

Consumer Track

Use of Governmental Assistance Programs in Chapter 13

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**The National Mortgage Settlement, the IFR, “HAMP,”
and Dodd-Frank in Consumer Bankruptcy Practice**

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Introduction

The financial crisis of 2007-2008 gave us the Home Affordable Modification Program (“HAMP”) and the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”). More recently, revelations about mortgage servicers’ shoddy/fraudulent documentation practices and other abusive loan servicing practices have resulted in settlements among 49 of the 50 state attorneys general and the Department of Justice, commonly referred-to as the “National Mortgage Settlement,” as well as a series of consent decrees between the Office of the Comptroller of the Currency and several of the largest mortgage servicers, resulting in a program known as the “Independent Foreclosure Review” or “IFR.” Together, these programs impact nearly every aspect of mortgage servicing, providing detailed requirements for loan servicing practices (National Mortgage Settlement), creating a new loan modification program (HAMP), providing modest financial relief to affected consumers (Independent Foreclosure Review), and making key changes to the Truth in Lending Act (Regulation Z) and the Real Estate Settlement Procedures Act’s (Regulation X) provisions for obtaining information about mortgage loans and for disputes related to the servicing of borrowers’ mortgage loans (Dodd-Frank).

Although HAMP and the National Mortgage Settlement place extensive obligations on participating mortgage servicers, and the Independent Foreclosure Review has resulted in payments to aggrieved borrowers, none of these programs provide individual borrowers a private right of action to enforce their provisions when servicers fail to comply with them, or, in the case of the National Mortgage Settlement and the Independent Foreclosure Review, to use those settlements as evidence in any proceeding against a mortgage servicer, even in disputes involving precisely the same conduct the National Mortgage Settlement and Independent Foreclosure Review were intended to redress.

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So, without a private right of action under all of these supposedly-groundbreaking new programs, what's an aggrieved debtor (or debtor's counsel) to do? In the case of HAMP and the National Mortgage Settlement, the short, myopic, and initially unsatisfying answer is: complain. For its part, the Independent Foreclosure Review contains no provisions for borrowers to appeal the amount of their settlement – the borrowers get what they get, and that's it.

Both HAMP and the National Mortgage Settlement (“NMS”) provide mechanisms for reporting mortgage servicers' non-compliance; yet, neither program's reporting mechanism promises any specific relief to the complaining borrower. However, the only way HAMP or the NMS can be effectively implemented is if the agencies responsible for overseeing and enforcing them are made aware of mortgage servicers' non-compliance. Indeed, the National Mortgage Settlement Monitor (the “Monitor”) reports on complaints filed by consumers and has developed new metrics for monitoring compliance as a result, moreover, the Monitor established by the NMS forwards consumer complaints to the appropriate state attorney general for review and possible follow up with the mortgage servicer. In the event the state attorney general sees fit to forward a borrower's dispute to a mortgage servicer, the National Mortgage Settlement requires the servicer to respond to such dispute within specific time frame.

But – despite these programs' limited efficacy in providing direct firepower to individual borrowers and their attorneys, the conduct that gave rise to these programs and settlements, as well as the metrics and mechanisms for redressing such conduct, are clearly laid-out in the directives, consent decrees, and compliance reports creating and/or implementing them. The granular information contained in these agreements and reports offers substantial insights into common flaws in servicers' systems and processes for handling debtors' mortgage

loan accounts that gave rise to these programs, many of which are still problematic, according to reports by the CFPB and the NMS Monitor.¹

Accordingly, this paper reviews bankruptcy and bankruptcy-relevant findings and requirements imposed by the National Mortgage Settlement, IFR, HAMP, and new CFPB regulations implementing Dodd-Frank, suggesting strategies for using these requirements and findings to identify and clarify servicing issues in order to achieve positive outcomes for consumer debtors. Finally, this paper specifically discusses the impact of Dodd-Frank's recently-implemented changes to Regulation X, including new Qualified Written Request provisions of the Real Estate Settlement Procedures Act ("RESPA"), which offer consumer borrowers potential enforcement mechanisms for servicing violations that are proscribed by, though not directly enforceable through, the NMS, IFR, and HAMP.

Putting the problem into context: Top (bankruptcy) debtor complaints about mortgage servicers

1. The loan mod "bugaloo" (the runaway #1)
 - a. My servicer told me I had to be three months behind in order to qualify for a loan modification (FALSE);
 - b. They lost my paperwork / continually asked me to provide the same documents over and over again;
 - c. The person assigned to my file disappeared;

¹ According to the National Mortgage Settlement Monitor's Second Compliance report, released December 4, 2013 (available at <https://www.mortgageoversight.com/wp-content/uploads/2013/12/OMSO-Oversight-Update-print1.pdf>), the servicers subject to the National Mortgage Settlement failed seven compliance tests. Deputy Director of the Consumer Financial Protection Bureau Stephen Antonakes chastised the mortgage servicing industry at a recent meeting of the Mortgage Bankers Association on February 19, 2014. Prepared remarks available at <http://www.consumerfinance.gov/newsroom/deputy-director-steven-antonakes-remarks-at-the-mortgage-bankers-association/>

- d. I can't talk to a person with any knowledge or authority;
 - e. They say the loan is "in underwriting" for month after month but never tell me whether the mod is approved or denied;
 - f. I made all of my payments under my trial modification payment plan, but my modification never went permanent and no formal acceptance or denial was ever given;
 - g. They denied my loan modification but didn't give any reason;
 - h. They took such a long time to deny my loan modification that I could not afford to catch up, even over five years in a Chapter 13 bankruptcy.
2. Robo-signing / show me the note / "securitization fail" arguments²
 3. Establishing escrow for a previously no-escrow loan / monthly payments increasing post-petition to cover pre-petition escrow shortages or advances
 4. Force-placed insurance
 5. Payment misapplication / payments stuck in suspense / borrower makes payments and receives discharge, but servicer still claims borrower is behind
 6. Failure to send monthly mortgage statements
 7. Failure to release insurance for necessary repairs when loan is in default

² Courts have generally interpreted these arguments as an issue of state law, with opinions relating to the viability of certain causes of action varying widely between jurisdictions. *Compare, for example, Reinagel v. Deutsche Bank Nat. Trust Co.*, 735 F.3d 220, 223 (5th Cir. 2013)(rejecting, based on Texas law, borrowers' arguments that lien transfer documents were void as products of robo-signing); *U.S. Bank Nat'l Assoc. v. Ibanez*, 458 Mass. 637, 651, 941 N.E.2d 40, 53 (Mass.2011) (foreclosure proceedings initiated before robo-signed assignment was executed held invalid).

8. Improper fees and charges – phantom property inspections, endless “broker’s price opinions,” attorneys’ fees for denied or withdrawn motions, fees for filing Rule 3002.1 notices, etc.
9. Hidden / undisclosed fees and charges
10. “Cooked” payment histories

National Mortgage Settlement:

On February 9, 2012 the attorneys general of 49 states and the District of Columbia (every state but Oklahoma), the federal government, and five banks and mortgage servicers (Ally/GMAC, Bank of America, Citi, JPMorgan Chase and Wells Fargo) entered into the “National Mortgage Settlement,” which creates specific servicing standards, requires the mortgage servicers to provide loan modifications to homeowners experiencing financial hardship.³ The National Mortgage Settlement also provided substantial settlement funds directly to state and federal governments, though not all of those funds have been (nor are they required to be) devoted to addressing mortgage-related issues. The U.S. District Court in Washington, D.C. entered the consent judgments containing the settlement terms on April 5, 2012.

In connection with the National Mortgage Settlement, the five servicers are required to provide a minimum of \$25 billion in consumer relief, which is allocated as follows:

- Homeowners at risk of foreclosure are to receive at least \$17 billion in principal reduction and loan modification value.

³ The National Mortgage Settlement is available at: <http://www.nationalmortgagesettlement.com/>. Exhibit A to each individual servicer’s settlement contains a Settlement Term Sheet setting forth standards that each of the five largest servicers are required to follow in connection with the settlement. *See, for example, United States of America v. Bank of America Corp.*, at Appendix A. (National Mortgage Settlement), available at <http://www.nationalmortgagesettlement.com>.

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- Homeowners who are current on their mortgages but owe more than their homes' current market value are to receive up to \$3 billion in refinancing.
- Borrowers whose homes were foreclosed between Jan. 1, 2008 and Dec. 31, 2011 are allocated \$1.5 billion in payments by submitting a simple form. These borrowers' acceptance of these funds will not result in a waiver of any claims against the servicers.

The settlement also creates a series of detailed mortgage servicing standards, which are designed to improve servicers' communication with borrowers, establish a single point of contact for borrowers, address deficiencies in staffing levels and training, and establish better practices to ensure sworn documents filed in connection with bankruptcy and foreclosure cases are true and correct, and based on the signer's personal knowledge of the facts they contain after review of the servicers' business records. To evaluate servicers' compliance with these new servicing standards, the National Mortgage Settlement establishes a settlement "Monitor" who is responsible for using 32 defined "metrics" to test whether servicers have effectively implemented the 304 servicing "standards" set forth in the settlement.⁴ These Servicing Standards are intended to redress the practices in mortgage servicing that gave rise to the Settlement (i.e. the "top ten" items in the list above, among other items). The servicing standards apply to loans serviced by the five servicers subject to the National Mortgage Settlement (Chase, Citibank, Wells Fargo, GMAC/Rescap, and Bank of America). The metrics contained in the Settlement do not relate back to each and every one of the 304 Servicing Standards / some Servicing Standards are not associated with a particular metric. Whether a particular standard has a metric associated with it or not, the Servicers are required to comply. Under the Settlement, the Monitor may add metrics to cover standards that do not otherwise map to metrics and may

⁴ The Servicing Standards established by the NMS are attached hereto as Appendix 1. The Metrics are attached hereto as Appendix 2.

measure compliance with such standards through the new metrics. Indeed, the Monitor has already added 3 new metrics to the original 29 established by the Settlement.

The purpose of the National Mortgage Settlement is to address and remedy defective documentation mortgage servicers have used in connection with default, foreclosure, and bankruptcy servicing processes, improve borrowers' ability to communicate with their servicers, demystify loss mitigation options so that borrowers can use them to prevent foreclosure whenever possible, and prevent servicers' assessment of unreasonable and/or unnecessary fees and charges to borrowers' accounts.

Though not all of the National Mortgage Settlement's provisions are directly-related to bankruptcy administration issues, depending on a debtor's individual circumstances, even non-bankruptcy provisions of the settlement may offer useful insights into the sources of otherwise difficult to detect problems with the servicing of a given mortgage loan. Thus, especially in the context of reviewing disputed proofs of claims and motions for relief from stay, reference to the metrics and standards set forth in the National Mortgage Settlement may aid practitioners in zeroing in on the core problem(s) giving rise to the dispute.

The National Mortgage Settlement expressly requires compliance with bankruptcy law (§ III.A.1). To that end, servicers are required to provide bankruptcy-specific training to employees "regularly engaged in servicing mortgage loans as to which the borrower or mortgagor is in bankruptcy" (§ III.A.2). Certainly in the context of a stay violation, discharge violation, or other contempt/sanctions proceeding based on a servicer's mishandling of a bankruptcy account, determining whether such training was actually provided and routinely followed by mortgage

servicing personnel could be relevant in distinguishing between conduct that resulted in a one-off mistake as opposed to a broader pattern and practice / willful conduct by the mortgage servicer.

On a more granular level, the Servicing Standards provide that, “[w]hen 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 [motion for relief from stay] 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.” (§ IV.L.3)

The NMS provides important obligations on servicers with respect to loss mitigation procedures during active bankruptcies. In particular, under the NMS, a servicer may not deny any loss mitigation option to an eligible borrower on the basis that the borrower is a debtor in bankruptcy, provided the borrower and, if applicable, trustee, cooperate in obtaining any appropriate approval or consent for such loss mitigation process. Servicers are also required, to the extent reasonable, to 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, for example, if such payments have been made to a chapter 13 trustee. Debtors are still required to make a trial period payment for each month of the trial period, including extension months. So long as the debtor is in compliance with a trial period or permanent loan modification plan, servicers are prohibited under the NMS from objecting to confirmation of the debtor’s chapter 13 plan, moving to dismiss the debtor’s bankruptcy case, or filing a motion for relief from stay solely because the debtor paid only the amounts due under the trial period or permanent loan modification plan, as opposed to the non-modified mortgage payments.

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The NMS also establishes important restrictions on allowable servicing fees. Broadly, the NMS requires that all default, foreclosure and bankruptcy-related service fees, including third-party fees, collected from the borrower by Servicer be bona fide, reasonable in amount, and disclosed in detail to the borrower. More specifically, the NMS requires servicers to maintain a schedule of common non-state specific fees or ranges of fees that may be charged to borrowers by or on behalf of the servicer, which the servicer is required to make available on its website and provide to the borrower or borrower's authorized representative upon request. The fee schedule shall identify each fee, provide a plain language explanation of the fee, and state the maximum amount of the fee or how the fee is calculated or determined.

With respect to default-related fees, under the NMS, such fees are only collectable if they are for reasonable and appropriate services actually rendered and one of the following conditions is met:

- The fee is expressly or generally authorized by the loan instruments and not prohibited by law or the NMS;
- The fee is permitted by law and not prohibited by the loan instruments or the NMS; or
- The fee is not prohibited by law, the NMS or the loan instruments and is a reasonable fee for a specific service requested by the borrower that is collected only after clear and conspicuous disclosure of the fee is made available to the borrower.

In addition to the general limitations on fees, under the NMS servicers may only charge attorneys' fees related to a foreclosure action or bankruptcy proceeding for work actually

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performed, and the amount of such fees may not exceed reasonable and customary fees for the work performed. In the event a foreclosure action is terminated prior to the final judgment and/or sale for a loss mitigation option, a reinstatement, or payment in full, under the NMS, the borrower is liable only for reasonable and customary fees for work actually performed.

The NMS also addresses the practice known as “pyramiding” of late fees, in which servicers were applying payments toward prior month’s late fees before paying the current month’s payment, resulting in a late fee being incurred for the current month. Under the NMS, servicers are prohibited from collecting any late fee or delinquency charge when the only delinquency is attributable to late fees or delinquency charges assessed on an earlier payment, and the payment is otherwise a full payment for the applicable period and is paid on or before its due date or within any applicable grace period. The NMS also prohibits servicers from collecting late fees (i) based on an amount greater than the past due amount; (ii) collected from the escrow account or from escrow surplus without the approval of the borrower; or (iii) deducted from any regular payment. Finally, servicers are prohibited under the NMS from collecting late fees from borrowers for periods during which (i) a complete loan modification application is under consideration; (ii) the borrower is making timely trial modification payments; or (iii) a short sale offer is being evaluated by the servicer.

Under the NMS, third party fees, such as property inspection, property preservation or valuation fees may not be imposed on borrowers unnecessarily, including especially:

- No property preservation fees shall be imposed on eligible borrowers who have a pending application with servicer for loss mitigation relief or are performing under a loss mitigation program, unless the servicer has a reasonable basis to

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believe that property preservation is necessary for the maintenance of the property, such as when the property is vacant or listed on a violation notice from a local jurisdiction

- No property inspection fee shall be imposed on a borrower any more frequently than the timeframes allowed under GSE (Fannie/Freddie) guidelines unless servicer has identified specific circumstances supporting the need for further property inspections;
- Servicers shall be limited to imposing property valuation fees (e.g., BPO) to once every 12 months, unless other valuations are requested by the borrower to facilitate a short sale or to support a loan modification, or required as part of the default or foreclosure valuation process;
- Default, foreclosure and bankruptcy-related services performed by third parties shall be at reasonable market value
- Servicers may not collect any fee for default, foreclosure or bankruptcy-related services by an affiliate unless the amount of the fee does not exceed the lesser of (a) any fee limitation or allowable amount for the service under applicable state law, and (b) the market rate for the service. To determine the market rate, servicers shall obtain annual market reviews of their affiliates' pricing for such default and foreclosure-related services; such market reviews shall be performed by a qualified, objective, independent third-party professional using procedures and standards generally accepted in the industry to yield accurate and reliable results.

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- Servicers are prohibited from collecting any unearned fee, or giving or accepting referral fees in relation to third-party default or foreclosure-related services.
- Servicers are prohibited from imposing their own mark-ups on servicer-initiated third-party default or foreclosure-related services.
- Servicers must not collect any attorney's fees or other charges with respect to the preparation or submission of a proof of claim or motion for relief from stay that is withdrawn or denied as a result of a substantial misstatement by the servicer of the amount due.
- Servicers shall not collect late fees due to delays in receiving full remittance of debtor's payments, including trial period or permanent modification payments as well as post-petition conduit payments in accordance with 11 U.S.C. § 1322(b)(5), that debtor has timely (as defined by the underlying Chapter 13 plan) made to a chapter 13 trustee.

Mortgage Servicer Misconduct Identified by Independent Foreclosure Review

In April 2011, after conducting on-site reviews of foreclosure processes at fourteen federally regulated mortgage servicers, the Office of the Comptroller of the Currency (OCC) and the Board of Governors of the Federal Reserve System (Board), found pervasive defects in every one of the reviewed servicers' practices. As a result, the OCC and Board initiated formal enforcement actions against the servicers for what it characterized as "unsafe and unsound residential mortgage loan servicing practices."⁵ These enforcement actions generally focused on

⁵ Press Release, Office of the Comptroller of the Currency, NR 2011-47, *OCC Takes Enforcement Action Against Eight Servicers for Unsafe and Unsound Foreclosure Practices* (April 13, 2011), available at <http://www.occ.gov/news-issuances/news-releases/2011/nr-occ-2011-47.html>; Press release, Fed. Reserve Bd., *Federal Reserve Issues Enforcement Actions Related to Deficient Practices in Residential*

practices relating to (1) filing foreclosure documents without proper affidavits or notarizations; (2) failing to ensure that loan documents were properly endorsed or assigned and, if necessary, in the possession of the appropriate party at the appropriate time; (3) failing to devote sufficient financial, staffing, and managerial resources to ensure proper administration of foreclosure processes; (4) failing to devote adequate oversight, internal controls, policies and procedures, compliance risk management, internal audit, third-party management, and training to foreclosure processes, and (5) failing to oversee sufficiently outside counsel and other third-party providers handling foreclosure-related services.⁶

The IFR provides relief to borrowers whose loans were in the foreclosure process during the relevant time period. Although the IFR was initially established to specifically review individual borrowers' files to identify discrepancies in the servicing practices, that plan was scrapped in January of 2013 in favor of a more general "payment agreement" that categorized claims in simpler terms in order to speed payment processing and end the financial burden to mortgage servicers of having to pay for the tedious loan-by-loan independent foreclosure review process. That payment agreement provides a total of \$9.3 billion in cash payments and other assistance to borrowers. Of that sum, \$3.6 billion is for direct cash payments to borrowers covered by the agreement, and the remaining \$5.7 billion is comprised of other foreclosure prevention assistance including loan modifications and forgiveness of deficiency judgments.

Participating servicers under the Independent Foreclosure Review agreement, including their current and former affiliates, include:

Mortgage Loan Servicing (April 13, 2011) ("Fed Press Release"), available at <http://www.federalreserve.gov/newsevents/press/enforcement/20110413a.htm>.

