National Foreclosure Settlement

Robo-signing and the AG Settlement

Jennifer Schultz, Esq.
Elizabeth Goodell, Esq.
Community Legal Services, Inc.
3638 North Broad Street
Philadelphia, PA 19140
jschultz@clsphila.org
bgoodell@clsphila.org

Robo-Signing
A Brief History

AG Settlement

http://www.nationalmortgagesettlement.com/

The players

- 49 State Attorneys General (not OK)
- US Department of Justice
- US Department of Housing & Urban Development
- 5 national servicers
  - Ally Financial, Inc. (GMAC)
  - Bank of America Corp. (Countrywide)
    - Special provisions re principal writedown
  - Citigroup, Inc. (Citigroup, Citibank, Citimortgage)
  - JP Morgan Chase & Co.
  - Wells Fargo & Co. (Wachovia)

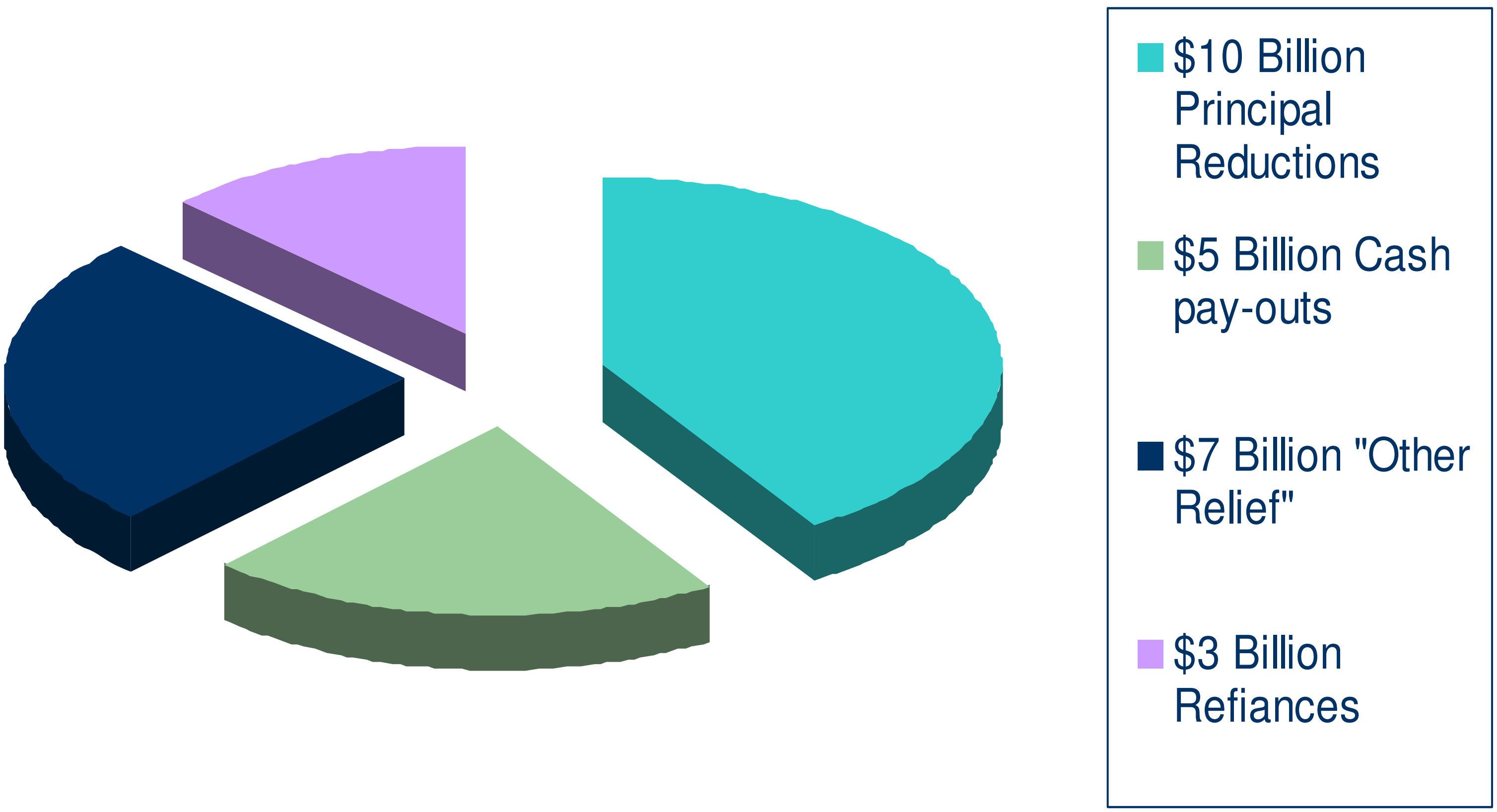
The players

- Fannie & Freddie loans are NOT included
- FHA-insured loans ARE included

General principals

- Money
  - To federal government
  - To states
  - To individuals
- Changes in how delinquent loans are serviced
- Changes in how loans are foreclosed
- Changes in how post-foreclosure process is handled
  - Forgiveness of debt
  - Addressing blighted & abandoned properties
- Waiver of government claims for robo-signing

Show us the money: $25 Billion



The details: General

- Start & end dates:

  March 1, 2012 – Sept. 1, 2016
- Summaries by NACBA & NCRL available in training materials on-line
- NACBA summary includes citations & bankruptcy-specific details

The details: General

- Official web site: nationalmortgagesettlement.com
  - Access to Complaint & Consent Orders for each bank
- Enforcement:
  - Monitor: Joseph A. Smith, former banking secretary, N.C.
  - online tool for reporting servicing complaints:

  www.mortgageoversight.com/report-client-issues/.

The details: $

- $5 billion cash pay outs
  - $.75 billion to federal
  - $2.75 billion to states
    - $69 mil to PA
    - Proposed uses in PA
      - Banking Dept to enforce settlement
      - AG's office for housing counseling, HEMAP, and PLAN?
  - $1.5 billion to "Administrator" to distribute to individuals
    - $1,800 - $2,000 per claimant
    - People who lost their house 1/1/08-12/31/2011
    - Wrongfully foreclosed (robo-signer or proceeded "without discussion of alternatives")

The details: $

- $10 billion principal reductions
  - Must be delinquent or "imminent risk" of delinquency
  - Loan modification
    - DTI 31% as aim
    - Payment of P&I must be reduced at least 10%
    - LTV ≤ 120% after mod
  - Available for certain 2nd liens, too
  - When is $10 billion really not $10 billion?
    - MORTGAGE MATH!
    - Can get up to $1.25 credit for each $1 of reduction
    - With extra incentives, could be as great as $1.56 per $1

The details: $

- $7 billion “other forms of relief”
  - Servicing relief
    - Unemployment forbearance (100%)
    - Unemployment forgiveness (5%)
  - Transitional assistance
    - Short sales
    - Cash-for-keys (100%)
    - Waiving deficiency debt (10%)
  - Blighted properties
    - Donating
    - Demolishing
    - Forgiving debt on abandoned homes

What are the states doing w/ the $?

- Pro Publica Map: http://www.propublica.org/special/where-are-the-foreclosure-deal-millions-going
- Total $2.54 B

  Aid to homeowners $545 M

  General funds $967 M

  Undetermined $999.5 M

Pa. = 66.5 M, still listed as “undetermined”

The details: Servicing Standards

- Statements in court filings based on competent & reliable evidence & personal knowledge
- Signatures by hand & dated
- Must notify borrower or counsel of robosigned documents in current cases

The details: Servicing Standards

- No late fees if timely full payment with exception of prior late fees
- No late fees during evaluation of complete loan mod application
- No property preservation fees during loss mit application or performance unless necessary
- No BPO fees more often than 12 mos

The details: Servicing Standards

- No dual track IF
  - Substantially complete packet received when
  - Loan not already referred to foreclosure
  - Less than 4 months (120 days) delinquent
- Dual track = servicer moves ahead with foreclosure while evaluating a loan mod application

The details: Servicing Standards

- Servicer must promptly notify borrower of new foreclosure sale date if sale is continued rather than cancelled
- Single point of contact (SPC): Servicer must establish potentially eligible first lien borrowers
- SPC for bankruptcy must be specially trained

The details: Servicing Standards

- Transferring of servicing rights should not terminate pending loan modification
  - Ex. A-IV.M
  - Current servicer has to inform successor
  - Agreement of transfer has to obligate successor to accept completed loan mod, continue processing pending loan mod
  - Borrowers ARE 3rd party beneficiaries of these provisions in settlement

Does the settlement hurt my clients?

- No waiver of any individual claims
  - Even if client takes individual cash pay-out under the settlement (just an offset any future recovery)
- IF they follow the settlement, could mean better chance of favorable resolutions
- No third-party beneficiaries, but creates standards that the servicers should be following (equitable defenses)

Could anyone actually benefit?

- People with underwater mortgages
  - Best if delinquent (principal write-downs)
  - Possibility of refi if current
- People trying to do short sales
- People trying to resolve their delinquencies?
  - Single point of contact
  - Limits on dual tracking
  - Limits on fees
  - Better options for unemployment forbearances
- People who lost their home in foreclosure
  - Money from settlement
  - Better cash-for-keys offers
  - More (formal) waiver of deficiencies
  - Better handling of dilapidated properties (less change former owner will have problem with local government)

And on the off chance they don’t follow the agreement . . .

- Independent monitor
- Timetables requiring compliance
  - Incentives to do more in first year (gets $1.25 credit for $1)
  - 75% must be spent by end of year 2
  - 100% must be spent by end of year 3
  - For any dollar not spent by the deadline, company must pay $1.40 to the government (50/50 state & fed)
- Additional court sanctions permitted
  - Up to $1 million for first violation
  - Up to $5 million for subsequent violations
- Quarterly reports submitted to monitor by servicers
  - “Right to Cure” any violation before penalties kick in

Final Thoughts . . .

Will our clients get principal reduction?

The New York Times

May 7, 2012. **Bank of America** has started sending letters to thousands of homeowners in the United States, offering to forgive a portion of the principal balance on their mortgages **by an average of $150,000 each.**

Final Thoughts . . .

