anaheim, CA 92801
 Original Note Amount: \$368,000.00
 Date of Original Mortgage: Dec 16, 2005

Dear Mortgagor(s):

This letter constitutes a commitment to modify the referenced note and mortgage, subject to the terms and conditions stated below. This letter contains our offer, and it permits you to accept this offer. When signed by you, this letter will constitute your agreement to these terms and conditions.

If you choose to accept this commitment, you must sign and return it to Litton Loan Servicing LP ("Litton") by Jan 08, 2008. Failure to do so will result in the automatic withdrawal of the offer to modify this loan by Litton without further notice.

Present Loan Information

Current Principal Balance: \$368,000.00
 Current Interest Rate: 6.990%
 Current Payment (interest only): \$2,143.60
 Current Total Payment [including escrow]: \$2,143.60
 Delinquent Interest Owed: \$13,003.20
 Outstanding Servicer Advances: \$2,767.00
 Outstanding Escrow Advances: \$0.00

Total Amount Owed as of Dec 28, 2007: \$385,772.20

As indicated above, unpaid escrow advances, expenses for attorney fees and costs, property preservation expenses, inspections, and any other servicer advances, are due and payable. A detail of the amounts owed and how they will be collected is provided on the following page.

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Servicer Advances:

- (a) \$2,767.00 due for unpaid servicer advances for attorney fees and costs, property preservation expenses, inspections and other expenses
- (b) \$375.00 servicer advances to be paid by you as part of this modification
- (c) \$2,392.00 servicer advances capitalized and added to the new principal balance
- (d) \$0.00 servicer advances you owe that are being waived

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(e) \$0.00 services advances that will remain due and payable upon completion of this loan modification

Any uncollected and unbilled advances that you owe as of the date of this approval, will remain due and payable after completion of this modification.

Escrow Advances:

- (a) \$0.00 due for unpaid escrow advances
- (b) \$0.00 escrow advances to be paid by you as part of this modification
- (c) \$0.00 escrow advances capitalized and added to the new principal balance
- (d) \$0.00 escrow advances you owe that are being waived
- (e) \$0.00 escrow advances that will remain due and payable upon completion of this loan modification

Your escrow advance balance, if applicable, will be brought to \$0.00 as part of this loan modification. Future escrow advances may cause a payment increase to your loan. If your loan is non-escrowed, you are responsible for the prompt payment of real estate taxes and property insurance as part of your original obligation on your note and mortgage.

Offer to Modify Mortgage

We hereby offer to modify the note and mortgage, as follows (as modified it will be called the "Modified Mortgage"):

Section A. Terms of Modification. The mortgage will be modified to reflect the following terms:

- (a) The new principal balance will be \$330,000.00.
- (b) The current interest rate of 7.125 % will be extended for an additional two-year period at which time the adjustable rate provision in your note may be exercised. The effective date for the new interest rate will be Jan 01 2008.
- (c) The monthly payment (interest only) will be \$1,959.38, plus \$0.00 for taxes and insurance for a total monthly payment of \$1,959.38. Future advances from escrow will result in an increased payment to cover that shortage.
- (d) The first regular monthly payment on the modified mortgage will begin on Feb 01, 2008.
- (e) The modified mortgage's maturity date will be on January 01, 2036.
- (f) All other terms and conditions of the note and mortgage will remain the same for the modified mortgage, including but not limited to, provisions for late fees and Litton's right to pursue collection action for default, including foreclosure.

All living mortgagors, guarantors, endorsers or sureties on the original mortgage must sign the modified mortgage and any other documents that we require.

Section B. Amounts To Be Paid. You will be required to pay the following amounts in the form of cashier check or certified funds as specified below:

- (a) \$375.00 attorney fees and costs for the modification (non - refundable)
- (b) \$0.00 cash contribution (to be applied to the total amount owed, as determined by Litton)
- (c) \$375.00 total funds required

You must return the attorney fees and cost with the signed acceptance of this commitment. The cash contribution must be returned with the executed loan modification agreement. If any additional monthly payments are due, you must also pay them upon execution of the loan modification agreement.

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Section C. Contingencies. This offer is contingent on the following:

- (a) A lender's title insurance policy or endorsement that insures the modified mortgage as first lien may be required. If you have any other liens on the property, you may be required to obtain agreements by which other secured creditors subordinate their interests to the modified mortgage.
- (b) If any other issues arise between the date of this commitment and the date on which the documents for the modified mortgage are to be signed, including, but not limited to, deterioration in the condition of the property,

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lawsuits, liens, additional expenses and defaulted amounts, we may refuse to permit the mortgage to be modified and will pursue all collection action, including foreclosure.

If you choose to accept the offer for a modified mortgage upon the terms and conditions above, you must agree by signing the acceptance that follows this offer. The acceptance must be signed by each mortgagor and returned to Litton by Jan 08, 2008, or the offer will expire.

Sincerely,

Sheila
Sheila
Loss Mitigation Department

Acceptance of Offer for Modified Mortgage:

I am the mortgagor on the referenced mortgage. I agree to or acknowledge the following:

I accept all of the terms and conditions stated in this offer.

I have failed to pay the mortgage in accordance with its terms, and am now in default on the mortgage.

I have no defenses or offsets against the mortgage or Litton's right to collect the mortgage by foreclosure or otherwise.

I acknowledge this commitment for a modified mortgage, even when signed by Litton and me/us, will not prevent or prohibit Litton from continuing collection action. Therefore, in the event I sign this commitment, but fail to fulfill any or all of its terms and conditions, Litton may complete any collection action already commenced without further notice to us, including foreclosure. This commitment will not be considered a waiver of or defense to lender's right to commence or continue any collection action.

The terms of the modified mortgage will be as stated in Section A. I will sign any documents necessary to complete the modified mortgage.

I will pay by cashier's check or certified check the total amount stated in Section B. If Litton determines that any additional sums are due, we will pay those amounts.

I acknowledge this commitment is contingent as provided in Section C. Litton shall determine whether the contingencies have been satisfied.

If the new principal amount of the modified mortgage is more than the existing principal balance of the mortgage, I understand those amounts due, such as unpaid interest, taxes, insurance, or expenses, have been added to the principal amount under the modified mortgage.

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All representations made by me/us pursuant to my/our request for the modified mortgage are true and have been and will be relied upon by Litton, and any breach of the representations will give Litton the right to terminate this commitment and could result in the pursuit of other rights and remedies by Litton.

Check the Appropriate Box:

I am now occupying the property as my/our primary place of residence.

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I am not now occupying the property as my/our primary place of residence.

I have had the opportunity to consult with legal and/or tax counsel prior to agreeing to the foregoing, and have agreed to these terms and conditions whether or not I retained such counsel.

Date: _____

Date: _____

Please send a signed copy of this commitment letter to Litton by mail, facsimile, or e-mail. This contact information been provided on the previous pages of this commitment letter.

LITTON LOAN SERVICING LP IS A DEBT COLLECTOR. THIS LETTER IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.