



OPTION ONE
M O R T G A G E

an H&R BLOCK company



November 13, 2006

000586/BK013/647

O. Max Gardner, III
P. O. Box 1000
Shelby, NC 28151-1000

RE: WORKOUT OPTIONS FOR BORROWERS IN BANKRUPTCY

Creditor: Option One Mortgage Corporation
Debtor(s): William C Carden
Bankruptcy Case No.: 05-35837
Creditor Account No.: 0011876372
Property Address: 819 Brooklee Dr
Kings Mountain NC 28086

Dear O. Max Gardner, III :

We are aware that your client has filed for bankruptcy protection. Whether your client intends to keep or surrender the above-referenced property, there may be more preferable or flexible options for him or her to consider when compared with those traditionally available under the bankruptcy law. All workout review options are obviously contingent upon your approval and that of the trustee and the bankruptcy court. These options include the following:

- If your client wishes to keep the property, but is suffering through or emerging from a hardship, available options may include modifying the loan, which could involve recapitalizing the delinquent mortgage payments extending the maturity date, and/or reducing the interest rate if permitted by the investor.
- If your client cannot afford to retain the property, another potential option is the sale of the property. In situations where the value of the property does not exceed the outstanding debt, compromises may sometimes be made to facilitate a sale of the property at the fair market value with liability for the shortfall forgiven.
- Should a situation arise where your client can neither afford to keep the property, nor has he or she been able to sell it at fair market value, and there are no junior encumbrances, the investor may possibly accept a Deed in Lieu of Foreclosure.

We want to help homeowners, who, like your client, have encountered financial difficulty. We request that you consult your client regarding these alternatives. Enclosed are a blank Financial Statement and a Workout Questionnaire for Borrowers in Bankruptcy for your client's completion. If your client wishes to pursue one of the above options,

ATTORNEY CONSENT

To: Option One Mortgage Corporation
BK-Borrower's Assistance Team
Fax Number 866-400-3545

Re: Debtor(s) Name(s): _____

Bankruptcy Case No: _____

Creditor: Option One Mortgage Corporation
Account No.: _____

In my capacity as counsel for the above-referenced debtor(s) in the above-referenced bankruptcy case, I hereby authorize Option One Mortgage Corporation, by its agents, to communicate directly with the debtor(s), with such communications restricted to the subject matter of a workout or loss mitigation alternative with respect to the above-referenced Account Number. In authorizing the same, it is understood that Option One Mortgage, et al. shall not communicate with the debtor on any other issue.

CONSENTED TO:

Date: _____
Counsel for Debtor

Debtor(s) can be reached at the following telephone number:

Day: _____

Evening: _____

-OR-

_____ Although my client is interested in the loss mitigation alternatives, I would prefer that all related communications be directed through my office.
Attorney initials _____

_____ I have spoken with my client, and we are not interested in pursuing a loss mitigation alternative. Attorney initials _____

WORKOUT QUESTIONNAIRE FOR BORROWERS IN BANKRUPTCY

To: Option One Mortgage Corporation
BK-Borrower's Assistance Team
Fax Number 866-400-3545

Bankruptcy Case Number: _____

I am interested in the following option:

- _____ Repayment Plan (I would agree to repay the existing delinquency within 6 months or less - Document Financial Information is not required).
- _____ Loan Modification (I desire to keep my home and request that the past due amount owed be capitalized).
- _____ Sale (I would agree to sell the property at fair market value even if the proceeds are not sufficient to pay off the account in full, to avoid a foreclosure).
- _____ Deed-in-Lieu-of-Foreclosure (I cannot sell the property or afford to keep it, but there are no junior liens and I am willing to deed the property to the Servicer to avoid a foreclosure).

The following explains my current situation:

1. I fell behind in my mortgage payments because:

2. My income and/or expenses have changed since filing bankruptcy as follows:

3. I am requesting a loan modification and am able to make the following cash contribution to pay down outstanding fees and costs and/or payments (this sum would be applied towards the modification or repayment agreement if and when approved):

4. If my workout option is approved, and I am in a Chapter 13 bankruptcy, I will most likely (a) convert to a Chapter 7, (b) dismiss my case or (c) remain in the bankruptcy to pay my second secured creditors. (Please circle one)