"Nothing is going to change because the deal doesn't actually require anything to change."

NACBA'S 20th Annual Convention: San Antonio, TX

What the AG Mortgage Settlement Means for You and Your Clients

Saturday, April 28, 2012
4:45 – 5:30 P.M.

Norma Hammes, NACBA President Emeritus, (San Jose, CA)
John Rao, NACBA Vice-President (Boston, MA)
Ike Shulman, NACBA Treasurer (San Jose, CA)
Joseph A. Smith, Jr., National Mortgage Settlement Monitor (Raleigh, NC)

NATIONAL MORTGAGE SETTLEMENT SUMMARY

Payments to be made pursuant to the Consent Judgments:

	Cash Paid Out	*Credited Value of Consumer Relief to be Provided to Borrowers by Servicers*	
Servicer	***$ Pd Into DPSA[1]***	***Loan Mods[2]***	***Refinancings***
Ally/GMAC	$109,628,425	$185,000,000[3]	$15,000,000
Bank of America	2,382,415,075	7,626,200,000[4]	948,000,000
Citibank	413,041,577	1,411,000,000	378,000,000
JPMorgan Chase	1,121,188,661	3,675,400,000	537,000,000
Wells Fargo	1,005,233,716	3,434,000,000	903,000,000
Total	5,031,507,454[9]	16,331,600,000	2,781,000,000

Disposition of DPSA funds	*Dollar Amount*
Cash to foreclosed borrowers[5]	1,489,813,925
NAAG[6]	15,000,000
Exec Cmte + Ameriquest[7]	10,000,000
CSBS[8]	65,000,000
Federal agencies & settlements	911,777.917
All states + D.C. [Exhibit B-1]	2,539,915,614
Total	5,031,507,456[9]

[1] DPSA = Direct Payment Settlement Amount, to be paid into an escrow account
[2] Includes: loan modifications (firsts and juniors), cash for keys/relocation, short sales, deficiency waivers, forbearance for unemployed borrowers, anti-blight provisions, servicemember benefits
[3] Ally/GMAC's Exhibit I provides for $250,000,000 in additional funds/credits for this category
[4] Bank of America's Exhibit I provides for $850,000,000 in additional funds/credits for 1st lien forgiveness
[5] Funds for owner-occupants who lost homes in foreclosure from 1-1-08 to 12-31-11 (will average $1,500-2,000 each) – [source: paragraph 2 of Exhibit B]
[6] NAAG = National Association of Attorneys General [source: paragraph 2 of Exhibit B]
[7] Reimbursement for costs of investigation and settlement negotiations incurred by the Executive Committee of the multi-state AG group and Ameriquest Financial Services Fund [source: paragraph 2 of Exhibit B]
[8] CSBS = Conference of State Bank Supervisors [source: paragraph 2 of Exhibit B]
[9] The total dollar amount to be distributed from the DPSA exceeds the amount paid into it by $2.00, which presumably will be covered by earned interest.
Note: Interest earned on undistributed amounts in the DPSA will fund the Monitoring Committee

Content of the Consent Judgments:

Exhibit A: Settlement Term Sheet		Exhibit E: Enforcement Terms [& Compliance Metrics]
I	Foreclosure & Bankruptcy Information & Documentation [Requirements]	Exhibit F: Federal Release
II	Third-Party Provider Oversight	Exhibit G: State Release
III	Bankruptcy	Exhibit H: USDOJ Servicemembers Civil Relief Act Settlement Provisions
IV	Loss Mitigation	Exhibit I (included in Ally/GMAC and B/A consent judgments only):
V	Protections for Military Personnel	A. The settlement will remain operational for 3-1/2 years. B. It may take six to nine months to begin implementing the relief programs. C. General Enforcement mechanisms: 1. Monitoring Committee, consisting of representatives of AG, state & federal agencies monitor servicers' compliance. 2. The *Monitor*, Joseph A. Smith Jr, determines whether servicer is in compliance with settlement. 3. Penalties of up to $1 million per violation ($5 million if repeated) could be assessed.
VI	Restrictions on Servicing Fees	
VII	Force-Placed Insurance	
VIII	General Servicer Duties & Prohibitions	
IX	General Provisions, Definitions, and Implementation	
Exhibit B: Distribution of Funds		
Exhibit C: Borrower Payment Amount [to already foreclosed borrowers]		
Exhibit D: Consumer Relief Requirements [loan mods, short sales, refis, & penalties for under- or non-performance]		

POSSIBLE RELIEF FOR CHAPTER 13 BANKRUPTCY DEBTORS UNDER THE NATIONAL MORTGAGE SETTLEMENT

[If the Servicer is a Settlement Participant]

Debtor's Circumstances	***Issue***	***Result***
The home is already foreclosed.	Was the foreclosure sale held during the period of 1-1-08 to 12-31-11?	If yes, borrower may be entitled to $1,500-2,000
		If no, no relief is available
Owner-occupied property and debtor wishes to keep it (with minor exceptions).	Does dual track protection (both loan modification application and foreclosure process continue) apply?	If < 120 days delinquent – yes, protection
		If => 120 days delinquent – no protection
	Under the general settlement, no individual borrower is "entitled" to a modification or principal write-down. Servicers receive credits toward the value of "Consumer Relief" they have committed to provide over 3-1/2 years. Also, Side Agreements with California and Florida require additional or overlapping "Consumer Relief" credits to be utilized in their states.	Motivations for servicers are difficult to predict. However, certain modifications receive higher credits, so servicers may be more likely to offer those types of modifications. "Consumer relief" granted between March 1, 2012, and February 28, 2013, will receive a 25% bonus credit, so motivation exists for servicers to move quickly this first year. Principal write-downs for liens with higher LTV ratios generally receive less credit – thus where the property value is higher, the LTV ratio is more likely to be lower and within the higher credit percentage. A higher property value is also more likely to cause a requested modification to fail the NPV test. The borrower should consider contesting an unreasonably high property valuation and should provide support for a lower value.
	Is the first mortgage servicer Bank of America/ Countrywide and is the first mortgage underwater?	If yes, Exhibit I applies, and the debtor may be entitled to a modification under the "Settlement Loan Modification Program." It includes the possibility of principal write-down, interest reduction, and forbearance of principal. However, the NPV test must be positive with regard to the proposed modification.
	Is the first mortgage servicer Ally/GMAC/ Residential Capital?	If yes, Exhibit I applies, and the borrower may be entitled to one of the following: 1) *Rate Reduction Refinancing Program* (RRRP) requires the borrower to be current on monthly payments. Typically, refinancing programs have disqualified bankruptcy debtors. This description does not say that. Ally will try to force the borrower into this option. Make sure to state that the payments are not sustainable for the borrower if that is true, in which case the borrower will be considered for the other options.. 2) *Underwater with Credit Degradation*, requires the borrower to be current on monthly payments, to have suffered FICO drop since origination, and loan must be underwater. Will reduce principal. 3) *Payment Shock Relief* requires an underwater loan originated prior to 1-1-09, with interest-only or anticipated interest re-set that will be problematic. Will convert to fully amortizing fixed rate loan, maybe with principal reduction. 4) *Principal Reduction for Delinquent Borrowers*, requires underwater loan and 30+-day delinquent (or imminent default) borrower. Will reduce principal, adjust interest – convert to fixed rate, reduce monthly payments, based on HAMP-type underwriting.
	Is the second mortgage servicer Ally/GMAC/ Residential Capital and is the second mortgage underwater?	If yes, and if the CLTV > 115% (including both the first mortgage and juniors) the borrower may be entitled to modify the second mortgage to reduce the principal to <= 115%, and reduce the monthly loan payments based on HAMP-2MP methodology.
	Is the borrower eligible for refinancing assistance under the general settlement?	If the borrower is in a bankruptcy or has been in a bankruptcy within the last 24 months, the borrower is disqualified from receiving refinancing assistance under the general settlement terms.

MORTGAGE RELIEF OFFERED TO BORROWERS BY THE NATIONAL MORTGAGE SETTLEMENT

Issue	**Exhibit: ¶ or pg**	**Description**
Basic Program Eligibility		
What are the program start & end dates	CJ-14-15	March 1, 2012, to September 1, 2016
Is eligibility for relief restricted to certain mortgage origination dates?	CJ	No restriction, except for refinancings
Which servicers are covered by the settlement?	CJ	Ally Financial, Inc., GMAC Mortgage, LLC, Residential Capital, LLC Bank of America Corporation; Bank of America, NA; BAC Home Loans Servicing, LP f/k/a Countrywide Home Loans Servicing, LP; Countrywide Financial Corporation; Countrywide Mortgage Ventures, LLC; and Countrywide Bank, FSB Citigroup Inc., Citibank, NA, and CitiMortgage, Inc. JPMorgan Chase & Company and JPMorgan Chase Bank, NA Wells Fargo & Co and Wells Fargo Bank, NA
Are Fannie Mae and Freddie Mac (GSE) loans serviced by the above servicers eligible for benefits under the settlement?	**-**	**No!** Fannie Mae and Freddie Mac are in a conservatorship and the conservator, the Federal Housing Finance Agency (FHFA), has denied them the right to participate in the settlement.
Are HUD, FHA, and VA loans serviced by the above servicers eligible for benefits under the settlement?	CJ	Yes, the federal government is a party to the settlement.
Do "second liens" referred to throughout the settlement include more junior liens?	-	Unknown
Is there a standard application form for benefits under the settlement?	-	No
What is the application process?	-	Unspecified; it is believed that the national monitor will have a web portal that will accept applications or complaints.
Servicing Standards – these protections only apply to owner-occupied principal residences		
Truthful affidavits, factual assertions in pleadings, **bankruptcy** proofs of claim, declarations, sworn statements	Ex A-I.A.1-3	Servicer shall ensure that factual assertions filed by/on behalf of servicer are supported by competent and reliable evidence; servicer shall ensure it has reviewed competent and reliable evidence to substantiate borrower's default and foreclosure right
Personal knowledge: affidavits, sworn statements declarations	Ex A-I.A.1-3	Affiant must have personally reviewed servicer's books and records (in accordance with state and federal evidentiary law)
Hand signatures (except for permitted electronic signatures)	Ex A-I.A.11	Signed by hand signature of affiant except for permitted electronic signatures. Not stamped or other electronic or mechanical signatures.
Dated signatures	Ex A-I.A.13	Affiants shall date their signatures
File *accurate* **bankruptcy** proofs of claim (POCs)	Ex A-I.A.15	Servicer shall not file POC containing materially inaccurate information and must amend inaccurate POCs within 30 days of notice of inaccuracy
Not rely on robosigned documents filed in **bankruptcy** or judicial foreclosure cases	Ex A-I.A.16	Servicer may not rely on defective documents already filed in a case; shall replace defective documents; and provide written notice to the borrower or borrower's counsel.
Required notification in judicial foreclosures (post-judgment, pre-sale) where robosigned documents may have been used	Ex A-I.A.17	Must notify borrower or borrower's counsel prior to proceeding with foreclosure sale or eviction.

