

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA, *et. al.*,)
)
 555 4th Street, NW)
)
 Washington, D.C.20530)
)
 Plaintiffs,)
)
 v.)
)
 SUNTRUST MORTGAGE, INC.)
)
 901 Semmes Ave)
)
 Richmond, Virginia 23224)
)
 Defendant.)

Civil Action No. 14-01028 (RMC)

**MONITOR’S INTERIM CONSUMER RELIEF REPORT REGARDING DEFENDANT
SUNTRUST MORTGAGE, INC.**

The undersigned, Joseph A. Smith, Jr., in my capacity as Monitor under the Consent Judgment (Case 1:14-cv-01028-RMC; Document 65) filed in the above-captioned matter on September 30, 2014 (Judgment), respectfully files this Interim Consumer Relief Report (Report) regarding the satisfaction by SunTrust Mortgage, Inc.,¹ as of June 30, 2015, of its Consumer Relief obligations under the Judgment, as such obligations are set forth with more particularity in Exhibits D, D-1, E and I thereto. This Report is filed pursuant to paragraph D.5 of Exhibit E. This Report is not filed under paragraph D.6 of Exhibit E and, as such, this Report is not a determination by me that SunTrust Mortgage, Inc., has satisfied its obligations under the Judgment relative to Consumer Relief.

¹ Under paragraph 5 of the Judgment, SunTrust Mortgage, Inc. may satisfy its Consumer Relief obligations through itself, and through its affiliates and subsidiaries. Accordingly, pursuant to Exhibit I, the “Servicer” for the purpose of Consumer Relief under Exhibits D, D-1 and I is SunTrust Banks, Inc., including its affiliates and subsidiaries. This is different from those parts of the Judgment pertaining to compliance with the Servicing Standards that are set out in Exhibit A, where the “Servicer” is limited to SunTrust Mortgage, Inc. Exhibit A, ¶ IX.B.2.

I. Definitions

This section defines words or terms that are used throughout this Report. Words and terms used and defined elsewhere in this Report will have the meanings given to them in the sections of this Report where defined. Any capitalized terms used and not defined in this Report will have the meanings given to them in the Judgment or the Exhibits attached thereto, as applicable. For convenience, a copy of the Judgment, without the signature pages of the Parties and including only Exhibit D, Exhibit D-1, Exhibit E, and Exhibit I, is attached to this Report as Attachment 1.

In this Report:

- i) *Actual Credit Amount* has the meaning given to the term in Section III.E.2 of this Report;
- ii) *Borrower Outreach Program* means the steps undertaken by Servicer, as required by paragraphs 4.c.i. and ii. of Exhibit I, to increase borrower awareness of the New Lending Program and principal reduction loss mitigation options available pursuant to the Judgment in the Hardest Hit Areas;
- iii) *CLTV* means the combined loan-to-value ratio and is the quotient of the relevant first lien mortgage loan amount plus the mortgage loan amount of any junior lien mortgage loans divided by the appraised fair market value of property that is subject to a mortgage;
- iv) *Consumer Relief* has the meaning given to the term in Section II.A of this Report and consists of one or more of the forms of consumer relief and a refinancing program set out in Exhibits D and I;
- v) *Consumer Relief Report* means the formal, written assertion as to the amount of Consumer Relief credit earned by Servicer, which report is given to the IRG and is the basis on which the IRG performs a Satisfaction Review;

- vi) *Consumer Relief Requirements* means Servicer's obligations in reference to Consumer Relief as set forth in Exhibits D, D-1 and I;
- vii) *Court* means the United States District Court for the District of Columbia;
- viii) *Exhibit* or *Exhibits* means any one or more of the exhibits to the Judgment;
- ix) *Exhibit A* means Exhibit A to the Judgment;
- x) *Exhibit D* means Exhibit D to the Judgment;
- xi) *Exhibit D-1* means Exhibit D-1 to the Judgment;
- xii) *Exhibit E* means Exhibit E to the Judgment;
- xiii) *Exhibit I* means Exhibit I to the Judgment;
- xiv) *First Testing Period* will have the meaning given to the term in Section III.F of this report and is the period from July 1, 2013,² to December 31, 2014;³
- xv) *First Interim Report* means the Interim Consumer Relief Report I filed with the Court on August 11, 2015, regarding Servicer's creditable Consumer Relief for the 100 loans submitted through December 31, 2014;
- xvi) *Hardest Hit Areas* is more fully defined in Section II.B of this Report;

² Exhibit I, ¶ 8.a.xii. Under the Judgment, July 1, 2013, is Servicer's "Start Date" for its Consumer Relief activities.