⁶ None of the servicers admitted or denied the OCC's or Federal Reserve Board's findings.

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America's Servicing Company	EMC Mortgage Corporation	PNC Mortgage
Aurora Loan Services	EverBank/EverHome Mortgage Company	Saxon Mortgage
BAC Home Loans Servicing	GMAC Mortgage	Sovereign Bank
Bank of America	Goldman Sachs	SunTrust Mortgage
Beneficial	HFC	U.S. Bank
Chase	HSBC	Wachovia Mortgage
Citibank	Litton Loan Servicing LP	Washington Mutual (WaMu)
CitiFinancial	MetLife Bank	Wells Fargo Bank, N.A.
CitiMortgage	Morgan Stanley	Wilshire Credit Corporation
Countrywide	National City Mortgage	

As a result of the January 2013 agreement, the original Independent Foreclosure Review, which involved case-by-case reviews, has ceased in favor of a process that allows all of the borrowers of the participating servicers covered by the agreement to receive compensation significantly more quickly.

These direct cash payment amounts were allocated according to various categories of “unsafe and unsound mortgage servicing practices” identified in the consent decrees, as follows:

1. Servicer foreclosed on borrower eligible for Servicemembers Civil Relief Act (SCRA) protection (applies only to rescinded or completed foreclosures);

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2. Servicer charged servicemembers interest rates that exceed SCRA Section 527 limits;
3. Servicer initiated or completed foreclosure on borrower who was not in default;
4. Servicer initiated or completed foreclosure on borrower who was protected by federal bankruptcy law;
5. Servicer completed foreclosure on borrower who was meeting all requirements of documented forbearance plan (applies only to rescinded or completed foreclosures);
6. Servicer failed to convert borrower to permanent modification after three successful payments under a written trial-period plan;
7. Servicer completed foreclosure on borrower who was performing all requirements of the written trial-period plan;
8. Modification request approved;
9. Modification request denied;
10. Modification request received but no underwriting decision made;
11. Servicer did not engage with borrower in an loan modification or other loss mitigation action;

IFR Payment Agreement Details showing the foregoing categories, the number of borrowers receiving payments, and the range of payments, is attached as Appendix 3. Importantly, like the National Mortgage Settlement, the IFR does not preclude borrowers from bringing individual claims against servicers for the conduct for which consumers are being compensated under the IFR. Moreover, the *amounts* borrowers received vary based on the category identified by the IFR and whether the borrower sent in a request for a review (See Appendix 3). Thus, inquiring with clients about whether they received a check as a result of the IFR and if so, in what amount, could provide some limited insight into the nature of the conduct that the client experienced.

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However, because the IFR produces no individualized report or documentation of the basis for its findings that can be reviewed, it is ultimately of relatively little value as a tool for the practitioner.

HAMP Guidelines relevant to Bankruptcy

HAMP, a/k/a the Home Affordable Modification Program, standing alone, is a somewhat spectacular failure of a program. In April 2009, the Administration launched HAMP to support homeowners under the Troubled Asset Relief Program (“TARP”) established in response to the economic crisis of 2008-2009. HAMP has been the centerpiece in Treasury’s efforts as outlined by Congress through the TARP legislation to “[protect] the interests of taxpayers” and “help families keep their homes.” Under HAMP, the mortgage servicer, mortgage investors, and homeowner are all eligible for incentive payments that are paid from TARP funds. (Homeowner incentives are paid to servicers that, in turn, apply the payment to a homeowner’s mortgage). Treasury obligated \$19.1 billion for the HAMP First- Lien Modification Program. As of April 30, 2013, Treasury has expended only \$4.4 billion of the \$19.1 billion (23%) on HAMP permanent modifications. Homeowners participating in HAMP are supposed to first receive a trial mortgage modification for three to four months and they may or may not subsequently receive a permanent mortgage modification. A trial modification will not help a homeowner avoid foreclosure in the long run, only a permanent modification can help do that. Once a homeowner secures a HAMP permanent modification, TARP-funded incentive payments can be disbursed. Homeowners have until December 31, 2015, to apply for a HAMP modification; TARP incentive payments can last for five years, until as late as 2021.

While HAMP has helped about 865,000 homeowners avoid foreclosure through permanent mortgage modifications, more than 306,000 homeowners have redefaulted out of the

program—often into a less advantageous private sector modification or even worse, into foreclosure. Also, of homeowners still in an active HAMP permanent modification, more than 88,000 have missed one to two monthly mortgage payments and thus are at risk of redefaulting out of the program.

However, contrary to the popular perception that bankruptcy is detrimental to borrowers' ability to obtain favorable loan modifications, due to the constraints the National Mortgage Settlement places on participating servicers with respect to their treatment of loan modification applications by borrowers in bankruptcy, some consumer debtors' counsel are now proactively using bankruptcy as a tool to facilitate loan modifications. For example, HAMP allows for substitution of income documents for borrowers in active Chapter 7 or Chapter 13 bankruptcy, which can be a welcome means for overcoming the hurdle of constantly producing and re-producing valid, current income documentation. Servicers also are prohibited from denying modification because a borrower files bankruptcy. If a borrower files bankruptcy while in a HAMP trial period plan, the servicer may not refuse to make the modification permanent on the basis of the bankruptcy filing. Indeed, even borrowers who receive a chapter 7 discharge but do not reaffirm their mortgage are still eligible for a HAMP modification. No reaffirmation of the debt is required, and the HAMP modification does not reinstate the borrower's personal liability for the debt.

Both within and outside of bankruptcy, borrowers who are current on their mortgage, as well as those who are delinquent can be eligible for a modification under HAMP, provided they meet HAMP's requirements. However, borrowers who are current or less than sixty days delinquent must demonstrate that default is "imminent." All borrowers seeking HAMP modifications must satisfy the following requirements:

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1. The loan originated before January 1, 2009.
2. The monthly mortgage payment is greater than 31% of the borrower's monthly gross income.
3. The loan is secured by a one-to-four unit property that **is the borrower's principal residence.**⁷
4. The unpaid principal balance cannot exceed:
 - - \$729,750 for one unit
 - - \$934,200 for two units
 - - \$1,129,250 for three units
 - - \$1,403,400 for four units
5. The Property is not vacant or condemned.
6. The loan was not previously modified under HAMP.
7. Submit a hardship affidavit explaining why borrower cannot make full mortgage payments.
8. Agree to an escrow account for taxes and hazard and flood insurance.
9. Certify that borrower has not been convicted within the last ten years of felony larceny, theft, fraud, forgery, money laundering, or tax evasion **in connection with a mortgage or real estate transaction.**

Servicers cannot:

- Charge borrowers for the modification.
- Require dead or divorced borrowers on any modification documents.

⁷ One-to-four unit investment properties are eligible for HAMP Tier 2 modifications, even if the borrower does not reside at the property.

The goal of HAMP modifications is to reduce the total mortgage payment, including principal, interest, taxes, insurance, and association fees, to 31% of the monthly gross income of all borrowers on the loan. To achieve this goal, the servicer first capitalizes accrued interest, escrow advances, and servicing advances to third parties (such as amounts paid for property preservation and foreclosure fees), if allowed by state law. Then, the servicer reduces the interest rate, which may be reduced as low as 2%, for five years. After five years, the interest rate increases by one percentage point per year until it reaches the prime monthly mortgage survey rate reported by Freddie Mac at the time that the loan is evaluated for modification. If the borrower still cannot afford the payment even at the reduced interest rate, the servicer may extend the amortization of the loan to a maximum of 40 years. Alternatively, the servicer may agree to principal forbearance, meaning that some or all of the recapitalized amount can be deferred to the end of the loan (or until payoff or when refinanced) without interest. Most importantly, servicers are authorized to forgive principal instead of or in addition to any of these other measures in order to achieve a successful HAMP modification.

Dodd-Frank changes to RESPA and TILA

Congress originally enacted the Real Estate Settlement Procedures Act of 1974 (RESPA) based on findings that significant reforms in the real estate settlement process were necessary to ensure that consumers receive sufficient, timely information regarding mortgage loans and their closing costs and to protect consumers from certain abusive practices identified by Congress.⁸ In 1990, Congress added section 6 to RESPA, which addresses mortgage loan servicing. Most significantly for borrowers in default (and therefore for borrowers in bankruptcy), section 6 of RESPA imposed substantive disclosure requirements for escrow account management and set up a formal error resolution and information request process, known as the “qualified written

⁸ See 12 U.S.C. 2601(a).

request,” which requires servicers to respond to borrowers’ written correspondence regarding the servicing of their mortgage loan.⁹

Section 19(a) of RESPA authorizes the Consumer Financial Protection Bureau (CFPB), formerly the Department of Housing and Urban Development (HUD), to prescribe rules and regulations, make interpretations, and perform other functions as may be necessary to achieve the purposes of RESPA.¹⁰ Accordingly, Regulation X, 24 CFR part 3500 implements RESPA. Pursuant to the Dodd-Frank Act and RESPA, as amended, the CFPB published an interim final rule establishing a new Regulation X, 12 CFR part 1024, implementing RESPA, which took effect on December 30, 2011. New Regulation X’s requirements for mortgage servicing are implemented principally by § 1024.21.

Section 1463 of the Dodd-Frank Act added new sections 6(k), 6(l), and 6(m) to RESPA, which impose restrictions on servicers with respect to force-placed insurance.¹¹ In essence, these new provisions prohibit servicers from obtaining force-placed hazard insurance with respect to any property secured by a federally related mortgage unless the servicer has a reasonable basis to believe the borrower has failed to comply with the loan contract’s requirement to maintain property insurance. Moreover, a servicer is deemed not to have a reasonable basis for obtaining force-placed insurance unless the servicer first provides the borrower with two written notices, the first of which must be sent at least 45 days prior to imposing any charge for force-placed insurance. The new CFPB regulations supplement these requirements by prohibiting servicers from obtaining force-placed insurance in instances where (for an already-escrowed loan) the borrower’s hazard insurance policy lapsed only due to non-payment.

⁹ See 12 U.S.C. 2605(e) and 2609.

¹⁰ See 12 U.S.C. 2617(a). General rulemaking authority for RESPA transferred to the CFPB on July 21, 2011. See §§ 1061, 1098 of the Dodd-Frank Act.

¹¹ 12 U.S.C. 2605.

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Section 1463 of Dodd-Frank adds section 6(k)(1)(B)-(D) to RESPA, which further address servicers' obligations in connection with responding to borrower assertions of errors and requests for information related to the servicing of their mortgage loans. Specifically, section 6(k)(1)(B) of RESPA prohibits servicers from charging fees for responding to qualified written requests. Section 6(k)(1)(C) requires servicers to take timely action in responding to borrower notices of errors relating to: (1) payment application; (2) payoff statements; (3) foreclosure alternatives, or (4) "other standard servicer duties". Section 6(k)(1)(D) requires servicers to respond within 10 business days to a borrower request for the servicer to identify the identity, address, and other relevant contact information about the owner or assignee of the loan. Section 1463(c) of Dodd-Frank amends section 6(e) of RESPA to reduce the time for servicers to acknowledge and respond to requests for information and notices of errors (5 days instead of 20 to acknowledge, 30 days instead of 60 to respond). Section 1463(b) and (d) amend sections 6(f) and (g) of RESPA with respect to penalties for violation of section 6 of RESPA, and refund of escrow balances, respectively. Finally, section 1463(a) of the Dodd-Frank act adds section 6(k)(1)(E) to RESPA, which provides that a servicer of a federally related mortgage loan must comply with any other obligation found by the CFPB, by regulation, to be appropriate to carry out the consumer protection purposes of RESPA. Moreover, § 1022(b)(1) of Dodd-Frank authorizes the CFPB to prescribe rules "as may be necessary or appropriate to enable the Bureau to administer and carry out the purposes and objectives of the Federal consumer financial laws, and to prevent evasions thereof[.]"¹² (RESPA and title X of Dodd-Frank are consumer financial laws.)

Prior to passage of Dodd-Frank, section 6(e) of the Real Estate Settlement Procedures Act ("RESPA") provided one of the only means for consumers and their counsel to investigate

¹² 12 U.S.C. 5512(b)(1).

mortgage servicing issues without litigation, via a mechanism known as the “Qualified Written Request” letter, or “QWR”. 12 U.S.C. 2605(e)(1)(B). Pre-Dodd-Frank, RESPA’s QWR provisions allowed borrowers (and their authorized representatives) to mail correspondence to mortgage servicers at a specifically-designated address in order to request information about their mortgage loan or to seek to have the servicer correct errors in how the servicer was handling their mortgage loan. “Old” RESPA QWR regulations required servicers to acknowledge receipt of the QWR within 20 business days and to respond to it within 60 business days. A servicer’s failure to properly acknowledge or respond to the QWR would subject it to liability for the borrower’s actual damages, attorneys’ fees, and up to \$1,000 in statutory damages if the borrower could show that the servicer engaged in a pattern or practice of non-compliance with RESPA’s QWR requirements.

Dodd-Frank supplements RESPA (sections 6(k)(1)(C) and (D)) by shortening the servicer’s timeline for acknowledging and responding to QWRs – 5 business days to acknowledge and 30 business days to respond (which may be extended by 15 days if the servicer notifies the borrower of the reason for its need for the extension prior to expiration of the 30 days) (§1463(c)). Dodd-Frank also clarifies that written requests may be used both to obtain information about the servicing of the loan (§ 1024.36) and to dispute errors (§ 1024.35)(prior to Dodd-Frank, some servicers were in the practice of refusing borrowers’ requests for information contained in QWRs, insisting that in order to be a “proper” QWR, the borrower was required to identify a specific dispute regarding the mortgage loan account) and that such requests for information and notices of error are specifically *not* required to be in the form of a “Qualified Written Request.”¹³ The new Dodd-Frank regulations regarding QWRs also increase the

¹³ CFPB Regulations § 1024.35 and 1024.36 are attached hereto as Appendix 4.

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servicer's potential statutory liability for a pattern or practice of non-compliance from \$1,000 to \$2,000 plus actual damages and attorneys' fees.

For consumer bankruptcy practitioners concerned with unraveling the mysteries of mortgage loan servicing and accounting, particularly in the context of evaluating proofs of claims or defending motions for relief from stay, the qualified written request, notice of error, and request for information procedures, especially as implemented by the CFPB's new regulations, offer an invaluable tool that often is far more direct, less confrontational, and more transparent than traditional discovery.

**THE NATIONAL MORTGAGE SETTLEMENT, THE IFR, "HAMP,"
AND DODD-FRANK IN CONSUMER BANKRUPTCY PRACTICE**

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Office of Mortgage Settlement Oversight National Mortgage Settlement Servicing Standards (Includes Mapping between Standards and Metrics)

Note: Under the Number column, rows marked with N/A are considered a heading or informational part of the servicing standards.

Number	Article #	Section	Sub-section	AG Settlement Articles
N/A	I.A.0	Foreclosure and Bankruptcy Information and Documentation		Unless otherwise specified, these provisions shall apply to bankruptcy and foreclosures in all jurisdictions regardless of whether the jurisdiction has a judicial, non-judicial or quasi-judicial process for foreclosures and regardless of whether a statement is submitted during the foreclosure or bankruptcy process in the form of an affidavit, sworn statement or declarations under penalty of perjury (to the extent stated to be based on personal knowledge) ("Declaration").
1	I.A.1	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Servicer shall ensure that factual assertions made in pleadings (complaint, counterclaim, cross-claim, answer or similar pleadings), bankruptcy proofs of claim (including, without limitation, any facts incorporated by reference from any attachment prepared by Servicer; a proof of claim is hereinafter referred to as "POC"), Declarations, affidavits, and sworn statements filed by or on behalf of Servicer in judicial foreclosures or bankruptcy proceedings and notices of default, notices of sale and similar notices submitted by or on behalf of Servicer in non-judicial foreclosures are accurate and complete and are supported by competent and reliable evidence. Before a loan is referred to non-judicial foreclosure, Servicer shall ensure that it has reviewed competent and reliable evidence to substantiate the borrower's default and the right to foreclose, including the borrower's loan status and loan information.
2	I.A.2	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Servicer shall ensure that affidavits, sworn statements, and Declarations are based on personal knowledge, which may be based on the affiant's review of Servicer's books and records, in accordance with the evidentiary requirements of applicable state or federal law.
3	I.A.3	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Servicer shall ensure that affidavits, sworn statements and Declarations executed by Servicer's affiants are based on the affiant's review and personal knowledge of the accuracy and completeness of the assertions in the affidavit, sworn statement or Declaration, set out facts that Servicer reasonably believes would be admissible in evidence, and show that the affiant is competent to testify on the matters stated. Affiants shall confirm that they have reviewed competent and reliable evidence to substantiate the borrower's default and the right to foreclose, including the borrower's loan status and required loan ownership information. If an affiant relies on a review of business records for the basis of its affidavit, the referenced business record shall be attached if required by applicable state or federal law or court rule. This provision does not apply to affidavits, sworn statements and Declarations signed by counsel based solely on counsel's personal knowledge (such as affidavits of counsel relating to service of process, extensions of time, or fee petitions) that are not based on a review of Servicer's books and records. Separate affidavits, sworn statements or Declarations shall be used when one affiant does not have requisite personal knowledge of all required information.
4	I.A.4	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Servicer shall have standards for qualifications, training and supervision of employees. Servicer shall train and supervise employees who regularly prepare or execute affidavits, sworn statements or Declarations. Each such employee shall sign a certification that he or she has received the training. Servicer shall oversee the training completion to ensure each required employee properly and timely completes such training. Servicer shall maintain written records confirming that each such employee has completed the training and the subjects covered by the training.
5	I.A.5	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Servicer shall review and approve standardized forms of affidavits, standardized forms of sworn statements, and standardized forms of Declarations prepared by or signed by an employee or officer of Servicer, or executed by a third party using a power of attorney on behalf of Servicer, to ensure compliance with applicable law, rules, court procedure, and the terms of this Agreement ("the Agreement").
6	I.A.6	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Affidavits, sworn statements and Declarations shall accurately identify the name of the affiant, the entity of which the affiant is an employee, and the affiant's title.
7	I.A.7	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Affidavits, sworn statements and Declarations, including their notarization, shall fully comply with all applicable state law requirements.
8	I.A.8	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Affidavits, sworn statements and Declarations shall not contain information that is false or unsubstantiated. This requirement shall not preclude Declarations based on information and belief where so stated.
9	I.A.9	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Servicer shall assess and ensure that it has an adequate number of employees and that employees have reasonable time to prepare, verify, and execute pleadings, POCs, MRS, affidavits, sworn statements and Declarations.
10	I.A.10	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Servicer shall not pay volume-based or other incentives to employees or third-party providers or trustees that encourage undue haste or lack of due diligence over quality.
11	I.A.11	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Affiants shall be individuals, not entities, and affidavits, sworn statements and Declarations shall be signed by hand signature of the affiant (except for permitted electronic filings). For such documents, except for permitted electronic filings, signature stamps and any other means of electronic or mechanical signature are prohibited.