Timely post loan payments for **non-bankruptcy** borrowers	Ex A-I.B.2	If interest is calculated on daily accrual or interest method, post within two days of receipt, and apply per loan documents; accept trial modification payments; accept cure payments; accept and apply at least two non-conforming payments.
In active Chapter 13 **bankruptcy** cases, properly account for loan pmts received.	Ex A-I.B.11	Apply payments according to plan; treat as cured; and provide payment reconciliation at end of case
Good faith attempt to locate lost note	Ex A-I.C.4	Servicer shall comply with applicable law in an attempt to establish ownership of the note and the right to enforce.
Servicer shall not intentionally destroy or dispose of original notes.	Ex A-I.C.5	(that are still in force.)
Attach relevant documents to **bankruptcy** Proofs of Claim (POCs)	Ex A-I.D.1.a	If note has been lost or destroyed, a lost note affidavit shall be submitted.
Include statement "setting forth the basis for asserting that the applicable party has the right to foreclose" with **bankruptcy** POC	Ex A-I.D.1.e	Yes
Bankruptcy POC shall be *signed*	Ex A-I.D.1.f	Either hand signed or by appropriate electronic signature by responsible personal after reasonable investigation stating the information set forth in the POC is true and correct
Include statement "setting forth the basis for asserting that the applicable party has the right to foreclose" with **bankruptcy** Motions for Relief from Stay (MRS)	Ex A-I.D.2.b	If not already filed with POC
File "MRS Affidavit" in **bankruptcy** cases	Ex A-I.D.2.c	Setting forth details of loan default, and terms of any trial period or permanent loan modification plan pending at the time of MRS filing, or whether the debtor is being evaluated for a loss mitigation option.
Servicer's foreclosure and **bankruptcy** counsel and foreclosure trustees shall have *access to servicer's books and records*	Ex A-II.A.4	Necessary to prepare pleadings and documents submitted in foreclosure and bankruptcy proceedings
Provide servicer contact for loss mitigation questions to servicer's foreclosure and **bankruptcy** counsel.	Ex A-II.B.3	Yes
Reiterates **FRBP** re POCs, charges, etc.	Ex A-III.B.1	Yes
Servicing Fee Restrictions		
Servicing fees must be reasonable, authorized, and disclosed.	Ex A-VI.A & B	Yes
Late fees restricted	Ex A-VI.B.4	No additional late fees if payment is full payment with exception of prior late fees; no late fees during evaluation of complete loan mod application, trial period payments, short sale offer application
Third party fees restricted: property preservation, inspection, and valuation fees	Ex A-VI.C.1	No preservation fees during loss mitigation application or performance unless necessary; no inspection fees beyond GSE/HUD guidelines unless needed; no valuation fees more frequent than 12 mos unless requested by borrower or needed
Servicer mark-up on third party default or foreclosure-related services	Ex A-VI.C.5	Prohibited
Servicer's attorney's preparation fees or charges re **bankruptcy** POC or MRS document withdrawn or denied	Ex A-VI.D.1	If withdrawn, denied, or amended due to substantial misstatement by servicer of amount due, servicer's fees are not collectible.
Late fees due to Chapter 13 **bankruptcy** conduit plans	Ex A-VI.D.2	No late fees charged if debtor's payments to the Chapter 13 trustee are on time.

Force-Placed Insurance		
Force-placed insurance restrictions	Ex A-VII	If federally related mortgage, warning letter to borrower is required; general reasonableness
General Loss Mitigation – Special Bankruptcy Protections		
Discrimination not permitted against **bankruptcy** debtors	Ex A L.1	"Servicer may not deny any loss mitigation option to eligible borrowers on the basis that the borrower is a debtor in bankruptcy so long as borrower and any trustee cooperates in obtaining any appropriate approvals or consents."
Trial period plans shall be extended as necessary to obtain **bankruptcy** court approval.	Ex A-L.2	"Servicer shall, to the extent reasonable, extend trial period loan modification plans as necessary to accommodate delays in obtaining bankruptcy court approvals or receiving full remittance of debtor's trial period payments that have been made to a chapter 13 trustee. In the event of a trial period extension, the debtor must make a trial period payment for each month of the trial period, including any extension month."
Servicer will not obstruct borrower's Chapter 13 **bankruptcy** case due to a trial or permanent modification	Ex A-L.3	"When the debtor is in compliance with a trial period or permanent loan modification plan, Servicer will not object to confirmation of the debtor's chapter 13 plan, move to dismiss the pending bankruptcy case, or file a MRS solely on the basis that the debtor paid only the amounts due under the trial period or permanent loan modification plan, as opposed to the non-modified mortgage payments."
General Loss Mitigation		
Servicer shall solicit **<u>non-bankruptcy</u>** borrowers re *loss mitigation options*	Ex A-IV.A.1	Prior to foreclosure, servicers must solicit eligible borrowers for loss mitigation evaluation – *<u>but not required for bankruptcy borrowers</u>*
Servicer shall offer loan modification rather than initiate foreclosure	Ex A-IV.A.2	if NPV positive and meet investor requirements
Dual track restricted*: if substantially complete loan mod package is received when loan is <= 120 days delinquent * "dual track" is when the servicer simultaneously (1) evaluates a loan modification application and (2) also moves ahead with the foreclosure sale process	Ex A-IV.B.1	"If loan has not already been referred to foreclosure," if less than 120 days delinquent, the servicer shall not refer for foreclosure until: a) servicer determines (after automatic review) that borrower is not eligible for loan mod; or b) borrower does not accept offered "foreclosure prevention alternative" within 14 days of evaluation notice
Dual track restricted: referral for foreclosure is delayed further if borrower accepts loan mod alternative	Ex A-IV.B.2	until breach of trial period plan.
Dual track restricted: if after referred for foreclosure, a solicited borrower (*a* ***bankruptcy*** *borrower <u>not required</u> to be solicited*) may become eligible for foreclosure protection	Ex A-IV.B.2	if servicer received complete application form within 30 days of the solicitation letter, etc., [multiple possibilities here]
Dual track restricted: servicer shall not proceed with foreclosure sale if borrower is in compliance with loan modification, has an approved short sale or deed-in-lieu	Ex A-IV.B.11	Yes
Servicer shall promptly notify borrower in <u>writing of new foreclosure sale date</u>	Ex A-IV.B.12	if the foreclosure sale is continued (rather than cancelled) to provide time to evaluate loss mitigation options.
Single Point of Contact (SPOC)	Ex A-IV.C.	Yes, servicer shall establish a SPOC for each potentially-eligible first lien mortgage borrower.

Single Point of Contact (SPOC) for **bankruptcy** debtors are to be specially trained in **bankruptcy** issues	Ex A-IV.C.2.a & C.9	Yes, and servicers are to establish a toll-free number staffed by bankruptcy-trained persons to answer questions from Chapter 13 trustees.
Loan Modification Timeline	Ex A-IV.F	***Within # days*** — ***Event*** — ***By*** 3 business days — Written acknowledgment of document — [S] 5 business days — Notify borrower of known deficiencies — [S] 30 days — To supply missing documents — [B] 30 days — Decide disposition of loan mod appl — [S] 10 days — Notify borrower if appl is denied — [S] - — Usually, if 1st denial, 2nd evaluation* — [S] 30 days — Borrower may contest denial — [B] 45 days — Send 2nd lien mod info, after 1st lien mod — [S] 90 days — Signed documents good after receipt — - 45 days — Send fully executed loan mod copy to borrower — [S] * called "independent review" but can be done by another employee
Transferring servicing rights should not terminate a loan modification	Ex A-IV.M	Yes
Disposition of Cash to Already Foreclosed Borrowers		
Possible cash compensation to already foreclosed borrowers, if foreclosure sales during 1-1-08 to 12-31-11	Ex C	Servicer provides borrower data to State Administrators, who contact eligible borrowers, distribute funds (retaining costs of administration). Nationwide total for all servicers is $1,489,813,925
Consumer Relief for Borrowers Not Yet Foreclosed		
All types of "Consumer Relief" available include:	Ex D	Loan modifications (firsts and seconds), relocation assistance ("cash for keys"), short sales, deficiency waivers, forbearance for unemployed borrowers, anti-blight provisions, servicemember benefits
Only owner-occupant borrowers eligible?	Ex D-2	No, up to 15% of first lien credits can be for non-owner-occupied and non-conforming loans.
Other eligibility requirements	Ex D-2	Pre-modification = 100+% LTV; 30 days delinquent or imminent risk of default due to borrower's financial situation
Dual track restrictions (foreclosure & modification analysis at same time)	Ex A-17	Dual track prohibition only if loan is not more than 120 days delinquent
Right of appeal if loan modification is denied?	Ex A-27	Yes
Back-end DTI requirements	Ex D-3 & 5	Targeting 25-31% including junior liens; DTI requirements for 1st liens waived if 180+ days delinquent, if 20% write-down & resulting LTV <= 120%
Back-end LTV ratios, calculated according to HAMP-PRA	Ex D-3	Targeting <= 120% LTV
Principal writedowns offered for 1st liens?	Ex D-2	Reduce by at least 10% to achieve target of 31% DTI & 120% LTV
Principal writedowns offered for 2nd liens?	Ex D-5	Reduce by at least 10% to achieve target of 25-31% DTI
If servicer owns 2nd, 1st lien is reducing principal, is write-down of 2nd lien required?	Ex D-5	Yes, if 2nd lien => $5,000 UPB & monthly payments => $100/mo
Short sale assistance	Ex D-6	8% of UPB, => $2,000 and <= $8,500 if unrelated lienholder; required to extinguish own 2nd lien if 1st lien LTV => 100%