³ As described in Section III.C of the First Interim Report, prior to the submission to me of the IRG Assertion in relation to the loans that were the subject of the First Interim Report, Servicer informed me that it intended to submit to the IRG for review 100 loans for the period ending December 31, 2014. Servicer indicated that it elected to take this approach so that the IRG could use this initial testing period to ensure that its testing protocols were appropriately designed. Servicer further advised me that, as of December 31, 2014, it had provided creditable relief to borrowers on other loans that were not included in the aforementioned group of 100 loans and that it intended to submit those other loans to the IRG for validation at a later date. I consented to the approach taken by Servicer.

xvii) *Internal Review Group* or *IRG* means an internal quality control group established by Servicer, through SunTrust Bank, Inc., that is independent from Servicer's mortgage servicing operations, as required by paragraph C.7 of Exhibit E;

xviii) *IRG Assertion*, which is more fully defined in Section III.A of this Report, refers to a certification given to me by the IRG regarding the credit amounts reported in the Consumer Relief Report;

xix) *LTV* means loan-to-value ratio and is the quotient of the relevant mortgage loan amount divided by the appraised fair market value of property that is subject to a mortgage;

xx) *Monitor* means and is a reference to the person appointed under the Judgment to oversee, among other obligations, Servicer's satisfaction of the Consumer Relief Requirements, and the Monitor is Joseph A. Smith, Jr., who will be referred to in this Report in the first person;

xxi) *Monitor Report* or *Report* means this report, and *Monitor Reports* or *Reports* is a reference to any additional reports required under paragraph D.5 of Exhibit E;

xxii) *Monitoring Committee* means the Monitoring Committee referred to in paragraph B of Exhibit E;

xxiii) *New Lending Program* means the mortgage origination program or programs established by Servicer pursuant to paragraph 4 of Exhibit I;

xxiv) *Non-Creditable Requirements* means Servicer's additional obligations or commitments pertaining to Consumer Relief pursuant to Exhibit D that are not subject to crediting;

xxv) *Participating Servicer* means, for the purpose of Consumer Relief, one of the following entities: (i) SunTrust Banks, Inc.; (ii) J.P. Morgan Chase Bank, N.A.; (iii) Ocwen Financial Corporation; (iv) Ocwen Loan Servicing, LLC; (v) Ditech Financial LLC, successor by assignment to

Residential Capital, LLC and GMAC Mortgage, LLC; (vi) Bank of America, N.A.; (viii) CitiMortgage, Inc.; or (viii) Wells Fargo & Company and Wells Fargo Bank, N.A.;

xxvi) *Primary Professional Firm* or *PPF* means BDO Consulting, a division of BDO USA, LLP, and the Primary Professional Firm will sometimes be referred to as BDO;

xxvii) *Professionals* means the Primary Professional Firm and any other accountants, consultants, attorneys and other professional persons, together with their respective firms, I engage from time to time to represent or assist me in carrying out my duties under the Judgment;

xxviii) *Reported Credit Amount* has the meaning given to the term in Section III.E.2 of this Report;

xxix) *Satisfaction Review* means a review conducted by the IRG to determine Servicer's satisfaction of the Consumer Relief Requirements, as required in paragraph C.7 of Exhibit E;

xxx) *Second Testing Period* will have the meaning given to the term in Section II.E of this Report and is the period from July 1, 2013 through June 30, 2015;⁴

xxxi) *Servicer* means, for the purpose of Consumer Relief, SunTrust Banks, Inc., including its affiliates and subsidiaries, one of which is SunTrust Mortgage, Inc.;⁵

xxxii) *System of Record* or *SOR* means Servicer's business records pertaining primarily to its mortgage servicing operations and related business operations, which records are primarily electronic, but also include non-electronic data and other information storage systems;

⁴ As described above in footnote 3, prior to the testing conducted in relation to the First Testing Period, I consented to Servicer submitting for testing and validation only 100 loans for the First Testing Period. As a result, the Second Testing Period also includes the entire time period covered by the First Testing Period. The 100 loans tested in the First Testing Period are not included in the Consumer Relief Report that is the subject of the IRG Assertion submitted in relation to the Second Testing Period and described in Section II.E, below.

⁵ Exhibit I, ¶ 1.

xxxiii) *Testing Population* has the meaning given to the term in Section III.E.1 of this Report;

xxxiv) *Total Consumer Relief Funds* means the sum of the credit earned by Servicer as a result of the types of Consumer Relief set forth in Exhibit D-1, as supplemented or amended by Exhibit I, which does not include relief through refinancing of loans;

xxxv) *Total Refinance Funds* means the sum of the credit earned by Servicer in respect to refinancing transactions of the type creditable under paragraph 9 of Exhibit D, as supplemented or amended by Exhibit I;

xxxvi) *Work Papers* mean the documentation of the test work and assessments by the IRG with regard to Servicer's satisfaction of the Consumer Relief Requirements, which documentation is required to be sufficient for the PPF to substantiate and confirm the accuracy and validity of the work and conclusions of the IRG; and

xxxvii) *Work Plan* means the work plan established by agreement between Servicer and me pursuant to paragraphs C.11 through C.14 of Exhibit E.