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Number	Article #	Section	Sub-section	AG Settlement Articles
12	I.A.12	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	At the time of execution, all information required by a form affidavit, sworn statement or Declaration shall be complete.
13	I.A.13	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Affiants shall date their signatures on affidavits, sworn statements or Declarations.
14	I.A.14	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Servicer shall maintain records that identify all notarizations of Servicer documents executed by each notary employed by Servicer.
15	I.A.15	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Servicer shall not file a POC in a bankruptcy proceeding which, when filed, contained materially inaccurate information. In cases in which such a POC may have been filed, Servicer shall not rely on such POC and shall (a) in active cases, at Servicer's expense, take appropriate action, consistent with state and federal law and court procedure, to substitute such POC with an amended POC as promptly as reasonably practicable (and, in any event, not more than 30 days) after acquiring actual knowledge of such material inaccuracy and provide appropriate written notice to the borrower or borrower's counsel; and (b) in other cases, at Servicer's expense, take appropriate action after acquiring actual knowledge of such material inaccuracy.
16	I.A.16	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	Servicer shall not rely on an affidavit of indebtedness or similar affidavit, sworn statement or Declaration filed in a pending pre-judgment judicial foreclosure or bankruptcy proceeding which (a) was required to be based on the affiant's review and personal knowledge of its accuracy but was not, (b) was not, when so required, properly notarized, or (c) contained materially inaccurate information in order to obtain a judgment of foreclosure, order of sale, relief from the automatic stay or other relief in bankruptcy. In active cases in which such affidavits, sworn statements or Declarations may have been filed, Servicer shall, at Servicer's expense, take appropriate action, consistent with state and federal law and court procedure, to substitute such affidavits with new affidavits and provide appropriate written notice to the borrower or borrower's counsel.
17	I.A.17	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	In pending post-judgment, pre-sale cases in judicial foreclosure proceedings in which an affidavit or sworn statement was filed which was required to be based on the affiant's review and personal knowledge of its accuracy but may not have been, or that may not have, when so required, been properly notarized, and such affidavit or sworn statement has not been re-filed, Servicer, unless prohibited by state or local law or court rule, will provide written notice to borrower at borrower's address of record or borrower's counsel prior to proceeding with a foreclosure sale or eviction proceeding.
18	I.A.18	Foreclosure and Bankruptcy Information and Documentation	Standards for Affidavits, Sworn Statements, Declarations and other Documents in Foreclosure and Bankruptcy Proceedings	In all states, Servicer shall send borrowers a statement setting forth facts supporting Servicer's or holder's right to foreclose and containing the information required in paragraphs I.B.6 (items available upon borrower request), I.B.10 (account statement), I.C.2 and I.C.3 (ownership statement), and IV.B.13 (loss mitigation statement) herein. Servicer shall send this statement to the borrower in one or more communications no later than 14 days prior to referral to foreclosure attorney or foreclosure trustee. Servicer shall provide the Attorneys General with copies of proposed form statements for review before implementation.
19	I.B.1	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Servicer shall maintain procedures to ensure accuracy and timely updating of borrower's account information, including posting of payments and imposition of fees. Servicer shall also maintain adequate documentation of borrower account information, which may be in either electronic or paper format.
20	I.B.2	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	For any loan on which interest is calculated based on a daily accrual or daily interest method and as to which any obligor is not a debtor in a bankruptcy proceeding without reaffirmation, Servicer shall promptly accept and apply all borrower payments, including cure payments (where authorized by law or contract), trial modification payments, as well as non-conforming payments, unless such application conflicts with contract provisions or prevailing law. Servicer shall ensure that payments shall be posted no more than two business days after receipt properly submitted at the address specified by Servicer and credited as of the date received to borrower's account. Each monthly payment shall be applied in the order specified in the loan documents.
21	I.B.3	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	For any loan on which interest is not calculated based on a daily accrual or daily interest method and as to which any obligor is not a debtor in a bankruptcy proceeding without reaffirmation, Servicer shall promptly accept and apply all borrower conforming payments, including cure payments (where authorized by law or contract), unless such application conflicts with contract provisions or prevailing law. Servicer shall continue to accept trial modification payments consistent with existing payment application practices. Servicer shall ensure that payments shall be posted no more than two business days after receipt properly submitted at the address specified by Servicer. Each monthly payment shall be applied in the order specified in the loan documents.
22	I.B.3.a	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Servicer shall accept and apply at least two non-conforming payments from the borrower, in accordance with this subparagraph, when the payment, whether on its own or when combined with a payment made by another source, comes within \$50.00 of the scheduled payment, including principal and interest and, where applicable, taxes and insurance.
23	I.B.3.b	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Except for payments described in paragraph I.B.3.a, Servicer may post partial payments to a suspense or unapplied funds account, provided that Servicer (1) discloses to the borrower the existence of and any activity in the suspense or unapplied funds account; (2) credits the borrower's account with a full payment as of the date that the funds in the suspense or unapplied funds account are sufficient to cover such full payment; and (3) applies payments as required by the terms of the loan documents. Servicer shall not take funds from suspense or unapplied funds accounts to pay fees until all unpaid contractual interest, principal, and escrow amounts are paid and brought current or other final disposition of the loan.
24	I.B.4	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Notwithstanding the provisions above, Servicer shall not be required to accept payments which are insufficient to pay the full balance due after the borrower has been provided written notice that the contract has been declared in default and the remaining payments due under the contract have been accelerated.

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Number	Article #	Section	Sub-section	AG Settlement Articles
25	I.B.5	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Servicer shall provide to borrowers (other than borrowers in bankruptcy or borrowers who have been referred to or are going through foreclosure) adequate information on monthly billing or other account statements to show in clear and conspicuous language:
26	I.B.5.a	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Total amount due
27	I.B.5.b	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Allocation of payments, including a notation if any payment has been posted to a "suspense or unapplied funds account";
28	I.B.5.c	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Unpaid principal
29	I.B.5.d	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Fees and charges for the relevant time period
30	I.B.5.e	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Current escrow balance
31	I.B.5.f	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Reasons for any payment changes, including an interest rate or escrow account adjustment, no later than 21 days before the new amount is due (except in the case of loans as to which interest accrues daily or the rate changes more frequently than once every 30 days)
32	I.B.5	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Statements as described above are not required to be delivered with respect to any fixed rate residential mortgage loan as to which the borrower is provided a coupon book.
33	I.B.6	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	In the statements described in paragraphs I.A.18 and III.B.1.a, Servicer shall notify borrowers that they may receive, upon written request:
34	I.B.6.a	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	A copy of the borrower's payment history since the borrower was last less than 60 days past due
35	I.B.6.b	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	A copy of the borrower's note
36	I.B.6.c	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	If Servicer has commenced foreclosure or filed a POC, copies of any assignments of mortgage or deed of trust required to demonstrate the right to foreclose on the borrower's note under applicable state law; and
37	I.B.6.d	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	The name of the investor that holds the borrower's loan
38	I.B.7	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Servicer shall adopt enhanced billing dispute procedures, including for disputes regarding fees. These will include:
39	I.B.7.a	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Establishing readily available methods for customers to lodge complaints and pose questions, such as by providing toll-free numbers and accepting disputes by email
40	I.B.7.b	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Assessing and ensuring adequate and competent staff to answer and respond to consumer disputes promptly
41	I.B.7.c	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Establishing a process for dispute escalation
42	I.B.7.d	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Tracking the resolution of complaints; and
43	I.B.7.e	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Providing a toll-free number on monthly billing statements
44	I.B.8	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Servicer shall take appropriate action to promptly remediate any inaccuracies in borrowers' account information, including:
45	I.B.8.a	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Correcting the account information
46	I.B.8.b	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Providing cash refunds or account credits
47	I.B.8.c	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Correcting inaccurate reports to consumer credit reporting agencies.
48	I.B.9	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Servicer's systems to record account information shall be periodically independently reviewed for accuracy and completeness by an independent reviewer.

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Number	Article #	Section	Sub-section	AG Settlement Articles
49	I.B.10	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	As indicated in paragraph I.A.18, Servicer shall send the borrower an itemized plain language account summary setting forth each of the following items, to the extent applicable
50	I.B.10.a	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	The total amount needed to reinstate or bring the account current, and the amount of the principal obligation under the mortgage
51	I.B.10.b	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	The date through which the borrower's obligation is paid
52	I.B.10.c	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	The date of the last full payment
53	I.B.10.d	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	The current interest rate in effect for the loan (if the rate is effective for at least 30 days);\
54	I.B.10.e	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	The date on which the interest rate may next reset or adjust (unless the rate changes more frequently than once every 30 days);
55	I.B.10.f	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	The amount of any prepayment fee to be charged, if any
56	I.B.10.g	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	A description of any late payment fees
57	I.B.10.h	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	A telephone number or electronic mail address that may be used by the obligor to obtain information regarding the mortgage; and
58	I.B.10.i	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	The names, addresses, telephone numbers, and Internet addresses of one or more counseling agencies or programs approved by HUD (http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm).
N/A	I.B.11	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	In active Chapter 13 cases, Servicer shall ensure that:
59	I.B.11.a	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	Prompt and proper application of payments is made on account of (a) pre-petition arrearage amounts and (b) post-petition payment amounts and posting thereof as of the successful consummation of the effective confirmed
60	I.B.11.b	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	The debtor is treated as being current so long as the debtor is making payments in accordance with the terms of the then-effective confirmed plan and any later effective payment change notices; and
61	I.B.11.c	Foreclosure and Bankruptcy Information and Documentation	Requirements for Accuracy and Verification of Borrower's Account Information	As of the date of dismissal of a debtor's bankruptcy case, entry of an order granting Servicer relief from the stay, or entry of an order granting the debtor a discharge, there is a reconciliation of payments received with respect to the debtor's obligations during the case and appropriately update the Servicer's systems of record. In connection with such reconciliation, Servicer shall reflect the waiver of any fee, expense or charge pursuant to paragraphs III.B.1.c.i or III.B.1.d
62	I.C.1	Foreclosure and Bankruptcy Information and Documentation	Documentation of Note Holder Status and Chain of Assignment	Servicer shall implement processes to ensure that Servicer 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
63	I.C.2	Foreclosure and Bankruptcy Information and Documentation	Documentation of Note Holder Status and Chain of Assignment	Servicer shall include a statement in a pleading, affidavit of indebtedness or similar affidavits in court foreclosure proceedings setting forth the basis for asserting that the foreclosing party has the right to foreclose.
64	I.C.3	Foreclosure and Bankruptcy Information and Documentation	Documentation of Note Holder Status and Chain of Assignment	Servicer shall set forth the information establishing the party's right to foreclose as set forth in I.C.2 in a communication to be sent to the borrower as indicated in I.A.18
65	I.C.4	Foreclosure and Bankruptcy Information and Documentation	Documentation of Note Holder Status and Chain of Assignment	If the original note is lost or otherwise unavailable, Servicer shall comply with applicable law in an attempt to establish ownership of the note and the right to enforcement. Servicer shall ensure good faith efforts to obtain or locate a note lost while in the possession of Servicer or Servicer's agent and shall ensure that Servicer and Servicer's agents who are expected to have possession of notes or assignments of mortgage on behalf of Servicer adopt procedures that are designed to provide assurance that the Servicer or Servicer's agent would locate a note or assignment of mortgage if it is in the possession or control of the Servicer or Servicer's agent, as the case may be. In the event that Servicer prepares or causes to be prepared a lost note or lost assignment affidavit with respect to an original note or assignment lost while in Servicer's control, Servicer shall use good faith efforts to obtain or locate the note or assignment in accordance with its procedures. In the affidavit, sworn statement or other filing documenting the lost note or assignment, Servicer shall recite that Servicer has made a good faith effort in accordance with its procedures for locating the lost note or assignment.
66	I.C.5	Foreclosure and Bankruptcy Information and Documentation	Documentation of Note Holder Status and Chain of Assignment	Servicer shall not intentionally destroy or dispose of original notes that are still in force.
67	I.C.6	Foreclosure and Bankruptcy Information and Documentation	Documentation of Note Holder Status and Chain of Assignment	Servicer shall ensure that mortgage assignments executed by or on behalf of Servicer are executed with appropriate legal authority, accurately reflective of the completed transaction and properly acknowledged.
68	I.D.1	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Proof of Claim	Proofs of Claim ("POC"). Servicer shall ensure that POCs filed on behalf of Servicer are documented in accordance with the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and any applicable local rule or order ("bankruptcy law"). Unless not permitted by statute or rule, Servicer shall ensure that each POC is documented by attaching:

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Number	Article #	Section	Sub-section	AG Settlement Articles
69	I.D.1.a	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Proof of Claim	The original or a duplicate of the note, including all endorsements; a copy of any mortgage or deed of trust securing the notes (including, if applicable, evidence of recordation in the applicable land records); and copies of any assignments of mortgage or deed of trust required to demonstrate the right to foreclose on the borrower's note under applicable state law (collectively, "Loan Documents"). If the note has been lost or destroyed, a lost note affidavit shall be submitted.
70	I.D.1.b	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Proof of Claim	If, in addition to its principal amount, a claim includes interest, fees, expenses, or other charges incurred before the petition was filed, an itemized statement of the interest, fees, expenses, or charges shall be filed with the proof of claim (including any expenses or charges based on an escrow analysis as of the date of filing) at least in the detail specified in the current draft of Official Form B 10 (effective December 2011) ("Official Form B 10") Attachment A
71	I.D.1.c	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Proof of Claim	A statement of the amount necessary to cure any default as of the date of the petition shall be filed with the proof of claim.
72	I.D.1.d	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Proof of Claim	If a security interest is claimed in property that is the debtor's principal residence, the attachment prescribed by the appropriate Official Form shall be filed with the proof of claim.
73	I.D.1.e	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Proof of Claim	Servicer shall include a statement in a POC setting forth the basis for asserting that the applicable party has standing the right to foreclose.
74	I.D.1.f	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Proof of Claim	The POC shall be signed (either by hand or by appropriate electronic signature) by the responsible person under penalty of perjury after reasonable investigation, stating that the information set forth in the POC is true and correct to the best of such responsible person's knowledge, information, and reasonable belief, and clearly identify the responsible person's employer and position or title with the employer
N/A	I.D.2	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Motion for Relief	Motions for Relief from Stay ("MRS"). Unless not permitted by bankruptcy law, Servicer shall ensure that each MRS in a Chapter 13 proceeding is documented by attaching:
75	I.D.2.a	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Motion for Relief	To the extent not previously submitted with a POC, a copy of the Loan Documents; if such documents were previously submitted with a POC, a statement to that effect. If the promissory note has been lost or destroyed, a lost note affidavit shall be submitted;
76	I.D.2.b	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Motion for Relief	To the extent not previously submitted with a POC, Servicer shall include a statement in an MRS setting forth the basis for asserting that the applicable party has the right to foreclose.
77	I.D.2.c	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Affidavits and Declarations	An affidavit, sworn statement or Declaration ("MRS affidavit") (which term includes, without limitation, any facts incorporated by reference from any attachment prepared by Servicer) setting forth:
78	I.D.2.c.i	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Affidavits and Declarations and Motion for Relief	Whether there has been a default in paying pre-petition arrearage or post-petition amounts (an "MRS delinquency");
79	I.D.2.c.ii	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Affidavits and Declarations and Motion for Relief	If there has been such a default, (a) the unpaid principal balance, (b) a description of any default with respect to the pre-petition arrearage, (c) a description of any default with respect to the the post-petition amount (including, if applicable, any escrow shortage), (d) the amount of the pre-petition arrearage (if applicable), (e) the post-petition payment amount, (f) for the period since the date of the first post-petition or pre-petition default that is continuing and has not been cured, the date and amount of each payment made (including escrow payments) and the application of each such payment, and (g) the amount, date and description of each fee or charge applied to such pre-petition amount or post-petition amount since the later of the date of the petition or the preceding statement pursuant to paragraph III.B.1.a; and
80	I.D.2.c.iii	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Affidavits and Declarations and Motion for Relief	All amounts claimed, including a statement of the amount necessary to cure any default on or about the date of the MRS.
81	I.D.2.d	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Motion for Relief	All other attachments prescribed by statute, rule, or law
82	I.D.2.e	Foreclosure and Bankruptcy Information and Documentation	Bankruptcy Documents - Motion for Relief	Servicer shall ensure that any MRS discloses the terms of any trial period or permanent loan modification plan pending at the time of filing of a MRS or whether the debtor is being evaluated for a loss mitigation option
83	I.E.1	Foreclosure and Bankruptcy Information and Documentation	Quality Assurance Systems Review	Servicer shall conduct regular reviews, not less than quarterly, of a statistically valid sample of affidavits, sworn statements, Declarations and notices of default, notices of sale and similar notices submitted in non-judicial foreclosures, prepared by employees and agents in connection with foreclosure and MSRS proceedings to ensure that the documents are accurate and comply with prevailing law and this Agreement.
84	I.E.1.a	Foreclosure and Bankruptcy Information and Documentation	Quality Assurance Systems Review	The reviews shall also verify the accuracy of the statements in affidavits, sworn statements, Declarations and documents used to foreclose in non-judicial foreclosures, the account summary described in paragraph I.B.10, the ownership statement described in paragraph I.C.2, and the loss mitigation statement described in paragraph IV.B.13 by reviewing the underlying information. Servicer shall take appropriate remedial steps if deficiencies are identified, including appropriate remediation in individual cases
85	I.E.1.b	Foreclosure and Bankruptcy Information and Documentation	Quality Assurance Systems Review	The reviews shall also verify the accuracy of the statements in affidavits, sworn statements and Declarations submitted in bankruptcy proceedings. Servicer shall take appropriate remedial steps if deficiencies are identified, including appropriate remediation in individual cases.
86	I.E.2	Foreclosure and Bankruptcy Information and Documentation	Quality Assurance Systems Review	The quality assurance steps set forth above shall be conducted by Servicer employees who are separate and independent of employees who prepare foreclosure or bankruptcy affidavits, sworn statements, or other foreclosure or bankruptcy documents
87	I.E.3	Foreclosure and Bankruptcy Information and Documentation	Quality Assurance Systems Review - Proof of Claim	Servicer shall conduct regular pre-filing reviews of a statistically valid sample of POCs to ensure that the POCs are accurate and comply with prevailing law and this Agreement. The reviews shall also verify the accuracy of the statements in POCs. Servicer shall take appropriate remedial steps if deficiencies are identified, including appropriate remediation in individual cases. The pre-filing review shall be conducted by Servicer employees who are separate and independent of the persons who prepared the applicable POCs.
88	I.E.4	Foreclosure and Bankruptcy Information and Documentation	Quality Assurance Systems Review	Servicer shall regularly review and assess the adequacy of its internal controls and procedures with respect to its obligations under this Agreement, and implement appropriate procedures to address deficiencies