First Lien Mortgage Modifications: general provisions	Ex D-2	85+% of first lien credits are to be for owner-occupied loans within the conforming-GSE limits; 30 days delinquent/ imminent default; pre-modification LTV > 100%; post-modification target (first lien) DTI of 31% and post-modification LTV <= 120%; reduce monthly principal + interest payment by 10+%; if LTV > 120% @ 31% DTI, must reduce to 120% and < 25% DTI without negative NPV.
For loans in servicer's own portfolio: if borrower is granted first lien *immediate* principal forgiveness modification	Ex D1-1	*Credits:* 100% for LTV <= 175%; 50% for portion forgiven > 175% LTV *Credit Cap/Min:* Min = 30%, up to 2.5% reduction in minimum for excess refinancing credits
For loans in servicer's own portfolio: if borrower is granted first lien principal forgiveness modification *earned over up to three years*	Ex D1-2	*Credits:* 85% for LTV <= 175%; 45% for portion forgiven > 175% LTV *Credit Cap/Min:* None
For loans in servicer's own portfolio: if borrower is granted first lien principal forbearance modification	Ex D1-1	*Credits:* 40% *Credit Cap/Min:* Max 12.5%
For loans serviced for other investors: if borrower is granted first lien *immediate* principal forgiveness modification	Ex D1-2	*Credits:* 45% *Credit Cap/Min:* None
For loans serviced for other investors: if borrower is granted first lien principal forgiveness modification *earned over three years*	Ex D1-2	*Credits:* 40% for LTV <= 175%; 20% for portion forgiven > 175% LTV *Credit Cap/Min:* None
Second lien Modifications	Ex D-4 & 2	*Credit Minimum:* 60% for 1st and 2nd lien modifications (primarily principal write-downs); and the 60% can be reduced by up to 10% of excess refinancing credits, if any.
0-90 days delinquent 2nd liens: write-down of principal	Ex D1-2	*Credits:*90% *Credit Cap/Min:* None
91-179 days delinquent 2nd liens: write-down of principal	Ex D1-3	*Credits:*50% *Credit Cap/Min:* None
180+ days delinquent 2nd liens: write-down of principal	Ex D1-3	*Credits:* 10% *Credit Cap/Min:* None
Cash for Keys – "Enhanced Borrower Transitional Funds" – *payment by servicer*	Ex D1-3	*Credits:* 100% for amount over $1,500 *Credit Cap/Min:* 5% [combined]
Cash for Keys – "Enhanced Borrower Transitional Funds" – *payment by non-GSE investor*	Ex D1-3	*Credits:* 45% *Credit Cap/Min:* 5% [combined]
Short sale/deed-in-lieu: payment to unrelated 2nd lien holder to release lien	Ex D1-3	*Credits:* 100% *Credit Cap/Min:* None
Short sale/deed-in-lieu: deficiency forgiveness & lien release on 1st lien *in servicer's portfolio*	Ex D1-3	*Credits:* 45% *Credit Cap/Min:* None
Short sale/deed-in-lieu: deficiency forgiveness & lien release on 1st lien *by investor*	Ex D1-3	*Credits:* 20% *Credit Cap/Min:* None
Short sale/deed-in-lieu: deficiency forgiveness & lien release on 2nd lien *in servicer's portfolio* 0-90 days delinquent	Ex D1-3-4	*Credits:* 90% *Credit Cap/Min:* None
Short sale/deed-in-lieu: deficiency forgiveness & lien release on 2nd lien *in servicer's portfolio* 91-179 days delinquent	Ex D1-4	*Credits:* 50% *Credit Cap/Min:* None

Short sale/deed-in-lieu: deficiency forgiveness & lien release on 2nd lien *in servicer's portfolio* 180+ days delinquent	Ex D1-4	*Credits:* 10% *Credit Cap/Min:* None
Deficiency waivers on 1st and 2nd liens, requires enforceable deficiency	Ex D1-4	*Credits:* 10% *Credit Cap/Min:* 10%
Unemployed homeowner assistance: *forgiveness of arrearages*	Ex D1-4	*Credits:* 100% *Credit Cap/Min:* None
Unemployed homeowner assistance: *forbearance of arrearages*	Ex D1-4	*Credits:* 5% *Credit Cap/Min:* None
BOA/CFC (Bank of America/Countrywide) "Settlement Loan Modification Program" (BOA-SLMP) (Exhibit I)		
Value of 1st lien forgiveness required in addition to the nationwide commitment; otherwise, to the extent not met will pay the balance of the cash to FHA at 3 years	Ex I	$850,000,000
BOA-SLMP BOA-SLMP (ctd)	Ex I	Eligibility: *borrower*: economic hardship, 60+ days delinquent as of 1-31-12, DTI >= 25%; was owner-occupant @ origination; no default on prior HAMP-type modification; BOA/CFC is "not prohibited or prevented by law or by contract either from soliciting or from providing principal modification" *property:* underwater re first liens *mortgages:* first liens, serviced by BOA/CFC and part of CW securitization or BOA portfolio (permitted to be modified) Process: BOA must solicit some borrowers, other qualifying borrowers may apply on their own Required documents for application: credit report; if employed, most recent paystub; if self-employed, completed P&L template & verbal confirmation; if alimony/child support, order/agreement, most recent bank statement/deposit slip/canceled check as evidence; if SS/ disability/pension/ public assistance, award letter/most recent bank statement (if non-taxable, they need 4506T??); if rental income, signed letter from borrower, most recent bank statement/deposit slip/canceled check; if unemployment benefits, benefit letter supporting 12-mo continuance, 2 most recent bank statements/deposit slips/canceled checks/or 4506T. Modification waterfalls: i. Capitalize delinquent interest and late fees; ii. Forgive principal to achieve 25% DTI, not requiring LTV below 100%; iii. After step ii if DTI > 31%, reduce interest down to 2% to achieve 31% DTI, calculating interest steps as in HAMP; iv. After step iii if DTI > 31%, forbear principal to achieve 31% DTI; v. Limit forbearance and forgiveness to not result in less than 70% LTV; vi. NPV must be positive, reverse the above steps in order to achieve positive NPV. Key factors driving the NPV results are **value** of the property and gross income of borrower.

Credits against $850,000,000 cash payment (see above)	Ex I-3	Per Ex D, but credits begin only after “Consumer Relief” minimum (30%) is reached, subject to reduction of 2.5% for possible excess refinancing credits
Ally/GMAC Mortgage/Residential Capital “ResCap Settlement Loan Modification Programs” (ResCap-SLMP) (Exhibit I)		
Commitment of additional funds for Consumer Relief	Ex I	$200,000,000
ResCap-SLMP Rate Reduction Refinancing Program (RRRP)	Ex I-2	*Eligible borrowers:* not delinquent, and delinquent no more than 30 days within the last 12 months *Eligible loans:* originated prior to 1-1-09; current interest >= 5.25%; LTV> 100% or LTV> 80% if FICO score < 660 *Modification:* reduce interest rate to 3.9% (PMMSR as of 3-1-2012; minimum relief $100/month; no future interest rate increases, changes in term, or additional costs to borrower
ResCap-SLMP Principal Reduction Modification Program (PRMP) for ***current borrowers – Underwater with Credit Degradation***	Ex I-3-4	*Eligible borrowers:* current borrowers; not more than 30 days delinquent twice within the last 12 months; not more than 60 days delinquent once within the last 12 months; and FICO < 675 or FICO has reduced more than 10% since loan origination *Eligible loans:* originated prior to 1-1-09; LTV>100%; cannot be an interest-only loan *Modification waterfalls:* a HAMP-PRA or a proprietary PRA modification, as follows: i. no underwriting based on income is necessary ii. reduce principal down to LTV 100% or lower; minimum principal reduction of 10%
ResCap-SLMP Principal Reduction Modification Program (PRMP) – ***Payment Shock Relief***	Ex I-4	*Eligible borrowers:* current borrowers *Eligible loans:* originated prior to 1-1-09; LTV>100%; must be an interest-only loan or other high-risk product that will reset, resulting in a payment shock to the borrower (in imminent risk of default) *Modification:* convert to fully amortizing fixed rate mortgage, reduce principal to <+ 100% LTV, achieve monthly payment no higher than current payment by reducing principal
ResCap-SLMP Principal Reduction Modification Program (PRMP) **–** ***Principal Reduction for Delinquent Borrowers***	Ex I-4-5	*Eligible borrowers:* borrower at least 30 days delinquent or at “imminent risk of default” *Eligible loans:* LTV > 100% *Modification:* Subject to borrower “underwriting based on HAMP guidelines,” modification will include: i. reduce principal to between 85% and 105% LTV ii. if adjustable rate, convert to fixed rate interest iii. monthly payment reduction >= 30% iv. monthly payment reduction to achieve <= 31% DTI
ResCap-SLMP Principal Reduction Modification Program (PRMP) **–** ***Second Lien Reduction Program***	Ex I-5	*Eligible borrowers:* 1st lien was modified under “Consumer Relief” program, or borrower is 30+ days delinquent on 2nd lien (regardless of whether 1st was modified or is delinquent) *Eligible loans:* CLTV > 115% *Modification waterfalls:* i. reduce borrower’s CLTV to <= 115% ii. reduce monthly payment on remaining 2nd lien according to HAMP-2MP methodology, by reducing principal, interest rate, then term extension
Borrowers who are eligible for both RRRP and PRMP	Ex I-6	Proactively solicit for RRRP; evaluate for PRMP only if borrower indicates the RRRP payment is not sustainable
Solicitation of eligible borrowers	Ex I-6-10	Detailed solicitation requirements, similar to HAMP “right party contact” requirements. Minimum duration of solicitation period is 3 months. There does not seem to be an exclusion of bankruptcy debtors from the right to be solicited.