II. Introduction

A. Forms of Consumer Relief

As reported in the First Interim Report, under the terms of the Judgment, Servicer is required to provide mortgage loan relief to distressed borrowers and a refinancing program to current borrowers who would not otherwise qualify for a refinance. Servicer may also establish a mortgage origination program, for which credit may be received up to a maximum amount. The mortgage loan relief, mortgage origination program and refinancing program are required to be through one or more of the forms of consumer relief and a refinancing program set out in Exhibit D, as amended or supplemented by Exhibit I (Consumer Relief). These forms of Consumer Relief consist of:

- First Lien Mortgage Modifications⁶
- Second Lien Portfolio Modifications⁷
- Enhanced Borrower Transitional Funds⁸
- Short Sales and Deeds-in-Lieu⁹
- Deficiency Waivers¹⁰
- Forbearance for Unemployed Borrowers¹¹
- Anti-Blight Loss Mitigation Activities¹²
- Benefits for Servicemembers¹³
- Refinancing Program¹⁴
- New Lending Program¹⁵

⁶ Exhibit D, ¶ 1; Exhibit D-1, ¶ 1; Exhibit I, ¶¶ 8.a.i-vi, 8.a.xvi and 8.a.xviii. Creditable First Lien Mortgage Modifications include: Standard Principal Reduction Modifications (Exhibit D-1, ¶ 1.i); Forbearance Conversions (Exhibit D-1, ¶ 1.ii); Conditional Forgiveness Modifications (Exhibit D, ¶ 1.i); Streamline Modifications (Exhibit D, ¶ 1.f; Exhibit I ¶ 8.a.v); FHA Principal Reductions (Exhibit D, ¶ 1.j.i); and Government Modifications (Exhibit D, ¶ 1.j.ii).

⁷ Exhibit D, ¶ 2; Exhibit D-1, ¶ 2; Exhibit I, ¶¶ 6 and 8.a.xvi. Creditable Second Lien Portfolio Modifications include proprietary (non-MHA) second lien principal reductions, also known as “2.b Modifications” (Exhibit D, ¶ 2.b; Exhibit I, ¶ 6); second lien principal reductions based upon a completed non-HAMP first lien modification by a Participating Servicer, also known as “2.c Modifications” (Exhibit D, ¶ 2.c; Exhibit I, ¶ 6); second lien modifications conducted through the Making Home Affordable Program (including 2MP), the FHA Short Refinance Second Lien Program (FHA2LP) or the HFA Hardest Hit Fund (or any other appropriate governmental program), also known as “2.d Modifications” or “second lien government modifications” (Exhibit D, ¶ 2.d; Exhibit I, ¶ 6); and second lien extinguishments to support the future ability of individuals to become homeowners, also known as “2.e Extinguishments” (Exhibit D, ¶ 2.e; Exhibit I, ¶ 6).

⁸ Exhibit D, ¶ 3; Exhibit D-1, ¶ 3; Exhibit I, ¶ 8.a.xvii.

⁹ Exhibit D, ¶ 4; Exhibit D-1, ¶ 4. Creditable loss mitigation transaction types in the context of Short Sales and Deeds-in-Lieu include payments made to an unrelated second lien holder for release of a second lien in connection with a completed Short Sale or Deed-in-Lieu (Exhibit D-1, ¶ 4.i); acceptance of a short sale, forgiveness of a deficiency and release of lien on a first lien loan or second lien loan (including extinguishment of an owned second lien) in connection with a successful short sale or deed-in-lieu (Exhibit D, ¶ 4.b and c; Exhibit D-1, ¶ 4.ii, iii and iv); and extinguishment of an owned second lien to facilitate a short sale or deed-in-lieu successfully conducted by a Participating Servicer (Exhibit D, ¶ 4.d; Exhibit D-1, ¶ 4.iv).

¹⁰ Exhibit D, ¶ 5; Exhibit D-1, ¶ 5.

¹¹ Exhibit D, ¶ 6; Exhibit D-1, ¶ 6.