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89	II.A.0	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	Servicer shall adopt policies and processes to oversee and manage foreclosure firms, law firms, foreclosure trustees, subservicers and other agents, independent contractors, entities and third parties (including subsidiaries and affiliates) retained by or on behalf of Servicer that provide foreclosure, bankruptcy or mortgage servicing (including loss mitigation) (collectively, such activities are "Servicing Activities" and such providers are "Third-Party Providers"), including:
90	II.A.1	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	Servicer shall perform appropriate due diligence of Third-Party Providers' qualifications, expertise, capacity, reputation, complaints, information security, document custody practices, business continuity, and financial viability
91	II.A.2	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	Servicer shall amend agreements, engagement letters, or oversight policies, or enter into new agreements or engagement letters, with Third- Party Providers to require them to comply with Servicer's applicable policies and procedures (which will incorporate any applicable aspects of this Agreement) and applicable state and federal laws and rules.
92	II.A.3	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	Servicer shall ensure that agreements, contracts or oversight policies provide for adequate oversight, including measures to enforce Third-Party Provider contractual obligations, and to ensure timely action with respect to Third-Party Provider performance failures.
93	II.A.4	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	Servicer shall ensure that foreclosure and bankruptcy counsel and foreclosure trustees have appropriate access to information from Servicer's books and records necessary to perform their duties in preparing pleadings and other documents submitted in foreclosure and bankruptcy proceedings.
94	II.A.5	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	Servicer shall ensure that all information provided by or on behalf of Servicer to Third-Party Providers in connection with providing Servicing Activities is accurate and complete.
95	II.A.6	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	Servicer shall conduct periodic reviews of Third-Party Providers. These reviews shall include:
96	II.A.6.a	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	A review of a sample of the foreclosure and bankruptcy documents prepared by the Third-Party Provider, to provide for compliance with applicable state and federal law and this Agreement in connection with the preparation of the documents, and the accuracy of the facts contained therein
97	II.A.6.b	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	A review of the fees and costs assessed by the Third-Party Provider to provide that only fees and costs that are lawful, reasonable and actually incurred are charged to borrowers and that no portion of any fees or charges incurred by any Third-Party Provider for technology usage, connectivity, or electronic invoice submission is charged as a cost to the borrower
98	II.A.6.c	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	A review of the Third-Party Provider's processes to provide for compliance with the Servicer's policies and procedures concerning Servicing Activities
99	II.A.6.d	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	A review of the security of original loan documents maintained by the Third-Party Provider
100	II.A.6.e	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	A requirement that the Third-Party Provider disclose to the Servicer any imposition of sanctions or professional disciplinary action taken against them for misconduct related to performance of Servicing Activities; and
101	II.A.6.f	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	An assessment of whether bankruptcy attorneys comply with the best practice of determining whether a borrower has made a payment curing any MRS delinquency within two business days of the scheduled hearing date of the related MRS
102	II.A.6	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	The quality assurance steps set forth above shall be conducted by Servicer employees who are separate and independent of employees who prepare foreclosure or bankruptcy affidavits, sworn documents, Declarations or other foreclosure or bankruptcy documents
103	II.A.7	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	Servicer shall take appropriate remedial steps if problems are identified through this review or otherwise, including, when appropriate, terminating its relationship with the Third-Party Provider
104	II.A.8	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	Servicer shall adopt processes for reviewing and appropriately addressing customer complaints it receives about Third-Party Provider services
105	II.A.9	Third Party Provider Oversight	Oversight Duties Applicable to All Third Party Providers	Servicer shall regularly review and assess the adequacy of its internal controls and procedures with respect to its obligations under this Section, and take appropriate remedial steps if deficiencies are identified, including appropriate remediation in individual cases.
106	II.B.1	Third Party Provider Oversight	Additional Oversight of All Activities by Third Party Providers	Servicer shall require a certification process for law firms (and recertification of existing law firm providers) that provide residential mortgage foreclosure and bankruptcy services for Servicer, on a periodic basis, as qualified to serve as a Third-Party Provider to Servicer, including that attorneys have the experience and competence necessary to perform the services requested.
107	II.B.2	Third Party Provider Oversight	Additional Oversight of All Activities by Third Party Providers	Servicer shall ensure that attorneys are licensed to practice in the relevant jurisdiction, have the experience and competence necessary to perform the services requested, and that their services comply with applicable rules, regulations and applicable law (including state law prohibitions on fee splitting).
108	II.B.3	Third Party Provider Oversight	Additional Oversight of All Activities by Third Party Providers	Servicer shall ensure that foreclosure and bankruptcy counsel and foreclosure trustees have an appropriate Servicer contact to assist in legal proceedings and to facilitate loss mitigation questions on behalf of the borrower.
109	II.B.4	Third Party Provider Oversight	Additional Oversight of All Activities by Third Party Providers	Servicer shall adopt policies requiring Third-Party Providers to maintain records that identify all notarizations of Servicer documents executed by each notary employed by the Third-Party Provider.
110	III.A.1	Bankruptcy	General	The provisions, conditions and obligations imposed herein are intended to be interpreted in accordance with applicable federal, state and local laws, rules and regulations. Nothing herein shall require a Servicer to do anything inconsistent with applicable state or federal law, including the applicable bankruptcy law or a court order in a bankruptcy case
111	III.A.2	Bankruptcy	General	Servicer shall ensure that employee who are regularly engaged in servicing mortgage loans as to which the borrower or mortgagor is in bankruptcy receive training specifically addressing bankruptcy issues
N/A	III.B.1	Bankruptcy	Chapter 13 Cases	In any Chapter 13 case, Servicer shall ensure that:
112	III.B.1.a	Bankruptcy	Chapter 13 Cases - Post Petition Fee Review	So long as the debtor is in a chapter 13 case, within 180 days after the date on which the fees, expenses, or charges are incurred, file and serve on the debtor, debtor's counsel, and the trustee a notice in a form consistent with Official Form B10 (Supplement 2) itemizing fees, expenses, or charges (1) that were incurred in connection with the claim after the bankruptcy case was filed, (2) that the holder asserts are recoverable against the debtor or against the debtor's principal residence, and (3) that the holder intends to collect from the debtor.
113	III.B.1.b	Bankruptcy	Chapter 13 Cases - Payments	Servicer replies within time periods established under bankruptcy law to any notice that the debtor has completed all payments under the plan or otherwise paid in full the amount required to cure any pre-petition default.

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114	III.B.1.c	Bankruptcy	Chapter 13 Cases - Post Petition Fee Review	If the Servicer fails to provide information as required by paragraph III.B.1.a with respect to a fee, expense or charge within 180 days of the incurrence of such fee, expense, or charge, then
115	III.B.1.c.i	Bankruptcy	Chapter 13 Cases - Post Petition Fee Review	Except for independent charges ("Independent charge") paid by the Servicer that is either (A) specifically authorized by the borrower or (B) consists of amounts advanced by Servicer in respect of taxes, homeowners association fees, liens or insurance, such fee, expense or charge shall be deemed waived and may not be collected from the borrower.
116	III.B.1.c.ii	Bankruptcy	Chapter 13 Cases - Post Petition Fee Review	In the case of an Independent charge, the court may, after notice and hearing, take either or both of the following actions:
117	III.B.1.c.ii.a	Bankruptcy	Chapter 13 Cases - Post Petition Fee Review	(a) preclude the holder from presenting the omitted information, in any form, as evidence in any contested matter or adversary proceeding in the case, unless the court determines that the failure was substantially justified or is harmless; or
118	III.B.1.c.ii.b	Bankruptcy	Chapter 13 Cases - Post Petition Fee Review	(b) award other appropriate relief, including reasonable expenses and attorney's fees caused by the failure.
119	III.B.1.d	Bankruptcy	Chapter 13 Cases	If the Servicer fails to provide information as required by paragraphs III.B.1.a or III.B.1.b and bankruptcy law with respect to a fee, expense or charge (other than an Independent Charge) incurred more than 45 days before the date of the reply referred to in paragraph III.B.1.b, then such fee, expense or charge shall be deemed waived and may not be collected from the borrower
120	III.B.1.e	Bankruptcy	Chapter 13 Cases - Post Petition Fee Review	Servicer shall file and serve on the debtor, debtor's counsel, and the trustee a notice in a form consistent with the current draft of Official Form B10 (Supplement 1)(effective December 2011) of any change in the payment amount, including any change that results from an interest rate or escrow account adjustment, no later than 21 days before a payment in the new amount is due. Servicer shall waive and not collect any late charge or other fees imposed solely as a result of the failure of the borrower timely to make a payment attributable to the failure of Servicer to give such notice timely.
121	IV.A.0	Loss Mitigation		These requirements are intended to apply to both government-sponsored and proprietary loss mitigation programs and shall apply to subservicers performing loss mitigation services on Servicer's behalf.
122	IV.A.1	Loss Mitigation	Loss Mitigation Requirements	Servicer shall be required to notify potentially eligible borrowers of currently available loss mitigation options prior to foreclosure referral. Upon the timely receipt of a complete loan modification application, Servicer shall evaluate borrowers for all available loan modification options for which they are eligible prior to referring a borrower to foreclosure and shall facilitate the submission and review of loss mitigation applications. The foregoing notwithstanding, Servicer shall have no obligation to solicit borrowers who are in bankruptcy.
123	IV.A.2	Loss Mitigation	Loss Mitigation Requirements	Servicer shall offer and facilitate loan modifications for borrowers rather than initiate foreclosure when such loan modifications for which they are eligible are net present value (NPV) positive and meet other investor, guarantor, insurer and program requirements.
124	IV.A.3	Loss Mitigation	Loss Mitigation Requirements	Servicer shall allow borrowers enrolled in a trial period plan under prior HAMP guidelines (where borrowers were not pre-qualified) and who made all required trial period payments, but were later denied a permanent modification, the opportunity to reapply for a HAMP or proprietary loan modification using current financial information.
125	IV.A.4	Loss Mitigation	Loss Mitigation Requirements	Servicer shall promptly send a final modification agreement to borrowers who have enrolled in a trial period plan under current HAMP guidelines (or fully underwritten proprietary modification programs with a trial payment period) and who have made the required number of timely trial period payments, where the modification is underwritten prior to the trial period and has received any necessary investor, guarantor or insurer approvals. The borrower shall then be converted by Servicer to a permanent modification upon execution of the final modification documents, consistent with applicable program guidelines, absent evidence of fraud.
126	IV.B.1	Loss Mitigation	Dual Track Restricted	If a borrower has not already been referred to foreclosure, Servicer shall not refer an eligible borrower's account to foreclosure while the borrower's complete application for any loan modification program is pending if Servicer received (a) a complete loan modification application no later than day 120 of delinquency, or (b) a substantially complete loan modification application (missing only any required documentation of hardship) no later than day 120 of delinquency and Servicer receives any required hardship documentation no later than day 130 of delinquency. Servicer shall not make a referral to foreclosure of an eligible borrower who so provided an application until:
127	IV.B.1.a	Loss Mitigation	Dual Track Restricted	Servicer determines (after the automatic review in paragraph IV.G.1) that the borrower is not eligible for a loan modification, or
128	IV.B.1.b	Loss Mitigation	Dual Track Restricted	If borrower does not accept an offered loan modification within 14 days of the evaluation notice, the earlier of (i) such 14 days, and (ii) borrower's decline of the loan modification offer
129	IV.B.2	Loss Mitigation	Dual Track Restricted	If borrower accepts the loan modification resulting from Servicer's evaluation of the complete loan modification application referred to in paragraph IV.B.1 (verbally, in writing (including e-mail responses) or by submitting the first trial modification payment) within 14 days of Servicer's offer of a loan modification, then the Servicer shall delay referral to foreclosure until (a) if the Servicer fails timely to receive the first trial period payment, the last day for timely receiving the first trial period payment, and (b) if the Servicer timely receives the first trial period payment, after the borrower breaches the trial plan
130	IV.B.3	Loss Mitigation	Dual Track Restricted	If the loan modification requested by a borrower as described in paragraph IV.B.1 is denied, except when otherwise required by federal or state law or investor directives, if borrower is entitled to an appeal under paragraph IV.G.3 Servicer will not proceed to a foreclosure sale until the later of (if applicable):
131	IV.B.3.a	Loss Mitigation	Dual Track Restricted	Expiration of the 30-day appeal period; and
132	IV.B.3.b	Loss Mitigation	Dual Track Restricted	If the borrower appeals the denial, until the later of (if applicable) (i) if Servicer denies borrower's appeal, 15 days after the letter denying the appeal, (ii) if the Servicer sends borrower a letter granting his or her appeal and offering a loan modification, 14 days after the date of such offer, (iii) if the borrower timely accepts the loan modification offer (verbally, in writing (including e-mail responses), or by making the first trial period payment), after the Servicer fails timely to receive the first trial period payment, and (iv) if the Servicer timely receives the first trial period payment, after the borrower breaches the trial plan

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133	IV.B.4	Loss Mitigation	Dual Track Restricted	If, after an eligible borrower has been referred to foreclosure, the Servicer receives a complete application from the borrower within 30 days after the Post Referral to Foreclosure Solicitation Letter, then while such loan modification application is pending, Servicer shall not move for foreclosure judgment or order of sale (or, if a motion has already been filed, shall take reasonable steps to avoid a ruling on such motion), or seek a foreclosure sale. If Servicer offers the borrower a loan modification, Servicer shall not move for judgment or order of sale, (or, if a motion has already been filed, shall take reasonable steps to avoid a ruling on such motion), or seek a foreclosure sale until the earlier of (a) 14 days after the date of the related offer of a loan modification, and (b) the date the borrower declines the loan modification offer. If the borrower accepts the loan modification offer (verbally, in writing (including e-mail responses) or by submitting the first trial modification payment) within 14 days after the date of the related offer of loan modification, Servicer shall continue this delay until the later of (if applicable) (A) the failure by the Servicer timely to receive the first trial period payment, and (B) if the Servicer timely receives the first trial period payment, after the borrower breaches the trial plan.
134	IV.B.5	Loss Mitigation	Dual Track Restricted	If the loan modification requested by a borrower described in paragraph IV.B.4 is denied, then, except when otherwise required by federal or state law or investor directives, if borrower is entitled to an appeal under paragraph IV.G.3, Servicer will not proceed to a foreclosure sale until the later of (if applicable):
135	IV.B.5.a	Loss Mitigation	Dual Track Restricted	Expiration of the 30-day appeal period; and
136	IV.B.5.b	Loss Mitigation	Dual Track Restricted	If the borrower appeals the denial, until the later of (if applicable) (i) if Servicer denies borrower's appeal, 15 days after the letter denying the appeal, (ii) if the Servicer sends borrower a letter granting his or her appeal and offering a loan modification, 14 days after the date of such offer, (iii) if the borrower timely accepts the loan modification offer (verbally, in writing (including e-mail responses), or by making the first trial period payment), after the failure of the Servicer timely to receive the first trial period payment, and (iv) if the Servicer timely receives the first trial period payment, after the borrower breaches the trial plan.
137	IV.B.6	Loss Mitigation	Dual Track Restricted	If, after an eligible borrower has been referred to foreclosure, Servicer receives a complete loan modification application more than 30 days after the Post Referral to Foreclosure Solicitation Letter, but more than 37 days before a foreclosure sale is scheduled, then while such loan modification application is pending, Servicer shall not proceed with the foreclosure sale. If Servicer offers a loan modification, then Servicer shall delay the foreclosure sale until the earlier of (i) 14 days after the date of the related offer of loan modification, and (ii) the date the borrower declines the loan modification offer. If the borrower accepts the loan modification offer (verbally, in writing (including e-mail responses) or by submitting the first trial modification payment) with 14 days, Servicer shall delay the foreclosure sale until the later of (if applicable) (A) the failure by the Servicer timely to receive the first trial period payment, and (B) if the Servicer timely receives the first trial period payment, after the borrower breaches the trial plan
138	IV.B.7	Loss Mitigation	Dual Track Restricted	If the loan modification requested by a borrower described in paragraph IV.B.6 is denied and it is reasonable to believe that more than 90 days remains until a scheduled foreclosure date or the first date on which a sale could reasonably be expected to be scheduled and occur, then, except when otherwise required by federal or state law or investor directives, if borrower is entitled to an appeal under paragraph IV.G.3.a, Servicer will not proceed to a foreclosure sale until the later of (if applicable):
139	IV.B.7.a	Loss Mitigation	Dual Track Restricted	Expiration of the 30-day appeal period; and
140	IV.B.7.b	Loss Mitigation	Dual Track Restricted	If the borrower appeals the denial, until the later of (if applicable) (i) if Servicer denies borrower's appeal, 15 days after the letter denying the appeal, (ii) if the Servicer sends borrower a letter granting his or her appeal and offering a loan modification, 14 days after the date of such offer, (iii) if the borrower timely accepts the loan modification offer (verbally, in writing (including e-mail responses), or by making the first trial period payment), after the Servicer fails timely to receive the first trial period payment, and (iv) if the Servicer timely receives the first trial period payment, after the borrower breaches the trial plan.
141	IV.B.8	Loss Mitigation	Dual Track Restricted	If, after an eligible borrower has been referred to foreclosure, Servicer receives a complete loan modification application more than 30 days after the Post Referral to Foreclosure Solicitation Letter, but within 37 to 15 days before a foreclosure sale is scheduled, then Servicer shall conduct an expedited review of the borrower and, if the borrower is extended a loan modification offer, Servicer shall postpone any foreclosure sale until the earlier of (a) 14 days after the date of the related evaluation notice, and (b) the date the borrower declines the loan modification offer. If the borrower timely accepts the loan modification offer (either in writing or by submitting the first trial modification payment), Servicer shall delay the foreclosure sale until the later of (if applicable) (A) the failure by the Servicer timely to receive the first trial period payment, and (B) if the Servicer timely receives the first trial period payment, after the borrower breaches the trial plan.
142	IV.B.9	Loss Mitigation	Dual Track Restricted	If, after an eligible borrower has been referred to foreclosure, the Servicer receives a complete loan modification application more than 30 days after the Post Referral to Foreclosure Solicitation Letter and less than 15 days before a scheduled foreclosure sale, Servicer must notify the borrower before the foreclosure sale date as to Servicer's determination (if its review was completed) or inability to complete its review of the loan modification application. If Servicer makes an loan modification offer to the borrower, then Servicer shall postpone any sale until the earlier of (a) 14 days after the date of the related evaluation notice, and (b) the date the borrower declines the loan modification offer. If the borrower timely accepts a loan modification offer (either in writing or by submitting the first trial modification payment), Servicer shall delay the foreclosure sale until the later of (if applicable) (A) the failure by the Servicer timely to receive the first trial period payment, and (B) if the Servicer timely receives the first trial period payment, after the borrower breaches the trial plan.
143	IV.B.10	Loss Mitigation	Dual Track Restricted	For purposes of this section IV.B, Servicer shall not be responsible for failing to obtain a delay in a ruling on a judgment or failing to delay a foreclosure sale if Servicer made a request for such delay, pursuant to any state or local law, court rule or customary practice, and such request was not approved denied.
N/A	IV.B.11	Loss Mitigation	Dual Track Restricted	Servicer shall not move to judgment or order of sale or proceed with a foreclosure sale under any of the following circumstances
144	IV.B.11.a	Loss Mitigation	Dual Track Restricted	The borrower is in compliance with the terms of a trial loan modification, forbearance, or repayment plan; or
145	IV.B.11.b	Loss Mitigation	Dual Track Restricted	A short sale or deed-in-lieu of foreclosure has been approved by all parties (including, for example, first lien investor, junior lien holder and mortgage insurer, as applicable), and proof of funds or financing has been provided to Servicer.