Deferment of foreclosure sales	Ex I-2	"From [March 1, 2012] until completion of the Solicitation Requirements or proper denial of the borrower for relief under this agreement, whichever is earlier, the ResCap Parties will defer any foreclosure sales on any Eligible Borrower."
Refinancing Benefits for Current Borrowers		
Refinancing offered?	Ex D-9	***Eligible if all***: originated before 1-1-09, current LTV > 100%, and current interest rate => 5.25% appx ***Not eligible if any***: FHA/VA loan; loan in foreclosure w/in 24 months; manufactured homes; or **no bankruptcy** within 24 months
Bonus credits for additional refinancing beyond the commitment	Ex D-9.f	25% bonus credit applied to 1st lien principal reduction commitment; 75% bonus credit applied to 2nd lien principal reduction commitment; subject to stated limits.
Anti-Blight Provisions		
Community blight measures	Ex A-VIII.A	Servicer to work with local programs to implement anti-blight measures, including discount sale or donation of low-value REO properties for demolition or salvage; *if servicer is not going to foreclose on property, release lien to borrower and notify local governments*
Forgiveness for borrower re property on which servicer elects not to foreclose	Ex D1-4	*Credits:* 50% *Credit Cap/Min:* 12% [combined]
Servicer demolition cash costs	Ex D1-5	*Credits:* 100% *Credit Cap/Min:* 12% [combined]
Donated REO properties	Ex D1-5	*Credits:* 100% *Credit Cap/Min:* 12% [combined]
Protections for Military Personnel – Ex A. §V.		
Timing, Incentives, Payments for Nationwide Commitments		
Start date for activities entitled to credits	Ex D-10.a	March 1, 2012
25% incentive credit for activities within first 12 months	Ex D-10.b	1st and 2nd lien principal reductions; refinancing credits
Target of 75% completion of "Consumer Relief" credits within two years of March 1, 2012 (February 28, 2014)	Ex D-10.c	Test #1 for later penalties.
Target of 100% completion of "Consumer Relief" credits within three years of March 1, 2012 (February 28, 2015)	Ex D-10.d	Test #2. If only test #2 is unmet, servicer pays 125% of unmet three-year commitment amount. If servicer fails to meet both tests #1 and #2, servicer pays 140% of unmet three-year commitment. If the servicer has to pay penalties for state Side Agreements, the servicer can claim a credit against the nationwide penalty for any state penalties.
State Side Agreements also may include penalties for the servicers	-	See the Side Agreements.

CONTACT INFORMATION

Joseph A. Smith, Jr., Monitor & President Office of Mortgage Settlement Oversight 301 Fayetteville St., Suite 1801 Raleigh NC 27601 919-825-4748 website: mortgageoversight.com	*Fannie Mae mortgage look-up:* 1-800-7FANNIE (8am-8pm EST) www.fanniemae.com/loanlookup *Freddie Mac mortgage look-up:* 1-800-FREDDIE (8am-8pm EST) www.freddiemac.com/mymortgage

GLOSSARY	
CJ	Consent Judgment – the basic document
CLTV	Combined loan-to-value ratio – includes junior liens, as well as first liens (see LTV below)
Conforming	Refers to mortgage balances that conform with (do **<u>not</u>** exceed) the highest GSE (Fannie/Freddie) loan limit for the local geographic area of the property. Some areas are designated high cost areas and have higher loan limits.
DTI	Debt-to-income ratio. <u>Front-end</u> DTI is the borrower's DTI (based on borrower's gross monthly income) before the modification occurs and only takes into account current monthly payments on the first lien (not on junior liens). <u>Back-end</u> DTI is the borrower's projected DTI (based on borrower's gross monthly income) after the proposed modification occurs and takes into account all liens on the home.
Dual track	The process of the servicer simultaneously: (1) evaluating a loan modification application and (2) also moving ahead with the foreclosure sale process.
Forbearance	Retaining the full balance of the mortgage, but deferring a non-interest bearing balloon of a portion of the balance to the end of the amortized period. A "balloon payment."
Forgiveness	Writing down or wiping out a portion of the mortgage balance.
FRBP	Federal Rules of Bankruptcy Procedure
GSE	Government sponsored entity, includes Fannie Mae, Freddie Mac & regional Federal Home Loan Banks
HAMP	Home Affordable Modification Program
HAMP-2MP	Home Affordable Modification Program – 2^{nd} lien modification program
HAMP-PRA	Home Affordable Modification Program – Principal Reduction Alternative (enhanced incentives for principal write-down
LTV	Loan-to-value ratio – generally is measured only by the amount of the first lien
MRS	Bankruptcy Motion for Relief from the automatic Stay
NPV	Net present value – mathematical test to determine if a proposed modification would, over time, be financially better for the investor than a present foreclosure sale
Non-conforming	Refers to mortgage balances that do not comply with (exceed) the highest GSE (Fannie/Freddie) maximum loan for the local geographic area of the property. Some areas are designated high cost areas and have higher maximums than other areas.
PMMSR	Freddie Mac "Primary Mortgage Market Survey" rate of interest on first mortgages
POC	Bankruptcy proof of claim
PRA	Principal Reduction Alternative
SPOC	Single Point of Contact
UPB	Unpaid principal balance

SUMMARY OF SIDE AGREEMENTS BETWEEN SERVICERS & SELECTED STATES

	Bank of America	*JP Morgan Chase*	*Wells Fargo*	*Ally/GMAC*	*CitiGroup*
California	• $8.1 billion in consumer relief over 3 years • 75% of the credits to be distributed by 2 years • 25% Extra Credit (EC)[1] for 1st mtg principal reduction credits within 12 months in "hardest hit" counties • 15% EC for 1st mtg principal reduction credits in other counties • Normal Credit (NC)[2] for (a) 1st mtg loan mod. principal reduction credits, (b) 2nd mtg short sales, deed-in-lieu principal reduction credits ***Penalties:*** • 3-year credits fail = 50% unmet credits (max $300 million) • 2 & 3 year fail = 65% of unmet credits (max $400 million)	• $1.95 billion in consumer relief over 3 years • 75% of the credits to be distributed by 2 years • 25% EC for 1st mtg principal reduction credits within 12 months in "hardest hit" counties • 15% EC for 1st mtg principal reduction credits in other counties • NC for (a) 1st mtg loan mod. principal reduction credits, (b) 2nd mtg short sales, deed-in-lieu principal reduction credits ***Penalties:*** • 3-year credits fail = 50% unmet credits (max $200 million) • 2 & 3 year fail = 65% of unmet credits (max $200 million)	• $1.95 billion in consumer relief over 3 years • 75% of the credits to be distributed by 2 years • 25% EC for 1st mtg principal reduction credits within 12 months in "hardest hit" counties • 15% EC for 1st mtg principal reduction credits in other counties • NC for (a) 1st mtg loan mod. principal reduction credits, (b) 2nd mtg short sales, deed-in-lieu principal reduction credits ***Penalties:*** • 3-year credits fail = 50% unmet credits (max $200 million) • 2 & 3 year fail = 65% of unmet credits (max $200 million)	---[3]	---[4]
Delaware	$500,000 paid to the DE DOJ	$500,000 (same)	$500,000 (same)	(same)	(same)
Florida	• $1.8 billion in consumer relief over 3 years • 75% of the credits to be distributed by 2 years • 25% EC for 1st mtg principal reduction credits, deficiency waivers, or refinancing within 12 months • NC for (a) 1st mtg loan mod principal reduction credits, (b) 2nd mtg short sale or deed-in-lieu principal reduction credits, or (c) any mtg deficiency waivers issued	• $1 billion in consumer relief over 3 years • 75% of the credits to be distributed by 2 years • 25% EC for 1st mtg principal reduction credits, deficiency waivers, or refinancing within 12 months • NC for (a) 1st mtg loan mod principal reduction credits, (b) 2nd mtg short sale or deed-in-lieu principal reduction credits, or (c) any mtg deficiency waivers issued	• $1.2 billion in consumer relief over 3 years • 75% of the credits to be distributed by 2 years • 25% EC for 1st mtg principal reduction credits, deficiency waivers, or refinancing within 12 months • NC for (a) 1st mtg loan mod principal reduction credits, (b) 2nd mtg short sale or deed-in-lieu principal reduction credits, or (c) any mtg deficiency waivers issued		

[1] "Extra Credit" means that for every dollar spent on activity, it is recorded as more than $1 for the purposes of this agreement (e.g., if 25% EC is granted, every $1 would count as $1.25).
[2] "Normal Credit," as opposed to "Extra Credit," means that for the purposes of this side agreement every dollar spent is recorded at $1, even though it might count as less than that for the nationwide agreement.
[3] Ally Financial/ResCorp/GMAC signed onto the California Side Agreement, but provided no benefits or incentives.
[4] CitiGroup also signed onto the California Side Agreement, but provided no benefits or incentives.

Florida (ctd)	prior to beginning and/or during Florida-Servicers agreement ***Penalties:*** • 3-year credits fail = 50% unmet credits (max $105 million) • 2 & 3 year fail = 65% of unmet credits (max $105 million)	prior to beginning and/or during Florida-Servicers agreement ***Penalties:*** • 3-year credits fail = 50% unmet credits (max $70 million) • 2 & 3 year fail = 65% of unmet credits (max $70 million)	prior to beginning and/or during Florida-Servicers agreement ***Penalties:*** • 3-year credits fail = 50% unmet credits (max $70 million) • 2 & 3 year fail = 65% of unmet credits (max $70 million)	---	---
Massachu-setts	No monetary benefit for the state. Release of certain claims only; capping recovery at $2 million per servicer for certain continuing litigation.				
New York	$5,937,000 paid to the AG	$5,937,000 paid to the AG	$5,937,000 paid to the AG	$1,250,000 paid to the AG	$5,937,000 paid to the AG

SERVICERS COVERED BY COURT SETTLEMENTS & OTHER MORTGAGE LOAN MODIFICATION OR BORROWER COMPENSATION PROGRAMS

Servicer	*49-State AG/Fed Settlement*	*OCC Consent Order*	*HAMP – regular or Rural*	*FHA HAMP*	*2MP +/ or 2LP (HAMP or FHA)*	*Country-wide-B/A Settle-ment*	*Wacho-via Settle-ment*
Allstate Mtg [FL]			X				
Ally + GMAC + Res Capital	X	X	X	X	X		
Amarillo NB [TX]				X			
American Fin Resources [NJ]				X			
American Home Mtg Svc			X				
AMS Servicing			X				
Aurora Bank		X					
Aurora Fin Group				X			
Aurora Loan Svcs			X	X			
Banco Popular de PR			X	X			
Bank of America + BAC	X	X	X	X	X		
B/A-Countrywide	X	X	X	X	X	X	
Bank United [FL]			X				
Bayview Loan Svc [FL]			X	X	X		
Beneficial		X					
BSI Fin (Servis One)			X	X	X		
Capital Intl Fin [FL]				X			
Carrington Mtg Svc			X				
CCO Mtg [VA]			X				
Central Florida Ed FCU							
CitiFinancial		X					
Citigroup + Citibank	X	X					
CitiMortgage	X	X	X	X	X		
Citizens 1st NB [IL]			X				
Community Bank [PA]			X				
Community CU – FL			X		X		
CU Mtg Svcs [NY]				X			
CUC Mtg Corp [NY]			X				
DuPage CU [IL]			X				
EMC (JP Morgan Chase)		X	X	X	X		
Everbank-Everhome		X					
Fay Servicing [IL]			X				
Fidelity Homestead Bk [FL]			X				
First Bank [MO]			X				
First Fed Bank – FL				X			
First Financial Bk [IN]			X				
First Mtg Corp [CA]				X			
Flagstar					X		
Franklin Credit Mgmt			X				
Franklin Svgs [OH]			X	X			
Freedom Financial		X					
Fresno Co FCU [CA]			X				
Gateway Mtg Grp [OK]				X			
Glass City FCU [OH]			X				
Great Lakes CU			X				
Greater Nevada Mtg			X				
Green Tree Svc			X				

Guaranty Bank [MN}				X			
Servicer	*49-State AG/Fed Settlement*	*OCC Consent Order*	*HAMP – regular or Rural*	*FHA HAMP*	*2MP +/ or 2LP (HAMP or FHA)*	*Country-wide (B/A) Settle-ment*	*Wacho-via Settle-ment*
Hartford Svgs Bk [WI]			X				
HFC		X					
Hillsdale Co NB [MI]			X				
Home Loan Svcs [PA]			X		X		
HomEq Servicing			X				
HomeStar Bank [IL]			X				
Horicon Bank [IN]			X		X		
Horizon Bank [IN]			X		X		
HSBC		X					
IBM Lender BPS			X				
IBM Southeast EFCU			X				
IC FCU [MA]			X				
Idaho Housing + Fin Assn			X				
IndyMac		X					
iServe Servicing [TX]			X	X	X		
James Nutter & Co [MO]				X			
JPMorgan Chase	X	X	X	X	X		
JPMC-WaMu		X					
Lake City Bank [IN]			X				
Lake Natl Bank [OH]			X				
Liberty Bank [LA]			X				
Litton Loan Svcg			X				
Los Alamos NB [NM]			X				
LPS-LPD		X					
Magna Bank [TN}			X				
Marix Servicing			X	X			
Marsh Assoc [NC]				X			
MERS-MERSCORP		X					
Metlife		X					
Midland Mtg			X	X			
Midwest Comm Bk [OK]			X				
Mission FCU [CA]			X				
Mortgage Center [MI]			X				
National City		X					
Nationstar Mtg			X	X	X		
Navy FCU			X				
Ocwen Fin			X	X			
OneWest		X	X		X		
ORNL FCU [TN]			X				
Park View Fed Svgs Bk			X				
Pathfinder Bank [NY]			X				
PennyMac Loan Svc [CA]				X	X		
PNC		X	X		X		
Purdue EFCU			X				
Q Lending [IL]			X				
Quantum Servicing			X				
RBC Bank [NC]				X			
Residential Credit Solutions				X	X		
RG Mtg			X				

Servicer	*49-State AG/Fed Settlement*	*OCC Consent Order*	*HAMP – regular or Rural*	*FHA HAMP*	*2MP +/ or 2LP (HAMP or FHA)*	*Country-wide (B/A) Settle-ment*	*Wacho-via Settle-ment*
RoundPoint Mtg [NC]			X				
Saxon Mtg			X	X	X		
Schmidt Mtg [OH]				X			
Schools Fin CU [CA]			X				
SEFCU [NY]			X				
Select Portfolio			X	X	X		
Shore Bank [IL]			X				
Silver State Sch CU [IL]			X				
Sovereign		X					
Specialized Loan Svcg			X				
Sterling Svgs Bank [WA]			X				
Stockman Bank – MT				X			
Suburban Mtg – NW			X				
Technology CU [CA]			X				
The Golden 1 CU [CA]			X				
US Bank		X	X				
United Bank			X				
United Bank Mtg			X				
Wealthbridge Mtg			X				
Wells Fargo & Co + WFB	X	X	X	X	X		
WF-Wachovia	?	X					X
WF-America's Servicing	?	X					
Weststar Mtg [VA]				X			
Wilshire Credit Corp [OR]			X				
Yadkin Valley Bank [NC]			X				
NOT Fannie or Freddie serviced by anyone	X	X					

CENTER FOR RESPONSIBLE LENDING

Summary of National Mortgage Settlement

The national mortgage settlement has the following key components:

- **$5 billion in cash payments to state AGs and the federal government** that will be used for payments to foreclosed borrowers ($1.5 billion), and for other uses to be determined by each state's AG (with the intention but no requiements that those funds be used for foreclosure prevention activities such as housing counseling and legal services);

- **$20 billion in financial relief to borrowers** that are credited by formulas against the costs of activities that servicers provide, including at least $10 billion in credits for principal reduction loan modifications; and

- **Servicing reforms** governing the future activities of the 5 bank participants.

- **Limited Release of Claims:** The settlement releases state AG (and some bank regulator) claims only for servicing practices, robo-signing, foreclosure processing and origination practices. It also releases federal civil claims based on servicing of mortgage loans, originating mortgage loans, and servicing of loans of borrowers in bankruptcy. The settlement does not release criminal claims, securitization claims, other government claims or claims of individual borrowers.

- **Monitoring and Enforcement:** The terms of the settlement will be monitored and enforced by an independent monitor reporting to the AGs – the former North Carolina Commissioner of Banks, Joseph Smith – using a series of pre-determined metrics that will be reviewed quarterly. Failure to meet specified performance targets may result in substantial financial penalties.

I. Servicing Reforms

Implements real reforms in the mortgage servicing industry to end sloppy and fraudulent business practices, and will give more homeowners a chance to restructure or refinance out of unaffordable loans that are underwater. Reforms are based on recently-established GSE servicing standards and are intended to prohibit dual-tracking (pursuing foreclosure and loss mitigation activities simultaneously) and provide new standards for communicating with borrowers and other loss mitigation activities.

Key Provisions (other areas not included):

Ends Robo-signing: Requires accuracy, personal knowledge by signatories, no reliance on inaccurate affidavits, pleadings, notices of default, sale, etc., requires standards for training & supervision of those signing docs, and prohibits volume-based compensation incentives. In non-judicial states, servicer must review competent and reliable evidence to substantiate default and right to foreclose prior to referral to foreclosure.

Require Evidence Of Standing/Right To Foreclose: Servicer shall implement process to ensure that it or the foreclosing entity "has a documented enforceable interest in the promissory note and mortgage (or deed of trust) under applicable state law, or is otherwise a proper party to the foreclosure action." Moving party must set forth facts supporting right to foreclose in a communication to borrower, in pleadings or affidavits in court foreclosure proceedings, and where required in non-judicial proceedings. Before a loan is referred to non-judicial foreclosure, the servicer is required to ensure that it has reviewed competent and reliable evidence to substantiate the borrower's default and the right to foreclose.

Loss Mitigation Outreach: Notify all potentially eligible borrowers of loss mitigation options prior to foreclosure referral (but no obligation to solicit borrowers who are in bankruptcy). Requires use of HAMP (MHA Handbook 3.2) outreach efforts regardless of whether HAMP applies, requiring a minimum of four phone calls and two written notices over at least 30 calendar days. Within 5 business days after referral to foreclosure, servicer must send a "Post Referral to Foreclosure Solicitation Letter" letting borrower know s/he can still be considered for alternatives, etc.

Specific Loss Mitigation Requirements: Notify borrower of all options; dual track restrictions (per below). Includes language **"servicer shall offer a loan modification if it is NPV positive."** which appears to mandate loan modifications, rather than having them be voluntary on the part of the servicer if they meet the NPV test. Other requirements include: prompt conversion from HAMP trial to permanent modification and provide borrower with a loan modification denial with right to rebut. There are additional requirements that apply to proprietary modifications. First lien modifications should be designed to produce "sustainable modifications according to investor guidelines and previous results" and affordable payments. Second lien modifications shall be designed to be affordable. No fees may be charged to the borrower in applyingfor 1st or 2nd loan modifications.

> <u>Independent Evaluation of First Lien Loan Mod Denials</u>: An independent entity or another employee of the servicer (not involved with the particular modification) shall review every denial.
>
> <u>Denial Notice</u>: A written notice with reasons for denial shall be sent (following independent review), and shall inform borrower that s/he has 30 days to provide evidence that the denial was erroneous. If denied b/c disallowed by investor, notice should disclose name of investor and summarize the reason. If failure of NPV, notice should include monthly gross income and property value used.