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146	IV.B.12	Loss Mitigation	Dual Track Restricted	If a foreclosure or trustee's sale is continued (rather than canceled) to provide time to evaluate loss mitigation options, Servicer shall promptly notify borrower in writing of the new date of sale (without delaying any related foreclosure sale).
147	IV.B.13	Loss Mitigation	Dual Track Restricted	As indicated in paragraph I.A.18, Servicer shall send a statement to the borrower outlining loss mitigation efforts undertaken with respect to the borrower prior to foreclosure referral. If no loss mitigation efforts were offered or undertaken, Servicer shall state whether it contacted or attempted to contact the borrower and, if applicable, why the borrower was ineligible for a loan modification or other loss mitigation options.
148	IV.B.14	Loss Mitigation	Dual Track Restricted	Servicer shall ensure timely and accurate communication of or access to relevant loss mitigation status and changes in status to its foreclosure attorneys, bankruptcy attorneys and foreclosure trustees and, where applicable, to court-mandated mediators.
149	IV.C.1	Loss Mitigation	Single Point of Contact	Servicer shall establish an easily accessible and reliable single point of contact ("SPOC") for each borrower so that the borrower has access to an employee of Servicer to obtain information throughout the loss mitigation, loan modification and foreclosure processes.
150	IV.C.2	Loss Mitigation	Single Point of Contact	Servicer shall initially identify the SPOC to the borrower promptly after a potentially-eligible borrower requests loss mitigation assistance. Servicer shall provide one or more direct means of communication with the SPOC on loss mitigation-related correspondence with the borrower. Servicer shall promptly provide updated contact information to the borrower if the designated SPOC is reassigned, no longer employed by Servicer, or otherwise not able to act as the primary point of contact
151	IV.C.2.a	Loss Mitigation	Single Point of Contact	Servicer shall ensure that debtors in bankruptcy are assigned to a SPOC specially trained in bankruptcy issues
N/A	IV.C.3	Loss Mitigation	Single Point of Contact	The SPOC shall have primary responsibility for:
152	IV.C.3.a	Loss Mitigation	Single Point of Contact	Communicating the options available to the borrower, the actions the borrower must take to be considered for these options and the status of Servicer's evaluation of the borrower for these options;
153	IV.C.3.b	Loss Mitigation	Single Point of Contact	Coordinating receipt of all documents associated with loan modification or loss mitigation activities
154	IV.C.3.c	Loss Mitigation	Single Point of Contact	Being knowledgeable about the borrower's situation and current status in the delinquency/imminent default resolution process; and
155	IV.C.3.d	Loss Mitigation	Single Point of Contact	Ensuring that a borrower who is not eligible for MHA programs is considered for proprietary or other investor loss mitigation options
N/A	IV.C.4	Loss Mitigation	Single Point of Contact	The SPOC shall, at a minimum, provide the following services to borrowers
156	IV.C.4.a	Loss Mitigation	Single Point of Contact	Contact borrower and introduce himself/herself as the borrower's SPOC
157	IV.C.4.b	Loss Mitigation	Single Point of Contact	Explain programs for which the borrower is eligible
158	IV.C.4.c	Loss Mitigation	Single Point of Contact	Explain the requirements of the programs for which the borrower is eligible
159	IV.C.4.d	Loss Mitigation	Single Point of Contact	Explain program documentation requirements
160	IV.C.4.e	Loss Mitigation	Single Point of Contact	Provide basic information about the status of borrower's account, including pending loan modification applications, other loss mitigation alternatives, and foreclosure activity
161	IV.C.4.f	Loss Mitigation	Single Point of Contact	Notify borrower of missing documents and provide an address or electronic means for submission of documents by borrower in order to complete the loan modification application
162	IV.C.4.g	Loss Mitigation	Single Point of Contact	Communicate Servicer's decision regarding loan modification applications and other loss mitigation alternatives to borrower in writing
163	IV.C.4.h	Loss Mitigation	Single Point of Contact	Assist the borrower in pursuing alternative non-foreclosure options upon denial of a loan modification
164	IV.C.4.i	Loss Mitigation	Single Point of Contact	If a loan modification is approved, call borrower to explain the program
165	IV.C.4.j	Loss Mitigation	Single Point of Contact	Provide information regarding credit counseling where necessary
166	IV.C.4.k	Loss Mitigation	Single Point of Contact	Help to clear for borrower any internal processing requirements; and
167	IV.C.4.l	Loss Mitigation	Single Point of Contact	Have access to individuals with the ability to stop foreclosure proceedings when necessary to comply with MHA or this Agreement
168	IV.C.5	Loss Mitigation	Single Point of Contact	The SPOC shall remain assigned to borrower's account and available to borrower until such time as Servicer determines in good faith that all loss mitigation options have been exhausted, borrower's account becomes current or, in the case of a borrower in bankruptcy, the borrower has been exhausted all loss mitigation options for which the borrower is potentially eligible and has applied
169	IV.C.6	Loss Mitigation	Single Point of Contact	Servicer shall ensure that a SPOC can refer and transfer a borrower to an appropriate supervisor upon request of the borrower.
170	IV.C.7	Loss Mitigation	Single Point of Contact	Servicer shall ensure that relevant records relating to borrower's account are promptly available to the borrower's SPOC, so that the SPOC can timely, adequately and accurately inform the borrower of the current status of loss mitigation, loan modification, and foreclosure activities
171	IV.C.8	Loss Mitigation	Single Point of Contact	Servicer shall designate one or more management level employees to be the primary contact for the Attorneys General, state financial regulators, the Executive Office of U.S. Trustee, each regional office of the U.S. Trustee, and federal regulators for communication regarding complaints and inquiries from individual borrowers who are in default and/or have applied for loan modifications. Servicer shall provide a written acknowledgment to all such inquiries within 10 business days. Servicer shall provide a substantive written response to all such inquiries within 30 days. Servicer shall provide relevant loan information to borrower and to Attorneys General, state financial regulators, federal regulators, the Executive Office of the U.S. Trustee, and each U.S. Trustee upon written request and if properly authorized. A written complaint filed by a borrower and forwarded by a state attorney general or financial regulatory agency to Servicer shall be deemed to have proper authorization.
172	IV.C.9	Loss Mitigation	Single Point of Contact	Servicer shall establish and make available to Chapter 13 trustees a toll-free number staffed by persons trained in bankruptcy to respond to inquiries from Chapter 13 trustees.
173	IV.D.1	Loss Mitigation	Loss Mitigation Communications with Borrowers	Servicer shall commence outreach efforts to communicate loss mitigation options for first lien mortgage loans to all potentially eligible delinquent borrowers (other than those in bankruptcy) beginning on timelines that are in accordance with HAMP borrower solicitation guidelines set forth in the MHA Handbook version 3.2, Chapter II, Section 2.2, regardless of whether the borrower is eligible for a HAMP modification. Servicer shall provide borrowers with notices that include contact information for national or state foreclosure assistance hotlines and state housing counseling resources, as appropriate. The use by Servicer of nothing more than prerecorded automatic messages in loss mitigation communications with borrowers shall not be sufficient in those instances in which it fails to result in contact between the borrower and one of Servicer's loss mitigation specialists. The foregoing notwithstanding, Servicer shall have no obligation to solicit borrowers who are in bankruptcy.

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174	IV.D.2	Loss Mitigation	Loss Mitigation Communications with Borrowers	Servicer shall disclose and provide accurate information to borrowers relating to the qualification process and eligibility factors for loss mitigation programs
175	IV.D.3	Loss Mitigation	Loss Mitigation Communications with Borrowers	Servicer shall communicate, at the written request of the borrower, with the borrower's authorized representatives, including housing counselors. Servicer shall communicate with representatives from state attorneys general and financial regulatory agencies acting upon a written complaint filed by the borrower and forwarded by the state attorney general or financial regulatory agency to Servicer. When responding to the borrower regarding such complaint, Servicer shall include the applicable state attorney general on all correspondence with the borrower regarding such complaint.
176	IV.D.4	Loss Mitigation	Loss Mitigation Communications with Borrowers	Servicer shall cease all collection efforts while the borrower (i) is making timely payments under a trial loan modification or (ii) has submitted a complete loan modification application, and a modification decision is pending. Notwithstanding the above, Servicer reserves the right to contact a borrower to gather required loss mitigation documentation or to assist a borrower with performance under a trial loan modification plan
177	IV.D.5	Loss Mitigation	Loss Mitigation Communications with Borrowers	Servicer shall consider partnering with third parties, including national chain retailers, and shall consider the use of select bank branches affiliated with Servicer, to set up programs to allow borrowers to copy, fax, scan, transmit by overnight delivery, or mail or email documents to Servicer free of charge
178	IV.D.6	Loss Mitigation	Loss Mitigation Communications with Borrowers	Within five business days after referral to foreclosure, the Servicer (including any attorney (or trustee) conducting foreclosure proceedings at the direction of the Servicer) shall send a written communication ("Post Referral to Foreclosure Solicitation Letter") to the borrower that includes clear language that
179	IV.D.6.a	Loss Mitigation	Loss Mitigation Communications with Borrowers	The Servicer may have sent to the borrower one or more borrower solicitation communications
180	IV.D.6.b	Loss Mitigation	Loss Mitigation Communications with Borrowers	The borrower can still be evaluated for alternatives to foreclosure even if he or she had previously shown no interest
181	IV.D.6.c	Loss Mitigation	Loss Mitigation Communications with Borrowers	The borrower should contact the Servicer to obtain a loss mitigation application package
182	IV.D.6.d	Loss Mitigation	Loss Mitigation Communications with Borrowers	The borrower must submit a loan modification application to the Servicer to request consideration for available foreclosure prevention alternatives
183	IV.D.6.e	Loss Mitigation	Loss Mitigation Communications with Borrowers	Provides the Servicer's contact information for submitting a complete loan modification application, including the Servicer's toll-free number; and
184	IV.D.6.f	Loss Mitigation	Loss Mitigation Communications with Borrowers	Unless the form of letter is otherwise specified by investor directive or the borrower is not eligible for an appeal under paragraph IV.G.3.a, states that if the borrower is contemplating or has pending an appeal of an earlier denial of a loan modification application, that he or she may submit a loan modification application in lieu of his or her appeal within 30 days after the Post Referral to Foreclosure Solicitation Letter
185	IV.E.1	Loss Mitigation	Development of Loan Portals	Servicer shall develop or contract with a third-party vendor to develop an online portal where borrowers can check, at no cost, the status of their first lien loan modifications.
N/A	IV.E.2	Loss Mitigation	Development of Loan Portals	Servicer shall design portals that may, among other things
186	IV.E.2.a	Loss Mitigation	Development of Loan Portals	a. Enable borrowers to submit documents electronically
187	IV.E.2.b	Loss Mitigation	Development of Loan Portals	b. Provide an electronic receipt for any documents submitted
188	IV.E.2.c	Loss Mitigation	Development of Loan Portals	c. Provide information and eligibility factors for proprietary loan modification and other loss mitigation programs; and
189	IV.E.2.d	Loss Mitigation	Development of Loan Portals	d. Permit Servicer to communicate with borrowers to satisfy any written communications required to be provided by Servicer, if borrowers submit documents electronically
190	IV.E.3	Loss Mitigation	Development of Loan Portals	Servicer shall participate in the development and implementation of a neutral, nationwide loan portal system such as Hope LoanPort to enhance communications with housing counselors, including using the technology used for the Borrower Portal, and containing similar features to the Borrower Portal.
191	IV.E.4	Loss Mitigation	Development of Loan Portals	Servicer shall update the status of each pending loan modification on these portals at least every 10 business days and ensure that each portal is updated on such a schedule as to maintain consistency.
192	IV.F.1	Loss Mitigation	First Lien Loan Modification Timelines	Servicer shall provide written acknowledgement of the receipt of documentation submitted by the borrower in connection with a first lien loan modification application within 3 business days. In its initial acknowledgment, Servicer shall briefly describe the loan modification process and identify deadlines and expiration dates for submitted documents.
193	IV.F.2	Loss Mitigation	First Lien Loan Modification Timelines	Servicer shall notify borrower of any known deficiency in borrower's initial submission of information, no later than 5 business days after receipt, including any missing information or documentation required for the loan modification to be considered complete.
194	IV.F.3	Loss Mitigation	First Lien Loan Modification Timelines	Subject to section IV.B, Servicer shall afford borrower 30 days from the date of Servicer's notification of any missing information or documentation to supplement borrower's submission of information prior to making a determination on whether or not to grant an initial loan modification
195	IV.F.4	Loss Mitigation	First Lien Loan Modification Timelines	Servicer shall review the complete first lien loan modification application submitted by borrower and shall determine the disposition of borrower's trial or preliminary loan modification request no later than 30 days after receipt of the complete loan modification application, absent compelling circumstances beyond Servicer's control.
196	IV.F.5	Loss Mitigation	First Lien Loan Modification Timelines	Servicer shall implement processes to ensure the second lien loan modification requests are evaluated on a timely basis. When a borrower qualifies for a second lien loan modification after a first lien loan modification in accordance with Section 2.c.i of the General Framework for Consumer Relief Provisions, the Servicer of the second lien loan shall (absent compelling circumstances beyond Servicer's control) send loan modification documents to borrower no later than 45 days after the Servicer receives official notification of the successful completion of the related first lien loan modification and the essential terms.
197	IV.F.6	Loss Mitigation	First Lien Loan Modification Timelines	For all proprietary first lien loan modification programs, Servicer shall allow properly submitted borrower financials to be used for 90 days from the date the documents are received, unless Servicer learns that there has been a material change in circumstances or unless investor requirements mandate a shorter time frame.
198	IV.F.7	Loss Mitigation	First Lien Loan Modification Timelines	Servicer shall notify borrowers of the final denial of any first lien loan modification request within 10 business days of the denial decision. The notification shall be in the form of the non-approval notice required in paragraph IV.G.1 below.

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199	IV.G.1	Loss Mitigation	Independent Evaluation of First Lien Loan Modification Results	Except when evaluated as provided in paragraphs IV.B.8 or IV.B.9, Servicer's initial denial of an eligible borrower's request for first lien loan modification following the submission of a complete loan modification application shall be subject to an independent evaluation. Such evaluation shall be performed by an independent entity or a different employee who has not been involved with the particular loan modification.
N/A	IV.G.2	Loss Mitigation	Independent Evaluation of First Lien Loan Modification Results	Denial Notice
200	IV.G.2.a	Loss Mitigation	Independent Evaluation of First Lien Loan Modification Results	When a first lien loan modification is denied after independent review, Servicer shall send a written non-approval notice to the borrower identifying the reasons for denial and the factual information considered. The notice shall inform the borrower that he or she has 30 days from the date of the denial letter declination to provide evidence that the eligibility determination was in error.
201	IV.G.2.b	Loss Mitigation	Independent Evaluation of First Lien Loan Modification Results	If the first lien modification is denied because disallowed by investor, Servicer shall disclose in the written non-approval notice the name of the investor and summarize the reasons for investor denial.
202	IV.G.2.c	Loss Mitigation	Independent Evaluation of First Lien Loan Modification Results	For those cases where a first lien loan modification denial is the result of an NPV calculation, Servicer shall provide in the written non-approval notice the monthly gross income and property value used in the calculation.
N/A	IV.G.3	Loss Mitigation	Independent Evaluation of First Lien Loan Modification Results	Appeal Process
203	IV.G.3.a	Loss Mitigation	Independent Evaluation of First Lien Loan Modification Results	After the automatic review in paragraph IV.G.1 has been completed and Servicer has issued the written non-approval notice, in the circumstances described in the first sentences of paragraphs IV.B.3, IV.B.5 or IV.B.7, except when otherwise required by federal or state law or investor directives borrowers shall have 30 days to request an appeal and obtain an independent review of the first lien loan modification denial in accordance with the terms of this Agreement. Servicer shall ensure that the borrower has 30 days from the date of the written non-approval notice to provide information as to why Servicer's determination of eligibility for a loan modification was in error, unless the reason for non-approval is (1) ineligible mortgage, (2) ineligible property, (3) offer not accepted by borrower or request withdrawn, or (4) the loan was previously modified and is not eligible for reconsideration
204	IV.G.3.b	Loss Mitigation	Independent Evaluation of First Lien Loan Modification Results	For those cases where in which the first lien loan modification denial is the result of an NPV calculation, if a borrower disagrees with the property value used by Servicer in the NPV test, the borrower can request that a full appraisal be conducted of the property by an independent licensed appraiser (at borrower expense) consistent with HAMP directive 10-15. Servicer shall comply with the process set forth in HAMP directive 10-15, including using such value in the NPV calculation
205	IV.G.3.c	Loss Mitigation	Independent Evaluation of First Lien Loan Modification Results	Servicer shall review the information submitted by borrower and use its best efforts to communicate the disposition of borrower's appeal to borrower no later than 30 days after receipt of the information
206	IV.G.3.d	Loss Mitigation	Independent Evaluation of First Lien Loan Modification Results	If Servicer denies borrower's appeal, Servicer's appeal denial letter shall include a description of other available loss mitigation, including short sales and deeds in lieu of foreclosure.
207	IV.H.1	Loss Mitigation	General Loss Mitigation Requirements	Servicer shall maintain adequate staffing and systems for tracking borrower documents and information that are relevant to foreclosure, loss mitigation, and other Servicer operations. Servicer shall make periodic assessments to ensure that its staffing and systems are adequate
208	IV.H.2	Loss Mitigation	General Loss Mitigation Requirements	Servicer shall maintain adequate staffing and caseload limits for SPOCs and employees responsible for handling foreclosure, loss mitigation and related communications with borrowers and housing counselors. Servicer shall make periodic assessments to ensure that its staffing and systems are adequate
209	IV.H.3	Loss Mitigation	General Loss Mitigation Requirements	Servicer shall establish reasonable minimum experience, educational and training requirements for loss mitigation staff
210	IV.H.4	Loss Mitigation	General Loss Mitigation Requirements	Servicer shall document electronically key actions taken on a foreclosure, loan modification, bankruptcy, or other servicing file, including communications with the borrower
211	IV.H.5	Loss Mitigation	General Loss Mitigation Requirements	Servicer shall not adopt compensation arrangements for its employees that encourage foreclosure over loss mitigation alternatives
212	IV.H.6	Loss Mitigation	General Loss Mitigation Requirements	Servicer shall not make inaccurate payment delinquency reports to credit reporting agencies when the borrower is making timely reduced payments pursuant to a trial or other loan modification agreement. Servicer shall provide the borrower, prior to entering into a trial loan modification, with clear and conspicuous written information that adverse credit reporting consequences may result from the borrower making reduced payments during the trial period
213	IV.H.7	Loss Mitigation	General Loss Mitigation Requirements	Where Servicer grants a loan modification, Servicer shall provide borrower with a copy of the fully executed loan modification agreement within 45 days of receipt of the executed copy from the borrower. If the modification is not in writing, Servicer shall provide the borrower with a written summary of its terms, as promptly as possible, within 45 days of the approval of the modification
214	IV.H.8	Loss Mitigation	General Loss Mitigation Requirements	Servicer shall not instruct, advise or recommend that borrowers go into default in order to qualify for loss mitigation relief
215	IV.H.9	Loss Mitigation	General Loss Mitigation Requirements	Servicer shall not discourage borrowers from working or communicating with legitimate non-profit housing counseling services
216	IV.H.10	Loss Mitigation	General Loss Mitigation Requirements	Servicer shall not, in the ordinary course, require a borrower to waive or release claims and defenses as a condition of approval for a loan modification program or other loss mitigation relief. However, nothing herein shall preclude Servicer from requiring a waiver or release of claims and defenses with respect to a loan modification offered in connection with the resolution of a contested claim, when the borrower would not otherwise be qualified for the loan modification under existing Servicer programs
217	IV.H.11	Loss Mitigation	General Loss Mitigation Requirements	Servicer shall not charge borrower an application fee in connection with a request for a loan modification. Servicer shall provide borrower with a pre-paid overnight envelope or pre-paid address label for return of a loan modification application