Appeal: 30 days for appeal unless reason for non-approval is (1) ineligible mortgage; (2) ineligible property; (3) not accepted by borrower; or (4) loan was previously modified.

Dual Track Restrictions: Time-limited restrictions on dual track problem, as follows:

Pre-foreclosure referral: If bank/servicer has not already referred a loan to foreclosure and it receives a complete loan modification application by day 120 of delinquency, then it must review and make a determination on a loan modification prior to referring the loan to foreclosure. No hard requirement that servicer not begin foreclosure before the 120 day mark. This provision allows and leaves open the possibility that servicers will move foreclosures after completing outreach requirements, but before receiving a substantially complete application. If borrower submits a substantially complete application by day 120 (missing only hardship documents), same protection for borrower who completes the application after an additional 10 days.

Post Foreclosure Referral: Some restrictions against the process moving towards foreclosure judgment or sale if the borrower submits a complete application after the referral to foreclosure, with various time restrictions depending on when the application is received by the servicer. However, the provisions do not appear to stop the foreclosure clock while a borrower is being considered for a modification after the foreclosure process has begun.

Short Sales: Acknowledge borrower's initial request for short sale w/in 10 days. Respond to specific short sale offer within 30 days.

Single Point of Contact (SPOC): Bank/servicer to establish a SPOC for communicating with the borrower. The SPOC will be expected to explain available options to borrowers, coordinate documents, inform borrower of status, ensure borrower is considered for all options and have access to those with ability to stop foreclosure proceedings).

Restrictions on fees: all default, foreclosure, bankruptcy fees must be bona fide, reasonable and disclosed; attorneys' fees may only be charged for work performed and shall not exceed reasonable and customary fees; no late fee while loan mod being considered, in trial or during short sale consideration; no unnecessary or duplicative fees; limits on other fees.

Force-placed insurance: Somewhat limited. No FPI unless needed; servicer must continue to pay insurance if escrowed but lapse in payment; disclosure requirements; shall not require insurance in excess of the greater of replacement value, last known amount of coverage or outstanding loan balance; servicer shall take reasonable efforts to work w/ borrower to continue or reestablish the existing policy if there is a lapse and payments are escrowed; commercially reasonable price. **Does not include**: any prohibition on use of affiliates except that insurance must be purchased for a "commercially reasonable price." Commercially reasonable pricing not part of monitored metrics.

Miscellaneous Other Issues Addressed:

- Requirements re accuracy and verification of borrower's account information
- Bankruptcy-related issues and requirements

- Third-Party Provider Oversight (by Servicers)
- Military Personnel Protections
- Blight
- Tenants' Rights

II. Monetary Relief

Under the terms of the agreement, the servicers are required to collectively dedicate $20 billion toward various forms of financial relief to borrowers. At least $10 billion will go toward reducing the principal on loans for borrowers who, as of the date of the settlement, are either delinquent or at imminent risk of default and owe more on their mortgages than their homes are worth.

At least $3 billion will go toward refinancing loans for borrowers who are current on their mortgages but who owe more on their mortgage than their homes are worth. Borrowers who meet basic criteria will be eligible for the refinancing, which will reduce interest rates for borrowers who are currently paying much higher rates or whose adjustable rate mortgages are due to soon rise to much higher rates.

Up to $7 billion will go towards other forms of relief, including forbearance of principal for unemployed borrowers, anti-blight programs, short sales and transitional assistance, benefits for service members who are forced to sell their home at a loss as a result of a Permanent Change in Station order, and other programs. Because, for certain types of relief, servicers will receive only partial credit for every dollar spent on some of the required activities, the settlement will provide direct benefits to borrowers in excess of $20 billion.

A. Relief for Robo-Signing: Borrowers Who Have Lost Their Homes to Foreclosure from 2008 through 2011 Will Be Eligible to Receive $1,800-$2,000

The Settlement establishes a $1.5 billion Borrower Payment Fund to provide cash payments to borrowers whose homes were lost to foreclosure between January 1, 2008 and December 31, 2011. Borrowers will receive up to $1,800-$2,000 per foreclosure. This is one of weakest parts of deal, since it will provide fixed penalty payments to borrowers, regardless of the extent of their financial harm.

These funds will be administered by a single Administrator working for the AGs. The Administrator will send eligible borrowers application forms. Although the precise details are not entirely clear yet, it appears that borrowers will have to meet and certify to certain criteria in order to qualify for this payment, indicating that their foreclosure proceeded without discussion of alternatives or with problems with their paperwork.

A separate process conduced by federal bank regulators, the OCC/Federal Reserve Independent Foreclosure Review, could provide more individualized review of financial harm associated with servicer errors leading to delays, wrongful denial of loan modifications and wrongful foreclosures. However, the breadth and quality of these reviews is questionable, given the early evidence from OCC to date.

B. Financial Relief for Current Homeowners

$20 billion will be dedicated to various forms of relief to borrowers. The $20 billion will be calculated by the banks getting varying credit percentages depending on the type and other quality of homeowner relief. Because servicers will in some cases receive only partial credit for each dollar of benefit provided (in areas other than refinancing), the actual dollar amount of relief provided to homeowners will be greater than $20 billion. By some estimates, the total dollar value of this financial relief to borrower could be as high as $35 billion.

i. Principal Reduction

The settlement calls for ramping up foreclosure prevention through large-scale use of loan modifications that lower loan balances for struggling homeowners. At least $10 billion of the $20 billion must come from principal reduction for borrowers with underwater mortgages. This focus on principal reduction could become a model for the rest of the market, especially Fannie Mae and Freddie Mac, which account for more than half of all mortgages.

First Lien Mortgage Modifications Standards:

- Modification payments should target a DTI of 31%
  - DTI requirements may be waived if loan is 180 days or more delinquent as long as payment are reduced by at least 20% and LTV no higher than 120%
- Modified LTV of not more than 120%
- Payments of interest & principal must be reduced by at least 10%

Certain Second Lien Modifications are Required: (1) When a successful first-lien proprietary, non-HAMP modification is completed by a participating servicer where there's a minimum 10% reduction in payment; income has been verified; unpaid principal balance (UPB) at or below applicable limits and post-modification DTI (1^{st} lien only) of between 25% and 31%; or (2) If a participating servicer has completed a successful proprietary 1^{st} lien mod and the 2^{nd} lien loan amount is greater than $5,000 UPB w/ current monthly payment greater than $100, then servicer must follow specific requirements for modifying the second.

Crediting Formulas: Formulas have been established to provide different measures of credit per $1 of homeowner principal reduced, depending on the following factors:

(1) **Portfolio vs. non-portfolio loans**; loans serviced for others earn lower credits than those in a bank's portfolio.

(2) **LTV**: Reductions of principal greater than from greater to 175% to 175% LTV are substantially discounted

(3) **Converting existing forbearance:** Forgiveness of principal reductions for forbearance on an existing modification is discounted;

(4) **Earned forgiveness**: earned forgiveness for payments over a period of 3 years or less qualify, but are discounted;

(5) **1st vs. 2nd liens**: 2nd liens are discounted, with amount of discount tied to performance/delinquency status

Credit ranges from $1 credit for $1 payment (e.g., write-down of first lien portfolio loans having LTV of ≤ 175%) to $.10 credit for $1 payment (e.g., write-down of 2nd liens that are 180+ days delinquent).

1st and 2nd lien modifications are to account for a minimum of 60% of the overall fund (with some reductions acceptable if replaced by refinancing program credits)

Bank of America Principal Forgiveness Program: Bank of America has agreed to implement a special principal forgiveness program that will provide a broader range of delinquent borrowers with offers of deeper principal reduction than is required under the main principal reduction program. If fully implemented, this will offset $850 million in cash payments for Bank of America.

Bank of America will solicit all underwater owner-occupant borrowers meeting the following criteria: (1) first-lien mortgages 60 days or more delinquent as of January 31, 2012; (2) mortgage is serviced by BoA and is either part of a Countrywide securitization or is a BoA (or affiliate) portfolio loan; (4) borrower has DTI of 25% or greater; (5) mortgage is not guaranteed by FHA, VA, HUD or one of the GSEs; (6) the borrower has not previously defaulted on a modification with terms better than or equal to HAMP. Subject to a positive NPV test, BoA will offer loan modifications that include the capitalization of all delinquent interest and late fees and principal forgiveness necessary to reach 25% DTI (except that the LTV will not be reduced to less than 100%). If DTI remains above 31% after principal reduction, the interest rate will be reduced to a minimum of 2% for 5 years, and then (in accordance with HAMP), will increase 1% per year until the market rate (Freddie Mac's weekly Primary Mortgage Market Survey, or PMMS) in effect at the time the modification is reached, at which point the interest rate will be fixed. If the DTI remains above 31% even with the interest rate reduction, BoA will forbear principal in an amount necessary to achieve a DTI of 31%, but the combined impact of forgiveness and forbearance will not go lower than 70% LTV.

ii. Other Homeowner Assistance

Up to $7 billion is allocated for other forms of homeowner assistance, again with credited amounts varying depending on the specific activities. These options include:

- facilitation of short sales
- unemployed payment forbearance or forgiveness
- relocation assistance for homeowners facing foreclosure
- waiving of deficiency balances
- funding for remediation of blighted properties
- Servicemember short sale program

To ensure utilization of the more significant forms of relief (short sales, forbearance), the other categories are limited in terms of the maximum percentage of credit towards the fund that can be used for those purposes.