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218	IV.H.12	Loss Mitigation	General Loss Mitigation Requirements	Notwithstanding the foregoing, and to minimize the risk of borrowers submitting multiple loss mitigation requests for the purpose of delay, Servicer shall not be obligated to evaluate requests for loss mitigation options from (a) borrowers who have already been evaluated or afforded a fair opportunity to be evaluated consistent with the requirements of HAMP or proprietary modification programs, or (b) borrowers who were evaluated after the date of implementation of this Agreement, consistent with this Agreement, unless there has been a material change in the borrower's financial circumstances that is documented by borrower and submitted to Servicer
219	IV.I.1	Loss Mitigation	Proprietary First Lien Loan Modification	Servicer shall make publicly available information on its qualification processes, all required documentation and information necessary for a complete first lien loan modification application, and key eligibility factors for all proprietary loan modifications
220	IV.I.2	Loss Mitigation	Proprietary First Lien Loan Modification	Servicer shall design proprietary first lien loan modification programs that are intended to produce sustainable modifications according to investor guidelines and previous results. Servicer shall design these programs with the intent of providing affordable payments for borrowers needing longer term or permanent assistance
221	IV.I.3	Loss Mitigation	Proprietary First Lien Loan Modification	Servicer shall track outcomes and maintain records regarding characteristics and performance of proprietary first lien loan modifications. Servicer shall provide a description of modification waterfalls, eligibility criteria, and modification terms, on a publicly-available website
222	IV.I.4	Loss Mitigation	Proprietary First Lien Loan Modification	Servicer shall not charge any application or processing fees for proprietary first lien loan modifications.
223	IV.J.1	Loss Mitigation	Proprietary Second Lien Loan Modification	Servicer shall make publicly available information on its qualification processes, all required documentation and information necessary for a complete second lien modification application
224	IV.J.2	Loss Mitigation	Proprietary Second Lien Loan Modification	Servicer shall design second lien modification programs with the intent of providing affordable payments for borrowers needing longer term or permanent assistance.
225	IV.J.3	Loss Mitigation	Proprietary Second Lien Loan Modification	Servicer shall not charge any application or processing fees for second lien modifications
226	IV.J.4	Loss Mitigation	Proprietary Second Lien Loan Modification	When an eligible borrower with a second lien submits all required information for a second lien loan modification and the modification request is denied, Servicer shall promptly send a written non-approval notice to the borrower.
227	IV.K.1	Loss Mitigation	Short Sales	Servicer shall make publicly available information on general requirements for the short sale process
228	IV.K.2	Loss Mitigation	Short Sales	Servicer shall consider appropriate monetary incentives to underwater borrowers to facilitate short sale options
229	IV.K.3	Loss Mitigation	Short Sales	Servicer shall develop a cooperative short sale process which allows the borrower the opportunity to engage with Servicer to pursue a short sale evaluation prior to putting home on the market
230	IV.K.4	Loss Mitigation	Short Sales	Servicer shall send written confirmation of the borrower's first request for a short sale to the borrower or his or her agent within 10 business days of receipt of the request and proper written authorization from the borrower allowing Servicer to communicate with the borrower's agent. The confirmation shall include basic information about the short sale process and Servicer's requirements, and will state clearly and conspicuously that the Servicer may demand a deficiency payment if such deficiency claim is permitted by applicable law
231	IV.K.5	Loss Mitigation	Short Sales	Servicer shall send borrower at borrower's address of record or to borrower's agent timely written notice of any missing required documents for consideration of short sale within 30 days of receiving borrower's request for a short sale
232	IV.K.6	Loss Mitigation	Short Sales	Servicer shall review the short sale request submitted by borrower and communicate the disposition of borrower's request no later than 30 days after receipt of all required information and third-party consents
233	IV.K.7	Loss Mitigation	Short Sales	If the short sale request is accepted, Servicer shall contemporaneously notify the borrower whether Servicer or investor will demand a deficiency payment or related cash contribution and the approximate amount of that deficiency, if such deficiency obligation is permitted by applicable law. If the short sale request is denied, Servicer shall provide reasons for the denial in the written notice. If Servicer waives a deficiency claim, it shall not sell or transfer such claim to a third-party debt collector or debt buyer for collection.
234	IV.L.1	Loss Mitigation	Loss Mitigation During Bankruptcy	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
235	IV.L.2	Loss Mitigation	Loss Mitigation During Bankruptcy	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
236	IV.L.3	Loss Mitigation	Loss Mitigation During Bankruptcy - Motion for Relief	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.
N/A	IV.M.1	Loss Mitigation	Transfer of Servicing of Loans Pending for Permanent Loan Modification	Ordinary Transfer of Servicing from Servicer to Successor Servicer or Sub servicer
237	IV.M.1.a	Loss Mitigation	Transfer of Servicing of Loans Pending for Permanent Loan Modification	At time of transfer or sale, Servicer shall inform successor servicer (including a sub servicer) whether a loan modification is pending
238	IV.M.1.b	Loss Mitigation	Transfer of Servicing of Loans Pending for Permanent Loan Modification	Any contract for the transfer or sale of servicing rights shall obligate the successor servicer to accept and continue processing pending loan modification requests
239	IV.M.1.c	Loss Mitigation	Transfer of Servicing of Loans Pending for Permanent Loan Modification	Any contract for the transfer or sale of servicing rights shall obligate the successor servicer to honor trial and permanent loan modification agreements entered into by prior servicer
240	IV.M.1.d	Loss Mitigation	Transfer of Servicing of Loans Pending for Permanent Loan Modification	Any contract for transfer or sale of servicing rights shall designate that borrowers are third party beneficiaries under paragraphs IV.M.1.b and IV.M.1.c, above

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241	IV.M.2	Loss Mitigation	Transfer of Servicing of Loans Pending for Permanent Loan Modification	Transfer of Servicing to Servicer. When Servicer acquires servicing rights from another servicer, Servicer shall ensure that it will accept and continue to process pending loan modification requests from the prior servicer, and that it will honor trial and permanent loan modification agreements entered into by the prior servicer.
242	V.A	Protections for Military Personnel (Service members Civil Relief Act)	N/A	A. Servicer shall comply with all applicable provisions of the Service members Civil Relief Act (SCRA), 50 U.S.C. Appx. § 501 et seq., and any applicable state law offering protections to service members, and shall engage an independent consultant whose duties shall include a review of (a) all foreclosures in which an SCRA-eligible service member is known to have been an obligor or mortgagor, and (b) a sample of foreclosure actions (which sample will be appropriately enlarged to the extent Servicer identifies material exceptions), from January 1, 2009 to December 31, 2010 to determine whether the foreclosures were in compliance with the SCRA. Servicer shall remediate all monetary damages in compliance with the banking regulator Consent Orders.
243	V.B	Protections for Military Personnel (Service members Civil Relief Act)	N/A	B. When a borrower states that he or she is or was within the preceding 9 months (or the then applicable statutory period under the SCRA) in active military service or has received and is subject to military orders requiring him or her to commence active military service, Lender shall determine whether the borrower may be eligible for the protections of the SCRA or for the protections of the provisions of paragraph V.F. If Servicer determines the borrower is so eligible, Servicer shall, until Servicer determines that such customer is no longer protected by the SCRA,
244	V.B.1	Protections for Military Personnel (Service members Civil Relief Act)	N/A	If such borrower is not entitled to a SPOC, route such customers to employees who have been specially trained about the protections of the SCRA to respond to such borrower's questions
245	V.B.2	Protections for Military Personnel (Service members Civil Relief Act)	N/A	If such borrower is entitled to a SPOC, designate as a SPOC for such borrower a person who has been specially trained about the protections of the SCRA (Service member SPOC)
246	V.C	Protections for Military Personnel (Service members Civil Relief Act)	N/A	C. Servicer shall, in addition to any other reviews it may perform to assess eligibility under the SCRA, (i) before referring a loan for foreclosure, (ii) within seven days before a foreclosure sale, and (iii) the later of (A) promptly after a foreclosure sale and (B) within three days before the regularly scheduled end of any redemption period, determine whether the secured property is owned by a service member covered under SCRA by searching the Defense Manpower Data Center (DMDC) for evidence of SCRA eligibility by either (a) last name and social security number, or (b) last name and date of birth.
247	V.D	Protections for Military Personnel (Service members Civil Relief Act)	N/A	D. When a service member provides written notice requesting protection under the SCRA relating to interest rate relief, but does not provide the documentation required by Section 207(b)(1) of the SCRA (50 USC Appx. § 527(b)(1)), Servicer shall accept, in lieu of the documentation required by Section 207(b)(1) of the SCRA, a letter on official letterhead from the service member's commanding officer including a contact telephone number for confirmation
248	V.D.1	Protections for Military Personnel (Service members Civil Relief Act)	N/A	Addressed in such a way as to signify that the commanding officer recognizes that the letter will be relied on by creditors of the service member (a statement that the letter is intended to be relied upon by the Service member's creditors would satisfy this requirement).
249	V.D.2	Protections for Military Personnel (Service members Civil Relief Act)	N/A	Setting forth the full name (including middle initial, if any), Social Security number and date of birth of the service member;
250	V.D.3	Protections for Military Personnel (Service members Civil Relief Act)	N/A	Setting forth the home address of the service member; and
251	V.D.4	Protections for Military Personnel (Service members Civil Relief Act)	N/A	Setting forth the date of the military orders marking the beginning of the period of military service of the service member and, as may be applicable, that the military service of the service member is continuing or the date on which the military service of the service member ended
252	V.E	Protections for Military Personnel (Service members Civil Relief Act)	N/A	E. Servicer shall notify customers who are 45 to 60 days delinquent that, if they are a service member, (a) they may be entitled to certain protections under the SCRA regarding the service member's interest rate and the risk of foreclosure, and (b) counseling for covered service members is available at agencies such as Military OneSource, Armed Forces Legal Assistance, a HUD-certified housing counselor. Such notice shall include a toll-free number that service members may call to be connected to a person who has been specially trained about the protections of the SCRA to respond to such borrower's questions. Such telephone number shall either connect directly to such a person or afford a caller the ability to identify him- or herself as an eligible service member and be routed to such persons. Servicers hereby confirm that they intend to take reasonable steps to ensure the dissemination of such toll-free number to customers who may be eligible service members.
253	V.F	Protections for Military Personnel (Service members Civil Relief Act)	N/A	F. Irrespective of whether a mortgage obligation was originated before or during the period of a service member's military service, if, based on the determination described in the last sentence and subject to Applicable Requirements, a service member's military orders (or any letter complying with paragraph V.D), together with any other documentation satisfactory to the Servicer, reflects that the service member is (a) eligible for Hostile Fire/Imminent Danger Pay and (b) serving at a location (i) more than 750 miles from the location of the secured property or (ii) outside of the United States, then to the extent consistent with Applicable Requirements, the Servicer shall not sell, foreclose, or seize a property for a breach of an obligation on real property owned by a service member that is secured by mortgage, deed of trust, or other security in the nature of a mortgage, during, or within 9 months after, the period in which the service member is eligible for Hostile Fire/Imminent Danger Pay, unless either (i) Servicer has obtained a court order granted before such sale, foreclosure, or seizure with a return made and approved by the court, or (ii) if made pursuant to an agreement as provided in section 107 of the SCRA (50 U.S.C. Appx. § 517). Unless a service member's eligibility for the protection under this paragraph can be fully determined by a proper search of the DMDC website, Servicer shall only be obligated under this provision if it is able to determine, based on a service member's military orders (or any letter complying with paragraph V.D), together with any other documentation provided by or on behalf of the service member that is satisfactory to the Servicer, that the service member is (a) eligible for Hostile Fire/Imminent Danger Pay and (b) serving at a location (i) more than 750 miles from the location of the secured property or (ii) outside of the United States.

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Number	Article #	Section	Sub-section	AG Settlement Articles
254	V.G	Protections for Military Personnel (Service members Civil Relief Act)	N/A	G. Servicer shall not require a service member to be delinquent to qualify for a short sale, loan modification, or other loss mitigation relief if the service member is suffering financial hardship and is otherwise eligible for such loss mitigation. Subject to Applicable Requirements, for purposes of assessing financial hardship in relation to (i) a short sale or deed in lieu transaction, Servicer will take into account whether the service member is, as a result of a permanent change of station order, required to relocate even if such service member's income has not been decreased, so long as the service member does not have sufficient liquid assets to make his or her monthly mortgage payments, or (ii) a loan modification, Servicer will take into account whether the service member is, as a result of his or her under military orders required to relocate to a new duty station at least seventy five mile from his or her residence/secured property or to reside at a location other than the residence/secured property, and accordingly is unable personally to occupy the residence and the
255	V.H	Protections for Military Personnel (Service members Civil Relief Act)	N/A	Servicer shall not make inaccurate reports to credit reporting agencies when a servicemember, who has not defaulted before relocating under military orders to a new duty station, obtains a short sale, loan modification, or other loss mitigation relief.
256	VI.A.1	Restrictions on Servicing Fees BK	General Requirements - Post Petition Fee Review	All default, foreclosure and bankruptcy-related service fees, including third-party fees, collected from the borrower by Servicer shall be bona fide, reasonable in amount, and disclosed in detail to the borrower as provided in paragraphs I.B.10 and VI.B.1.
257	VI.B.1	Restrictions on Servicing Fees	Specific Fee Provisions	Schedule of Fees. Servicer shall maintain and keep current a schedule of common non-state specific fees or ranges of fees that may be charged to borrowers by or on behalf of Servicer. Servicer shall make this schedule available on its website and to the borrower or borrower's authorized representative upon request. The schedule shall identify each fee, provide a plain language explanation of the fee, and state the maximum amount of the fee or how the fee is calculated or determined.
258	VI.B.2	Restrictions on Servicing Fees	Specific Fee Provisions	Servicer may collect a default-related fee only if the fee is for reasonable and appropriate services actually rendered and one of the following conditions is met:
259	VI.B.2.a	Restrictions on Servicing Fees	Specific Fee Provisions - Payments	The fee is expressly or generally authorized by the loan instruments and not prohibited by law or this Agreement
260	VI.B.2.b	Restrictions on Servicing Fees	Specific Fee Provisions - Payments	The fee is permitted by law and not prohibited by the loan instruments or this Agreement; or
261	VI.B.2.c	Restrictions on Servicing Fees	Specific Fee Provisions	The fee is not prohibited by law, this Agreement or the loan instruments and is a reasonable fee for a specific service requested by the borrower that is collected only after clear and conspicuous disclosure of the fee is made available to the borrower.
262	VI.B.3	Restrictions on Servicing Fees	Specific Fee Provisions	Attorneys' Fees. In addition to the limitations in paragraph VI.B.2 above, attorneys' fees charged in connection with a foreclosure action or bankruptcy proceeding shall only be for work actually performed and shall not exceed reasonable and customary fees for such work. In the event a foreclosure action is terminated prior to the final judgment and/or sale for a loss mitigation option, a reinstatement, or payment in full, the borrower shall be liable only for reasonable and customary fees for work actually performed
N/A	VI.B.4	Restrictions on Servicing Fees	Specific Fee Provisions	Late Fees
263	VI.B.4.a	Restrictions on Servicing Fees	Specific Fee Provisions	Servicer shall not collect any late fee or delinquency charge when the only delinquency is attributable to late fees or delinquency charges assessed on an earlier payment, and the payment is otherwise a full payment for the applicable period and is paid on or before its due date or within any applicable grace period
264	VI.B.4.b	Restrictions on Servicing Fees	Specific Fee Provisions	Servicer shall not collect late fees (i) based on an amount greater than the past due amount; (ii) collected from the escrow account or from escrow surplus without the approval of the borrower; or (iii) deducted from any regular payment.
265	VI.B.4.c	Restrictions on Servicing Fees	Specific Fee Provisions	Servicer shall not collect any late fees for periods during which (i) a complete loan modification application is under consideration; (ii) the borrower is making timely trial modification payments; or (iii) a short sale offer is being evaluated by Servicer
266	VI.C.1	Restrictions on Servicing Fees	Third Party Fees	Servicer shall not impose unnecessary or duplicative property inspection, property preservation or valuation fees on the borrower, including, but not limited to, the following:
267	VI.C.1.a	Restrictions on Servicing Fees	Third Party Fees	No property preservation fees shall be imposed on eligible borrowers who have a pending application with Servicer for loss mitigation relief or are performing under a loss mitigation program, unless Servicer has a reasonable basis to believe that property preservation is necessary for the maintenance of the property, such as when the property is vacant or listed on a violation notice from a local jurisdiction
268	VI.C.1.b	Restrictions on Servicing Fees	Third Party Fees	No property inspection fee shall be imposed on a borrower any more frequently than the timeframes allowed under GSE guidelines unless Servicer has identified specific circumstances supporting the need for further property inspections; and
269	VI.C.1.c	Restrictions on Servicing Fees	Third Party Fees	Servicer shall be limited to imposing property valuation fees (e.g., BPO) to once every 12 months, unless other valuations are requested by the borrower to facilitate a short sale or to support a loan modification as outlined in paragraph IV.G.3.a, or required as part of the default or foreclosure valuation process
270	VI.C.2	Restrictions on Servicing Fees	Third Party Fees	Default, foreclosure and bankruptcy-related services performed by third parties shall be at reasonable market value
271	VI.C.3	Restrictions on Servicing Fees	Third Party Fees	Servicer shall not collect any fee for default, foreclosure or bankruptcy-related services by an affiliate unless the amount of the fee does not exceed the lesser of (a) any fee limitation or allowable amount for the service under applicable state law, and (b) the market rate for the service. To determine the market rate, Servicer shall obtain annual market reviews of its affiliates' pricing for such default and foreclosure-related services; such market reviews shall be performed by a qualified, objective, independent third-party professional using procedures and standards generally accepted in the industry to yield accurate and reliable results. The independent third-party professional shall determine in its market survey the price actually charged by third-party affiliates and by independent third party vendors
272	VI.C.4	Restrictions on Servicing Fees	Third Party Fees	Servicer shall be prohibited from collecting any unearned fee, or giving or accepting referral fees in relation to third-party default or foreclosure-related services.
273	VI.C.5	Restrictions on Servicing Fees	Third Party Fees	Servicer shall not impose its own mark-ups on Servicer initiated third-party default or foreclosure-related services.
274	VI.D.1	Restrictions on Servicing Fees	Certain Bankruptcy Related Fees - Post Petition Fee Review	Servicer must not collect any attorney's fees or other charges with respect to the preparation or submission of a POC or MRS document that is withdrawn or denied as a result of a substantial misstatement by Servicer of the amount due.