Enhanced borrower transitional funds (5% max): For payment over $1,500, $1 credit if paid by servicer; $.45 credit if paid by non-GSE investor

Short sales: different credit based on whether servicer makes payment to 2nd lienholder ($1 credit), servicer forgiveness of deficiency & lien release on 1st liens ($.45 credit), investor forgiveness of deficiency on 1st liens ($.20 credit), forgiveness & lien release on 2nd liens (varies by delinquency status)

Deficiency waivers (10% max): $.10 credit on 1st and 2nd liens

Forbearance for unemployed homeowners: $1 credit for forgiveness of arrearages; $.05 credit for facilitating a forbearance program

Anti-Blight (12% max): $.50 to $1 credit, depending on action taken.

iii. Refinancing Underwater Loans

$3 billion for refinancing of underwater loans. To be eligible, a borrower must be current on mortgage payments (no late payment w/in last 12 months; not in foreclosure last 24 months), have a loan to value ratio in excess of 100%, have a fixed rate loan (or an ARM or interest-only loan with an initial period of 5 years or more), no loan modification or bankruptcy in the past 24 months, and must have a current interest rate of at least 5.25% or PMMS + 100 basis points, whichever is greater. It is worth noting that the floor on interest rates under this program is well above today's market rate of around 4%. The refinanced rate must reduce interest by at least ¼ of a percentage point or reduce monthly payments by at least $100. FHA insured loans are not eligible for this refinancing incentive program.

New loan has to be fully amortizing; new rate can be for 5 years and then step up each year after that. Fees are limited to those under current HARP guidelines.

iv. Incentives and Penalties regarding Timing

Incentives for Timely Actions: Servicer will get an additional 25% credit for actions taken after announcement of settlement and within 12 months of settlement execution date. 75% of benefits must be distributed within the first 2 years of the effective date, with penalties (additional payments) for missing 2-year and 3-year deadlines for benefits.

Penalties for Untimely Actions: Servicer is required to complete 75% of its commitment within two years. If Servicer fails to meet commitments within three years of the start date, servicer shall pay 125% of the unmet commitment amount, but if it fails to meet the two-year and the three-year commitments, then the penalty will be 140%. 50% will be allocated to the United States and 50% to the States, in accordance with prior allocation.

III. Payments to State and Federal Government

$2.75 billion in payment to states and $750 million to federal government to repay lost public funds. State funds are intended but not specifically required to fund housing counseling, legal aid and similar purposes to be decided by each state's attorney general. The settlement provides some indication of how state AG's plan to use these funds. We are already seeing some states announcing that they will be diverting this money to purposes other than foreclosure relief, such as to fill budget gaps (WI, MO), or for general education.

The funds to the federal government will primarily be allocated to the FHA Capital Reserve Account, with some going to the Veterans Housing Benefit Program Fund and some to the Rural Housing Service.

IV. Scope of Release

Settlement releases civil claims by AGs & banking regulators related to:

- residential mortgage loan servicing;
- residential foreclosure practices;
- residential mortgage loan origination practices

Settlement releases federal claims based on conduct of the servicers in:

- servicing of mortgage loans;
- originating mortgage loans;
- servicing of loans of borrowers in bankruptcy

Settlement with state AGs and banking regulators does not release the following claims:

- Criminal liability
- Claims and defenses asserted by third parties, including individual mortgage loan borrowers on an individual or class action basis
- Claims related to the securitization of mortgage-backed securities (including claims that address loan servicing, foreclosure practices and/or loan origination practices, but only to the extent such claims are based on the offer, sale, or purchase of securities, or other conduct in connection with investors or purchasers in or of securities).
- Claims seeking injunctive or declaratory relief to clear a clouded title (even where it involves covered conduct)
- Claims against a trustee, custodian or an agent thereof relating to its own conduct in the pooling of residential mortgage loans in trusts, mortgage backed securities, collateralized debt obligations, collateralized loan obligations, or structured investment vehicles.
- Claims against Mortgage Electronic Registration Systems (MERS) or MERSCORP.
- Liability based on obligations arising out of the settlement.
- Claims by Oklahoma (which chose not to sign the settlement)
- Fair lending claims

- Origination claims by the federal government alleging harm caused when a bank failed to satisfy underwriting standards on a government-insured or government-guaranteed loan, with the exception of certain faulty origination practices by Bank of America on FHA-insured loans
- Claims of state, county and local pension or other governmental funds as investors
- Tax claims, including, but not limited to, claims relating to real estate transfer taxes.
- Claims of county recorders for fees relating to the recordation or registration process
- Disciplinary proceedings brought by state regulators against individual employees for violations of state law.
- Claims in specific pending state AG actions (as set forth in the release).
- Very particular claims for reimbursement to mortgage borrowers for certain unauthorized fees discovered as part of a compliance examination in Iowa, Nevada, New Hampshire, Ohio or Rhode Island for conduct 1/1/2011-1/1/2012.

Settlement does not release the following federal claims:

- Liability arising under Title 26 (tax code)
- Individuals for criminal liability
- Criminal liability for servicers
- Any federal liability for conduct other than the released conduct
- Any and all securities, securitization or investor-related claims (but claims against servicer in its capacity as servicer are released).
- RESPA § 2607 claims.
- Gramm-Leach-Bliley Act claims.
- Fair Housing Act claims.
- Proceedings brought by HUD to exclude individuals from any HUD program
- Federal environmental law claims
- Any liability or claims brought by FHFA, GSE's, FDIC, GNMA, CFPB (unless expressly released), NCUA, SEC, Maiden Lane LLC, Maiden Lane II LLC, Maiden Lane III LLC,FRB (and member institutions), OCC, USDA, VA, CFTC and Inspectors General.
- Certain claims against Countrywide, BoA, Landsafe Appraisal Services & LaSalle Bank, relating to certain claims raised in particular cases.[1]
- Any action by the appropriate Federal Banking Agency pursuant to 12 U.S.C. § 1818
- Liability based on obligations arising out of the settlement.
- Liability for under FIRREA for certain conduct, statements or omissions.

---

[1] Includes certain claims raised in United States ex rel. [Under Seal] v. [Under Seal], No. 11 Civ. 4207 (S.D.N.Y.); United States ex rel. [Under Seal] v. [Under Seal], No. 12 Civ. 1422 (S.D.N.Y.), United States ex rel. [Under Seal] v. [Under Seal], Civ. No. 2:11-cv-00535-RLHRJJ (D. Nev.); United States ex rel. Szymoniak v. [Under Seal], Civ No. 0:10-cv-01465 (D.S.C.) or in United States ex rel. Szymoniak v. [Under Seal], Civ No. 3:10-cv-575 (W.D.N.C.); United States of America ex rel. Bibby et al. v. Wells Fargo Bank National Association, Inc. et al., C.A. No. 1:06-CV-0547-AT (N.D. Ga.).

- Claims by any private individual or entity for harm (except for any claim under 31 U.S.C. § 3730(b) [False Claims Act] that is subject to the release).

V. Enforcement

Monitoring Committee. Representatives from the state Attorneys General, the U.S. Department of Justice, and the U.S. Department of Housing and Urban Development shall monitor Servicer's compliance with this Consent Judgment (the "Monitoring Committee").

Monitoring and Enforcement: Compliance with the settlement will be overseen by Joseph A. Smith, who will serve as Monitor in enforcing the consent judgment. As North Carolina's banking commissioner since 2002, Smith oversaw implementation of a leading foreclosure-prevention program; he has also served as Chairman of the Conference of State Banks Supervisors and was President Obama's nominee to serve as Director of the Federal Housing Finance Agency. The Monitor will oversee implementation of the extensive servicing standards required by the settlement; impose penalties of up to $1 million per uncured violation (or up to $5 million for certain repeat violations); and publish regular public reports that identify any quarter in which the Servicer fell short of the standards imposed in the settlement. The settlement will be filed as a Consent Judgment in the United States District Court for the District of Columbia and remain in effect for three-and-a-half years.

The monitor will be assisted by both a professional accounting firm or firms and one or more attorneys or other professionals, and will have the responsibility to determine whether Servicer is in compliance with the Servicing Standards and Consumer Relief Requirements of the settlement. The Monitor shall establish annual budgets to be paid by the servicers.

Internal Quality Control. Servicers will designate an internal quality control group to perform compliance reviews each calendar quarter.

Metrics. Servicer's compliance with the Servicing Standards and total amounts of loan modification and other borrower relief activities shall be assessed via specific metrics.

Servicer Quarterly Reports. Following the end of each Quarter, Servicer will report the results of its Compliance Reviews for that Quarter to the Monitor. Servicers will also transmit a State Report to each state.

Monitor Reports. The Monitor shall report on Servicer's compliance with this Consent Judgment in periodic reports (first 3 reports will cover 2 quarters, and if no issues, every 4 quarters after that). Requirements that monitor confer with servicer and get feedback before issuing reports.

Potential Violations and Rights to Cure. Servicers will have an opportunity to cure a Potential Violation identified by the monitor, including by remediating any material harm to particular borrowers.

Consent Judgment. This Consent Judgment shall be filed in the U.S. District Court for the District of Columbia (the "Court") and shall be enforceable therein.

Enforcement. An enforcement action may be brought by any Party to this Consent Judgment or the Monitoring Committee. In the event of an action to enforce the obligations of Servicer and to seek remedies for an uncured Potential Violation (A "Potential Violation" occurs if a Quarterly Report indicates that Servicer has exceeded the Threshold Error Rate set for a Metric) for which Servicer's time to cure has expired, the sole relief available in such an action will be:

1. Equitable Relief. An order directing non-monetary equitable relief, including injunctive relief, directing specific performance under the terms of this Consent Judgment, or other non-monetary corrective action.
2. Civil Penalties. The Court may award as civil penalties an amount not more than $1 million per uncured Potential Violation; or, in the event of a second uncured Potential Violation of certain Metrics, where the final uncured Potential Violation involves widespread noncompliance with that Metric, the Court may award as civil penalties an amount not more than $5 million for the second uncured Potential Violation. (As noted above, there are separate penalties for missing the dollar targets/time frames for borrower relief).

Sunset. Lasts for three and one-half years from the date it is entered. Servicer's obligation to submit Quarterly Reports and the Monitor's review of the same shall continue for the six months following the Term, after which time Servicer shall have no further obligations under this Consent Judgment.

VI. Break-Down of Bank Obligations

Institution	Federal & State Payments (Incl. Foreclosure Restitution Fund)	Relief to Existing Borrowers
Ally	$110 million	$200 million
BoA	$3.24 billion	$8.58 billion
Citi	$415 million	$1.79 billion
Chase	$1.08 billion	$4.21 billion
Wells	$1.01 billion	$4.34 billion