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Number	Article #	Section	Sub-section	AG Settlement Articles
275	VI.D.2	Restrictions on Servicing Fees	Certain Bankruptcy Related Fees - Payments	Servicer shall not collect late fees due to delays in receiving full remittance of debtor's payments, including trial period or permanent modification payments as well as post-petition conduit payments in accordance with 11 U.S.C. § 1322(b)(5), that debtor has timely (as defined by the underlying Chapter 13 plan) made to a chapter 13 trustee.
276	VII.A.1	Forced Place Insurance	General Requirements for Forced Placed Insurance	Servicer shall not obtain force-placed insurance unless there is a reasonable basis to believe the borrower has failed to comply with the loan contract's requirements to maintain property insurance. For escrowed accounts, Servicer shall continue to advance payments for the homeowner's existing policy, unless the borrower or insurance company cancels the existing policy. For purposes of this section VII, the term "force-placed insurance" means hazard insurance coverage obtained by Servicer when the borrower has failed to maintain or renew hazard or wind insurance on such property as required of the borrower under the terms of the mortgage.
277	VII.A.2	Forced Place Insurance	General Requirements for Forced Placed Insurance	Servicer shall not be construed as having a reasonable basis for obtaining force-placed insurance unless the requirements of this section VII have been met.
278	VII.A.3	Forced Place Insurance	General Requirements for Forced Placed Insurance	Servicer shall not impose any charge on any borrower for force-placed insurance with respect to any property securing a federally related mortgage unless:
279	VII.A.3.a	Forced Place Insurance	General Requirements for Forced Placed Insurance	Servicer has sent, by first-class mail, a written notice to the borrower containing:
280	VII.A.3.a.i	Forced Place Insurance	General Requirements for Forced Placed Insurance	A reminder of the borrower's obligation to maintain hazard insurance on the property securing the federally related mortgage
281	VII.A.3.a.ii	Forced Place Insurance	General Requirements for Forced Placed Insurance	A statement that Servicer does not have evidence of insurance coverage of such property;
282	VII.A.3.a.iii	Forced Place Insurance	General Requirements for Forced Placed Insurance	A clear and conspicuous statement of the procedures by which the borrower may demonstrate that the borrower already has insurance coverage
283	VII.A.3.a.iv	Forced Place Insurance	General Requirements for Forced Placed Insurance	A statement that Servicer may obtain such coverage at the borrower's expense if the borrower does not provide such demonstration of the borrower's existing coverage in a timely manner
284	VII.A.3.a.v	Forced Place Insurance	General Requirements for Forced Placed Insurance	A statement that the cost of such coverage may be significantly higher than the cost of the homeowner's current coverage
285	VII.A.3.a.vi	Forced Place Insurance	General Requirements for Forced Placed Insurance	A statement that, if the borrower desires to maintain his or her voluntary policy, Servicer will offer an escrow account and advance the premium due on the voluntary policy if the borrower: (a) accepts the offer of the escrow account; (b) provides a copy of the invoice from the voluntary carrier; (c) agrees in writing to reimburse the escrow advances through regular escrow payments; (d) agrees to escrow to both repay the advanced premium and to pay for the future premiums necessary to maintain any required insurance policy; and (e) agrees Servicer shall manage the escrow account in accordance with the loan documents and with state and federal law; and
286	VII.A.3.a.vii	Forced Place Insurance	General Requirements for Forced Placed Insurance	A statement, in the case of single interest coverage, that the coverage may only protect the mortgage holder's interest and not the homeowner's interest
287	VII.A.3.b	Forced Place Insurance	General Requirements for Forced Placed Insurance	Servicer has sent, by first-class mail, a second written notice, at least 30 days after the mailing of the notice under paragraph VII.A.3.a that contains all the information described in each clause of such paragraph
288	VII.A.3.c	Forced Place Insurance	General Requirements for Forced Placed Insurance	Servicer has not received from the borrower written confirmation of hazard insurance coverage for the property securing the mortgage by the end of the 15-day period beginning on the date the notice under paragraph VII.A.3.b was sent by Servicer
289	VII.A.4	Forced Place Insurance	General Requirements for Forced Placed Insurance	Servicer shall accept any reasonable form of written confirmation from a borrower or the borrower's insurance agent of existing insurance coverage, which shall include the existing insurance policy number along with the identity of, and contact information for, the insurance company or agent
290	VII.A.5	Forced Place Insurance	General Requirements for Forced Placed Insurance	Servicer shall not place hazard or wind insurance on a mortgaged property, or require a borrower to obtain or maintain such insurance, in excess of the greater of replacement value, last-known amount of coverage or the outstanding loan balance, unless required by Applicable Requirements, or requested by borrower in writing.
291	VII.A.6	Forced Place Insurance	General Requirements for Forced Placed Insurance	Within 15 days of the receipt by Servicer of evidence of a borrower's existing insurance coverage, Servicer shall
292	VII.A.6.a	Forced Place Insurance	General Requirements for Forced Placed Insurance	Terminate the force-placed insurance; and
293	VII.A.6.b	Forced Place Insurance	General Requirements for Forced Placed Insurance	Refund to the consumer all force-placed insurance premiums paid by the borrower during any period during which the borrower's insurance coverage and the force placed insurance coverage were each in effect, and any related fees charged to the consumer's account with respect to the force-placed insurance during such period.
294	VII.A.7	Forced Place Insurance	General Requirements for Forced Placed Insurance	Servicer shall make reasonable efforts to continue or reestablish the existing homeowner's policy if there is a lapse in payment and the borrowers' payments are escrowed.
295	VII.A.8	Forced Place Insurance	General Requirements for Forced Placed Insurance	Any force-placed insurance policy must be purchased for a commercially reasonable price.
296	VII.A.9	Forced Place Insurance	General Requirements for Forced Placed Insurance	No provision of this section VII shall be construed as prohibiting Servicer from providing simultaneous or concurrent notice of a lack of flood insurance pursuant to section 102(e) of the Flood Disaster Protection Act of 1973.
297	VIII.A.1	General Servicer Duties and Prohibitions	Measures to Deter Community Blight	Servicer shall develop and implement policies and procedures to ensure that REO properties do not become blighted
298	VIII.A.2	General Servicer Duties and Prohibitions	Measures to Deter Community Blight	Servicer shall develop and implement policies and procedures to enhance participation and coordination with state and local land bank programs, neighborhood stabilization programs, nonprofit redevelopment programs, and other anti-blight programs, including those that facilitate discount sale or donation of low-value REO properties so that they can be demolished or salvaged for productive use.
299	VIII.A.3	General Servicer Duties and Prohibitions	Measures to Deter Community Blight	As indicated in I.A.18, Servicer shall (a) inform borrower that if the borrower continues to occupy the property, he or she has responsibility to maintain the property, and an obligation to continue to pay taxes owed, until a sale or other title transfer action occurs; and (b) request that if the borrower wishes to abandon the property, he or she contact Servicer to discuss alternatives to foreclosure under which borrower can surrender the property to Servicer in exchange for compensation.

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Number	Article #	Section	Sub-section	AG Settlement Articles
300	VIII.A.4	General Servicer Duties and Prohibitions	Measures to Deter Community Blight	When the Servicer makes a determination not to pursue foreclosure action on a property with respect to a first lien mortgage loan, Servicer shall:
301	VIII.A.4.a	General Servicer Duties and Prohibitions	Measures to Deter Community Blight	Notify the borrower of Servicer's decision to release the lien and not pursue foreclosure, and inform borrower about his or her right to occupy the property until a sale or other title transfer action occurs; and
302	VIII.A.4.b	General Servicer Duties and Prohibitions	Measures to Deter Community Blight	Notify local authorities, such as tax authorities, courts, or code enforcement departments, when Servicer decides to release the lien and not pursue foreclosure.
303	VIII.B.1	General Servicer Duties and Prohibitions	Tenants Rights	Servicer shall comply with all applicable state and federal laws governing the rights of tenants living in foreclosed residential properties.
304	VIII.B.2	General Servicer Duties and Prohibitions	Tenants Rights	Servicer shall develop and implement written policies and procedures to ensure compliance with such laws.
N/A	IX.A.1	General Provisions, Definitions and Implementation	Applicable Requirements	The servicing standards and any modifications or other actions taken in accordance with the servicing standards are expressly subject to, and shall be interpreted in accordance with, (a) applicable federal, state and local laws, rules and regulations, including, but not limited to, any requirements of the federal banking regulators, (b) the terms of the applicable mortgage loan documents, (c) Section 201 of the Helping Families Save Their Homes Act of 2009, and (d) the terms and provisions of the Servicer Participation Agreement with the Department of Treasury, any servicing agreement, subservicing agreement under which Servicer services for others, special servicing agreement, mortgage or bond insurance policy or related agreement or requirements to which Servicer is a party and by which it or its servicing is bound pertaining to the servicing or ownership of the mortgage loans, including without limitation the requirements, binding directions, or investor guidelines of the applicable investor (such as Fannie Mae or Freddie Mac), mortgage or bond insurer, or credit enhancer (collectively, the "Applicable Requirements").
N/A	IX.A.2	General Provisions, Definitions and Implementation	Applicable Requirements	In the event of a conflict between the requirements of the Agreement and the Applicable Requirements with respect to any provision of this Agreement such that the Servicer cannot comply without violating Applicable Requirements or being subject to adverse action, including fines and penalties, Servicer shall document such conflicts and notify the Attorneys General that it intends to comply with the Applicable Requirements to the extent necessary to eliminate the conflict.
N/A	IX.B.1	General Provisions, Definitions and Implementation	Definitions	In each instance in this Agreement in which Servicer is required to ensure adherence to, or undertake to perform certain obligations, it is intended to mean that Servicer shall: (a) authorize and adopt such actions on behalf of Servicer as may be necessary for Servicer to perform such obligations and undertakings; (b) follow up on any material non-compliance with such actions in a timely and appropriate manner; and (c) require corrective action be taken in a timely manner of any material non-compliance with such obligations.
N/A	IX.B.2	General Provisions, Definitions and Implementation	Definitions	References to Servicer shall mean [Servicer] and shall include Servicer's successors and assignees in the event of a sale of all or substantially all of the assets of Servicer or of Servicer's division(s) or major business unit(s) that are engaged as a primary business in customer-facing servicing of residential mortgages on owner-occupied properties. The provisions of this Agreement shall not apply to those divisions or major business units of Servicer that are not engaged as a primary business in customer-facing servicing of residential mortgages on owner-occupied one-to-four family properties on its own behalf or on behalf of investors.

APPENDIX 2

NATIONAL MORTGAGE SETTLEMENT METRICS FOR EVALUATION OF
SERVICING STANDARDS

The metrics used to evaluate servicers' implementation of these standards include the following, with items commonly relevant in bankruptcy proceedings identified in **bold** :

1. Outcome Creates Significant Negative Customer Impact

a. Foreclosure Sale in Error

- i. **Did the foreclosing party have legal standing to foreclose?**
- ii. **Was the borrower in an active trial period plan (unless servicer took appropriate steps to postpone sale)?**
- iii. Was the borrower offered a loan modification fewer than 14 days before the foreclosure sale date (unless the borrower declined the offer or the servicer took appropriate steps to postpone the sale?)
- iv. Was the borrower not in default?
- v. **Was the borrower protected from foreclosure by Bankruptcy (unless servicer had notice of such protection fewer than 10 days before the sale date and servicer took appropriate steps to postpone sale)?**

b. Incorrect Modification Denial

- i. Was the evaluation of eligibility inaccurate (as per HAMP, Fannie, Freddie or proprietary modification criteria)?
- ii. Was the income calculation inaccurate?

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- iii. **Were the inputs used in the decision tool (NPV and Waterfall test) entered in error or inconsistent with company policy?**
- iv. Was the loan NPV positive?
- v. **Was there an inaccurate determination that the documents received were incomplete?**
- vi. **Was the trial payment plan inappropriately failed?**

2. Integrity of Critical Sworn Documents

- a. Was affidavit of indebtedness properly prepared?
 - i. **Taken as a whole and accounting for contrary evidence provided by the servicer, does the sample indicate systemic issues with either affiants lacking personal knowledge or improper notarization?**
 - ii. **Verify all the amounts outlined below against the system of record:**
 - 1. **Was the correct principal balance used?**
 - 2. **Was the correct interest amount (and per diem) used?**
 - 3. **Was the escrow balance correct?**
 - 4. **Were correct other fees used?**
 - 5. **Was the correct corporate advance balance used?**
 - 6. **Was the suspense balance correct?**
 - 7. **Was the total indebtedness amount on the affidavit correct?**

- b. Was proof of claim properly prepared? Are the correct amounts set forth in the form, with respect to pre-petition missed payments, fees, expenses, charges, and escrow shortages or deficiencies?**
 - c. Was affidavit in support of motion for relief from stay properly prepared? Verify against system of record:**
 - i. Post-petition default amount**
 - ii. Amount of fees or charges applied to pre-petition default amount or post-petition amount since the later of the date of the petition or the preceding statement, and**
 - iii. Escrow shortages or deficiencies**
3. Pre-foreclosure initiation:
- a. Accuracy of Account information: Verify all amounts against system of record:
 - i. Was the loan delinquent as of the date the first legal action was filed?
 - ii. Was information contained in the account statement completed accurately?
 - 1. Total amount needed to reinstate or bring the account current, and the amount of the principal balance;
 - 2. Date through which the borrower's obligation is paid;
 - 3. Date of last full payment;
 - 4. Current interest rate
 - 5. Date on which the interest rate may next reset or adjust;
 - 6. Amount of any prepayment fee to be charged, if any;

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7. Description of late payment fees;
8. Telephone number or electronic mail address that may be used by the borrower to obtain information regarding the mortgage.

b. Notifications:

- i. Were all the required notifications statements mailed no later than 14 days prior to first legal date (i) account statement; (ii) ownership statement; (iii) loss mitigation statement?
- ii. Did ownership statement accurately reflect that the servicer or investor has the right to foreclose?
- iii. Was the loss mitigation statement complete and did it accurately state that:

1. Borrower was ineligible (if applicable); or

2. Borrower was solicited, was the subject of proper party contact routines and that any timely application submitted by the borrower was evaluated?

4. Accuracy and Timeliness of Payment Application and Appropriateness of Fees

- a. Fees adhere to guidance (preservation fees, valuation fees, and attorneys' fees)
 - i. **Frequency of fees charged consistent with guidelines in servicing standards (Fannie/Freddie)**
 - ii. **Was amount of fee collected higher than the amount allowable under the servicer's fee schedule and for which there was not a valid exception?**

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- b. Adherence to customer payment processing (posted timely (within 2 business days of receipt) and accurately.)
 - i. **Posted to the right account number?**
 - ii. **Posted in the proper amount?**
 - iii. **Within 2 business days of receipt and credited as of the date of receipt?**
 - iv. **Did servicer accept payments within \$50 of the scheduled payment?**
 - v. **Were partial payments credited to account as of the date when sufficient funds were received to make a full payment?**
 - vi. **Were payments posted to principal, interest, and escrow before fees and expenses?**
 - c. **Reconciliation of certain waived fees: Appropriately updating Servicer's systems of record in connection with the reconciliation of payments as of the date of dismissal of a debtor's Chapter 13 bankruptcy case, entry of an order lifting the automatic stay, or entry of an order granting the debtor a discharge under Chapter 13, to reflect the waiver of any fee, expense, or charge as required pursuant to the servicing standards?**
 - d. **Were late fees charged with respect to a delinquency attributable solely to late fees or delinquency charges assessed on an earlier payment?**
5. Policy/Process Implementation
- a. Third Party Vendor Management

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- i. Is there evidence of documented oversight policies and procedures demonstrating compliance with vendor oversight provisions: (i) adequate due diligence procedures, (ii) adequate enforcement procedures, (iii) adequate vendor performance evaluation procedures, (iv) adequate remediation procedures?
 - ii. Is there evidence of periodic sampling and testing of foreclosure documents (including notices of default and letters of reinstatement) and bankruptcy documents prepared by vendors on behalf of the servicer?
 - iii. Is there evidence of periodic sampling of fees and costs assessed by vendors to: (i) substantiate services were rendered (ii) fees are in compliance with servicer fee schedule (iii) fees are compliant with state law and provisions of the servicing standards?
 - iv. Is there evidence of vendor scorecards used to evaluate vendor performance that include quality metrics (error rate etc.)?
 - v. Evidence of remediation for vendors who fail metrics set forth in vendor scorecards and/or QC sample tests consistent with the servicer policy and procedures?
- b. Customer portal: Does the portal provide loss mitigation status updates?
- c. Single Point of Contact (SPOC)
- i. Is there evidence of documented policies and procedures demonstrating compliance with SPOC program provisions?

- ii. Is there evidence that a single point of contact is available for applicable borrowers?
 - iii. Evidence that relevant records relating to borrower's account are available to the borrower's SPOC?
 - iv. Evidence that SPOC has been identified to borrower and the method the borrower may use to contact the SPOC has been communicated to the borrower?
- d. Workforce Management
- i. Is there evidence of documented oversight policies and procedures demonstrating effective forecasting, capacity planning, training and monitoring of staffing requirements for foreclosure operations?
 - ii. Is there evidence of periodic training and certification of employees who prepare affidavits sworn statements or declarations?
- e. Affidavit of Indebtedness Integrity: Is there evidence of documented policies and procedures sufficient to provide reasonable assurance that affiants have personal knowledge of the matters covered by affidavits of indebtedness and have reviewed affidavit before signing it?
- f. Account Status Activity: Is there evidence of documented policies and procedures designed to ensure that the system of record contains documentation of key activities?
6. Customer Experiences
- a. Complaint response timeliness: Government submitted complaints and inquiries from borrowers

- i. Was written acknowledgement regarding complaint sent within 10 business days of complaint/inquiry receipt?
 - ii. Was a written response (“Forward Progress”) sent within 30 calendar days of complaint/inquiry receipt?
- b. Loss Mitigation
- i. Loan Modification Document Collection Timeline
 1. Did servicer notify borrower of known deficiency in borrower’s initial submission of information, no later than 5 business days after receipt, including any missing information or documentation?
 2. Was borrower afforded 30 days from the date of Servicer’s notification of any missing information or documentation to supplement borrower’s submission of information prior to making a determination on whether or not to grant an initial loan modification?
 - ii. Loan Modification Decision/ Notification timeline compliance
 1. Did servicer respond to request for modification within 30 days of receipt of all necessary documentation?
 2. Denial Communication: Did servicer notify customers within 10 days of denial decision?
 - iii. Loan Modification Appeal timeline compliance: Did servicer respond to borrower’s request for an appeal within 30 days of receipt?

- iv. Short Sale Decision timeline compliance: Was short sale reviewed and a decision communicated within 30 days of borrower submitting completed package?
- v. Short Sale Document Collection timeline compliance: Did servicer provide notice of missing documents within 30 days of the request for the short sale?
- vi. Charge of application fees for loss mitigation: Did the servicer assess a fee for processing a loss mitigation request?
- vii. Short Sales
 - 1. Inclusion of notice of whether or not a deficiency will be required
 - a. If short sale accepted, did borrower receive notification that deficiency or cash contribution will be required?
 - b. Did borrower receive in the notification approximate amounts related to deficiency or cash contribution?
- viii. Dual Track
 - 1. Referred to foreclosure in violation of Dual Track provisions:
 - a. Was the first legal action taken while the servicer was in possession of an active, complete loan modification package that was not decisioned as required by the servicing standards?
 - b. Was the first legal action commenced while the borrower was approved for a loan modification but

prior to the expiration of the borrower acceptance period, borrower decline of offer or while in an active trial period plan?

2. Failure to postpone foreclosure proceedings in violation of Dual Track Provisions: Did the servicer proceed to judgment or order of sale upon receipt of a complete loan modification package within 30 days of the post-referral to foreclosure solicitation letter?

c. Forced Placed Insurance

i. Timeliness of notices

1. Did servicer send all required notification letters notifying the customer of lapse in insurance coverage?
2. Did the notification offer the customer the option to have the account escrowed to facilitate payment of all insurance premiums and any arrearage by the servicer prior to obtaining force placed insurance?
3. Did the servicer assess forced place insurance when there was evidence of a valid policy?

- ii. Termination of Forced Placed Insurance: Did servicer terminate within 15 days of receipt of evidence of a borrower's existing insurance coverage and refund the pro-rated portion to the borrower's escrow account?

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Independent Foreclosure Review Payment Agreement Details						
<p>The table below provides number of eligible borrowers and payment amounts in each category for borrowers covered by the Independent Foreclosure Review Payment Agreement. The agreement was announced in January 2013 between federal banking regulators -- the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System -- and 11 mortgage servicers. More information about these agreements is available from the regulators' Web sites -- www.occ.gov and www.federalreserve.gov. The table contains only standard payout amounts; it does not include amounts for lost equity, which borrowers in the first and third categories may receive in addition to the standard payout amounts, or the payments calculated on a case-by-case basis in the second category. This table excludes borrowers whose mortgages were serviced by Goldman Sachs and Morgan Stanley.</p>						
Category	Foreclosure Stage	Borrowers Who Requested a Review		All Other Borrowers		Total Borrowers
		Number of Borrowers	Payment	Number of Borrowers	Payment	
Servicer foreclosed on borrower eligible for Servicemembers Civil Relief Act (SCRA) protection (applies only to rescinded or completed foreclosures)*	Rescinded	8	\$15,000	108	\$15,000	116
	Completed	123	\$125,000	959	\$125,000	1,082
Servicer charged servicemembers interest rates that exceed SCRA Section 527 limits**	In process	33	>=\$300	317	>=\$300	350
	Completed	11	>=\$300	63	>=\$300	74
Servicer initiated or completed foreclosure on borrower who was not in default	In process	46	\$5,000	543	\$5,000	589
	Rescinded	8	\$15,000	29	\$15,000	37
	Completed	8	\$125,000	45	\$125,000	53
Servicer initiated or completed foreclosure on borrower who was protected by federal bankruptcy law	In process	2,401	\$7,500	19,860	\$3,750	22,261
	Rescinded	28	\$7,500	160	\$3,750	188
	Completed	763	\$62,500	5,075	\$31,250	5,838
Servicer completed foreclosure on borrower who was meeting all requirements of documented forbearance plan (applies only to rescinded or completed foreclosures)	Rescinded	50	\$6,000	185	\$3,000	235
	Completed	162	\$24,000	684	\$12,000	846
Servicer failed to convert borrower to permanent modification after three successful payments under a written trial-period plan	In process	461	\$6,000	2,436	\$3,000	2,897
	Rescinded	31	\$6,000	91	\$3,000	122
	Completed	239	\$50,000	718	\$25,000	957
Servicer completed foreclosure on borrower who was performing all requirements of the written trial-period plan	Rescinded	29	\$6,000	126	\$3,000	155
	Completed	163	\$50,000	477	\$25,000	640
Modification request approved	In process	118,177	\$500	746,894	\$300	865,071
	Rescinded	2,617	\$500	9,229	\$300	11,846
	Completed	39,368	\$500	195,448	\$300	234,816
Modification request denied	In process	62,557	\$2,000	432,595	\$1,000	495,152
	Rescinded	1,539	\$2,000	6,007	\$1,000	7,546
	Completed	60,251	\$6,000	309,597	\$3,000	369,848
Modification request received but no underwriting decision made	In process	21,153	\$800	200,596	\$400	221,749
	Rescinded	709	\$800	3,757	\$400	4,466
	Completed	27,152	\$800	168,479	\$400	195,631
Servicer did not engage with borrower in a loan modification or other loss mitigation action	In process	16,679	\$600	312,881	\$300	329,560
	Rescinded	350	\$600	4,549	\$300	4,899
	Completed	36,564	\$600	531,912	\$300	568,476
All other loans	In process	21,459	\$500	334,630	\$300	356,089
	Rescinded	450	\$500	4,161	\$300	4,611
	Completed	24,959	\$500	218,737	\$300	243,696
Totals		438,548		3,511,348		3,949,896
<p>*Total amount received by borrower in the first and third categories listed here may differ from amount shown because of offsets resulting from other legal settlements.</p>						
<p>**Servicemembers who were charged interest rates higher than limits allowed by the SCRA Section 527 will receive payments of \$300 or the amount overcharged and paid by the borrower, whichever is greater.</p>						

APPENDIX 4

§1024.35 Error resolution procedures.

(a) *Notice of error.* A servicer shall comply with the requirements of this section for any written notice from the borrower that asserts an error and that includes the name of the borrower, information that enables the servicer to identify the borrower's mortgage loan account, and the error the borrower believes has occurred. A notice on a payment coupon or other payment form supplied by the servicer need not be treated by the servicer as a notice of error. A qualified written request that asserts an error relating to the servicing of a mortgage loan is a notice of error for purposes of this section, and a servicer must comply with all requirements applicable to a notice of error with respect to such qualified written request.

(b) *Scope of error resolution.* For purposes of this section, the term “error” refers to the following categories of covered errors:

(1) Failure to accept a payment that conforms to the servicer's written requirements for the borrower to follow in making payments.

(2) Failure to apply an accepted payment to principal, interest, escrow, or other charges under the terms of the mortgage loan and applicable law.

(3) Failure to credit a payment to a borrower's mortgage loan account as of the date of receipt in violation of 12 CFR 1026.36(c)(1).

(4) Failure to pay taxes, insurance premiums, or other charges, including charges that the borrower and servicer have voluntarily agreed that the servicer should collect and pay, in a timely manner as required by §1024.34(a), or to refund an escrow account balance as required by §1024.34(b).

(5) Imposition of a fee or charge that the servicer lacks a reasonable basis to impose upon the borrower.

(6) Failure to provide an accurate payoff balance amount upon a borrower's request in violation of section 12 CFR 1026.36(c)(3).

(7) Failure to provide accurate information to a borrower regarding loss mitigation options and foreclosure, as required by §1024.39.

(8) Failure to transfer accurately and timely information relating to the servicing of a borrower's mortgage loan account to a transferee servicer.

(9) Making the first notice or filing required by applicable law for any judicial or non-judicial foreclosure process in violation of §1024.41(f) or (j).

(10) Moving for foreclosure judgment or order of sale, or conducting a foreclosure sale in violation of §1024.41(g) or (j).

(11) Any other error relating to the servicing of a borrower's mortgage loan.

(c) *Contact information for borrowers to assert errors.* A servicer may, by written notice provided to a borrower, establish an address that a borrower must use to submit a notice of error in accordance with the procedures in this section. The notice shall include a statement that the borrower must use the established address to assert an error. If a servicer designates a specific address for receiving notices of error, the servicer shall designate the same address for receiving information requests pursuant to §1024.36(b). A servicer shall provide a written notice to a borrower before any change in the address used for receiving a notice of error. A servicer that designates an address for receipt of notices of error must post the designated address on any Web site maintained by the servicer if the Web site lists any contact address for the servicer.

(d) *Acknowledgment of receipt.* Within five days (excluding legal public holidays, Saturdays, and Sundays) of a servicer receiving a notice of error from a borrower, the servicer shall provide to the borrower a written response acknowledging receipt of the notice of error.

(e) *Response to notice of error.* (1) *Investigation and response requirements.* (i) *In general.* Except as provided in paragraphs (f) and (g) of this section, a servicer must respond to a notice of error by either:

(A) Correcting the error or errors identified by the borrower and providing the borrower with a written notification of the correction, the effective date of the correction, and contact information, including a telephone number, for further assistance; or

(B) Conducting a reasonable investigation and providing the borrower with a written notification that includes a statement that the servicer has determined that no error occurred, a statement of the reason or reasons for this determination, a statement of the borrower's right to request documents relied upon by the servicer in reaching its determination, information regarding how the borrower can request such documents, and contact information, including a telephone number, for further assistance.

(ii) *Different or additional error.* If during a reasonable investigation of a notice of error, a servicer concludes that errors occurred other than, or in addition to, the error or errors alleged by the borrower, the servicer shall correct all such additional errors and provide the borrower with a written notification that describes the errors the servicer identified, the action taken to correct the errors, the effective date of the correction, and contact information, including a telephone number, for further assistance.

(2) *Requesting information from borrower.* A servicer may request supporting documentation from a borrower in connection with the investigation of an asserted error, but may not:

(i) Require a borrower to provide such information as a condition of investigating an asserted error; or

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(ii) Determine that no error occurred because the borrower failed to provide any requested information without conducting a reasonable investigation pursuant to paragraph (e)(1)(i)(B) of this section.

(3) *Time limits.* (i) *In general.* A servicer must comply with the requirements of paragraph (e)(1) of this section:

(A) Not later than seven days (excluding legal public holidays, Saturdays, and Sundays) after the servicer receives the notice of error for errors asserted under paragraph (b)(6) of this section.

(B) Prior to the date of a foreclosure sale or within 30 days (excluding legal public holidays, Saturdays, and Sundays) after the servicer receives the notice of error, whichever is earlier, for errors asserted under paragraphs (b)(9) and (10) of this section.

(C) For all other asserted errors, not later than 30 days (excluding legal public holidays, Saturdays, and Sundays) after the servicer receives the applicable notice of error.

(ii) *Extension of time limit.* For asserted errors governed by the time limit set forth in paragraph (e)(3)(i)(C) of this section, a servicer may extend the time period for responding by an additional 15 days (excluding legal public holidays, Saturdays, and Sundays) if, before the end of the 30-day period, the servicer notifies the borrower of the extension and the reasons for the extension in writing. A servicer may not extend the time period for responding to errors asserted under paragraph (b)(6), (9), or (10) of this section.

(4) *Copies of documentation.* A servicer shall provide to the borrower, at no charge, copies of documents and information relied upon by the servicer in making its determination that no error occurred within 15 days (excluding legal public holidays, Saturdays, and Sundays) of receiving the borrower's request for such documents. A servicer is not required to provide documents relied upon that constitute confidential, proprietary or privileged information. If a servicer withholds documents relied upon because it has determined that such documents constitute confidential, proprietary or privileged information, the servicer must notify the borrower of its determination in writing within 15 days (excluding legal public holidays, Saturdays, and Sundays) of receipt of the borrower's request for such documents.

(f) *Alternative compliance.* (1) *Early correction.* A servicer is not required to comply with paragraphs (d) and (e) of this section if the servicer corrects the error or errors asserted by the borrower and notifies the borrower of that correction in writing within five days (excluding legal public holidays, Saturdays, and Sundays) of receiving the notice of error.

(2) *Error asserted before foreclosure sale.* A servicer is not required to comply with the requirements of paragraphs (d) and (e) of this section for errors asserted under paragraph (b)(9) or (10) of this section if the servicer receives the applicable notice of an error seven or fewer days before a foreclosure sale. For any such notice of error, a servicer shall make a good faith attempt to respond to the borrower, orally or in writing, and either correct the error or state the reason the servicer has determined that no error has occurred.

(g) *Requirements not applicable.* (1) *In general.* A servicer is not required to comply with the requirements of paragraphs (d), (e), and (i) of this section if the servicer reasonably determines that any of the following apply:

(i) *Duplicative notice of error.* The asserted error is substantially the same as an error previously asserted by the borrower for which the servicer has previously complied with its obligation to respond pursuant to paragraphs (d) and (e) of this section, unless the borrower provides new and material information to support the asserted error. New and material information means information that was not reviewed by the servicer in connection with investigating a prior notice of the same error and is reasonably likely to change the servicer's prior determination about the error.

(ii) *Overbroad notice of error.* The notice of error is overbroad. A notice of error is overbroad if the servicer cannot reasonably determine from the notice of error the specific error that the borrower asserts has occurred on a borrower's account. To the extent a servicer can reasonably identify a valid assertion of an error in a notice of error that is otherwise overbroad, the servicer shall comply with the requirements of paragraphs (d), (e) and (i) of this section with respect to that asserted error.

(iii) *Untimely notice of error.* A notice of error is delivered to the servicer more than one year after:

(A) Servicing for the mortgage loan that is the subject of the asserted error was transferred from the servicer receiving the notice of error to a transferee servicer; or

(B) The mortgage loan is discharged.

(2) *Notice to borrower.* If a servicer determines that, pursuant to this paragraph (g), the servicer is not required to comply with the requirements of paragraphs (d), (e), and (i) of this section, the servicer shall notify the borrower of its determination in writing not later than five days (excluding legal public holidays, Saturdays, and Sundays) after making such determination. The notice to the borrower shall set forth the basis under paragraph (g)(1) of this section upon which the servicer has made such determination.

(h) *Payment requirements prohibited.* A servicer shall not charge a fee, or require a borrower to make any payment that may be owed on a borrower's account, as a condition of responding to a notice of error.

(i) *Effect on servicer remedies.* (1) *Adverse information.* After receipt of a notice of error, a servicer may not, for 60 days, furnish adverse information to any consumer reporting agency regarding any payment that is the subject of the notice of error.

(2) *Remedies permitted.* Except as set forth in this section with respect to an assertion of error under paragraph (b)(9) or (10) of this section, nothing in this section shall limit or restrict a lender or servicer from pursuing any remedy it has under applicable law, including initiating foreclosure or proceeding with a foreclosure sale.

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§1024.36 Requests for information.

(a) *Information request.* A servicer shall comply with the requirements of this section for any written request for information from a borrower that includes the name of the borrower, information that enables the servicer to identify the borrower's mortgage loan account, and states the information the borrower is requesting with respect to the borrower's mortgage loan. A request on a payment coupon or other payment form supplied by the servicer need not be treated by the servicer as a request for information. A request for a payoff balance need not be treated by the servicer as a request for information. A qualified written request that requests information relating to the servicing of the mortgage loan is a request for information for purposes of this section, and a servicer must comply with all requirements applicable to a request for information with respect to such qualified written request.

(b) *Contact information for borrowers to request information.* A servicer may, by written notice provided to a borrower, establish an address that a borrower must use to request information in accordance with the procedures in this section. The notice shall include a statement that the borrower must use the established address to request information. If a servicer designates a specific address for receiving information requests, a servicer shall designate the same address for receiving notices of error pursuant to §1024.35(c). A servicer shall provide a written notice to a borrower before any change in the address used for receiving an information request. A servicer that designates an address for receipt of information requests must post the designated address on any Web site maintained by the servicer if the Web site lists any contact address for the servicer.

(c) *Acknowledgment of receipt.* Within five days (excluding legal public holidays, Saturdays, and Sundays) of a servicer receiving an information request from a borrower, the servicer shall provide to the borrower a written response acknowledging receipt of the information request.

(d) *Response to information request.* (1) *Investigation and response requirements.* Except as provided in paragraphs (e) and (f) of this section, a servicer must respond to an information request by either:

(i) Providing the borrower with the requested information and contact information, including a telephone number, for further assistance in writing; or

(ii) Conducting a reasonable search for the requested information and providing the borrower with a written notification that states that the servicer has determined that the requested information is not available to the servicer, provides the basis for the servicer's determination, and provides contact information, including a telephone number, for further assistance.

(2) *Time limits.* (i) *In general.* A servicer must comply with the requirements of paragraph (d)(1) of this section:

(A) Not later than 10 days (excluding legal public holidays, Saturdays, and Sundays) after the servicer receives an information request for the identity of, and address or other relevant contact information for, the owner or assignee of a mortgage loan; and

(B) For all other requests for information, not later than 30 days (excluding legal public holidays, Saturdays, and Sundays) after the servicer receives the information request.

(ii) *Extension of time limit.* For requests for information governed by the time limit set forth in paragraph (d)(2)(i)(B) of this section, a servicer may extend the time period for responding by an additional 15 days (excluding legal public holidays, Saturdays, and Sundays) if, before the end of the 30-day period, the servicer notifies the borrower of the extension and the reasons for the extension in writing. A servicer may not extend the time period for requests for information governed by paragraph (d)(2)(i)(A) of this section.

(e) *Alternative compliance.* A servicer is not required to comply with paragraphs (c) and (d) of this section if the servicer provides the borrower with the information requested and contact information, including a telephone number, for further assistance in writing within five days (excluding legal public holidays, Saturdays, and Sundays) of receiving an information request.

(f) *Requirements not applicable.* (1) *In general.* A servicer is not required to comply with the requirements of paragraphs (c) and (d) of this section if the servicer reasonably determines that any of the following apply:

(i) *Duplicative information.* The information requested is substantially the same as information previously requested by the borrower for which the servicer has previously complied with its obligation to respond pursuant to paragraphs (c) and (d) of this section.

(ii) *Confidential, proprietary or privileged information.* The information requested is confidential, proprietary or privileged.

(iii) *Irrelevant information.* The information requested is not directly related to the borrower's mortgage loan account.

(iv) *Overbroad or unduly burdensome information request.* The information request is overbroad or unduly burdensome. An information request is overbroad if a borrower requests that the servicer provide an unreasonable volume of documents or information to a borrower. An information request is unduly burdensome if a diligent servicer could not respond to the information request without either exceeding the maximum time limit permitted by paragraph (d)(2) of this section or incurring costs (or dedicating resources) that would be unreasonable in light of the circumstances. To the extent a servicer can reasonably identify a valid information request in a submission that is otherwise overbroad or unduly burdensome, the servicer shall comply with the requirements of paragraphs (c) and (d) of this section with respect to that requested information.

(v) *Untimely information request.* The information request is delivered to a servicer more than one year after:

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(A) Servicing for the mortgage loan that is the subject of the information request was transferred from the servicer receiving the request for information to a transferee servicer; or

(B) The mortgage loan is discharged.

(2) *Notice to borrower.* If a servicer determines that, pursuant to this paragraph (f), the servicer is not required to comply with the requirements of paragraphs (c) and (d) of this section, the servicer shall notify the borrower of its determination in writing not later than five days (excluding legal public holidays, Saturdays, and Sundays) after making such determination. The notice to the borrower shall set forth the basis under paragraph (f)(1) of this section upon which the servicer has made such determination.

(g) *Payment requirement limitations.* (1) *Fees prohibited.* Except as set forth in paragraph (g)(2) of this section, a servicer shall not charge a fee, or require a borrower to make any payment that may be owed on a borrower's account, as a condition of responding to an information request.

(2) *Fee permitted.* Nothing in this section shall prohibit a servicer from charging a fee for providing a beneficiary notice under applicable State law, if such a fee is not otherwise prohibited by applicable law.

(h) *Servicer remedies.* Nothing in this section shall prohibit a servicer from furnishing adverse information to any consumer reporting agency or pursuing any of its remedies, including initiating foreclosure or proceeding with a foreclosure sale, allowed by the underlying mortgage loan instruments, during the time period that response to an information request notice is outstanding.

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