¹² Exhibit D, ¶ 7; Exhibit D-1, ¶ 7. Creditable Anti-Blight Loss Mitigation Activities include forgiveness of principal associated with a property where Servicer does not pursue foreclosure (Exhibit D-1, ¶ 7.i); payment of cash for demolition of property (Exhibit D-1, ¶ 7.ii); and REO properties donated to accepting municipalities, nonprofits, disabled servicemembers or relatives of deceased servicemembers (Exhibit D-1, ¶ 7.iii).

¹³ Exhibit D, ¶ 8.

¹⁴ Exhibit D, ¶ 9; Exhibit I, ¶¶ 5 and 8.a.vii-xi.

¹⁵ Exhibit I, ¶ 4.a and b.

B. Consumer Relief – Eligibility Criteria and Earned Credits

As reflected in Exhibits D and I, each of the forms of Consumer Relief has unique eligibility criteria and modification requirements. In order for Servicer to receive credit with respect to Consumer Relief activities on any mortgage loan, these eligibility criteria and modification requirements must be satisfied with respect to such mortgage loan and such satisfaction has to be validated by me in accordance with Exhibits D, D-1, E and I. As shown in the First Interim Report, the credits earned can vary based on timing, the form of Consumer Relief, and the transaction type within each form.

With respect to the requirements pertaining to timing, Servicer may receive additional credit against its Consumer Relief Requirements for amounts credited pursuant to its Refinancing Program, its New Lending Program and for First Lien Mortgage Modifications and Second Lien Portfolio Modifications. This additional credit is in the amount of 25% of the actual credits earned on the foregoing activities completed between January 1, 2014, and January 1, 2015.¹⁶ In contrast to the foregoing incentive for promptness, Servicer will incur a penalty of 125% of its unmet Consumer Relief Requirements if it does not meet all of its Consumer Relief Requirements within three years of September 30, 2014. That penalty will increase to 140% of its unmet Consumer Relief Requirements in cases in which Servicer also had failed to complete 75% of its total Consumer Relief Requirements within two years of September 30, 2014.¹⁷

Servicer may also receive additional credit against its Consumer Relief Requirements for amounts credited pursuant to its New Lending Program and for First Lien Mortgage Modifications and Second Lien Portfolio Modifications. This additional credit is in the amount of 25% of the actual

¹⁶ Exhibit D, ¶ 10.b; Exhibit I, ¶ 8.a.xiii. This additional credit for consumer relief activity completed between January 1, 2014 and January 1, 2015, is cumulative with other credits earned, including any additional credit Servicer earns for activities completed in reference to borrowers in the Hardest Hit Areas, as discussed in this Section II.B.

¹⁷ Exhibit D, ¶ 10.d; Exhibit I, ¶ 8.a.xv. September 30, 2014, is Servicer's "Effective Date" of the Consent Judgment.

credits earned on the foregoing activities completed to borrowers in Hardest Hit Areas.¹⁸ This additional credit is conditioned upon Servicer's satisfaction of the outreach requirements set forth in Exhibit I.¹⁹

With respect to the requirements applicable to the forms of Consumer Relief and the transaction types within each form, on an aggregate basis, at least 65% of the first lien mortgages on occupied properties for which Servicer may get credit for First Lien Mortgage Modifications must have an unpaid principal balance before capitalization at or below the highest GSE conforming loan limit caps as of January 1, 2010;²⁰ and at least \$187,500,000 of Servicer's Total Consumer Relief Funds²¹ must be through a combination of first lien principal forgiveness modifications and second lien

¹⁸ Exhibit I, ¶¶ 4.b.ii and 8.a.xix. Exhibit I, ¶ 4.a.i (2) states that the Hardest Hit Areas will be set forth in Appendix A to Exhibit I; however, the Judgment as filed does not contain an Appendix A to Exhibit I. I am informed by Servicer that a list of Hardest Hit Areas that the Department of Housing and Urban Development (HUD) provided to Servicer which the parties intended to be Appendix A to Exhibit I was unintentionally excluded from the Judgment. Servicer provided that list of Hardest Hit Areas to the PPF.

¹⁹ Paragraph 8.a.xix of Exhibit I provides that:

[t]he Servicer will receive an additional 25% credit for any first or second lien principal reduction modifications made, pursuant to Paragraphs 1 and 2 of Exhibit D [relating to First Lien Mortgage Modifications and Second Lien Portfolio Modifications, respectively] and Paragraph 6 of Exhibit I [relating to additional elements of the Second Lien Principal Modification Program], to borrowers in Hardest Hit Areas. This credit is conditioned on Servicer's satisfaction of the outreach requirements as set forth in Paragraph 4.c.iii [of Exhibit I].

Relatedly, paragraph 4.c.ii of Exhibit I provides that:

[t]he Servicer must employ one or more activities in satisfaction of the requirement in Paragraph 4.c.i., above [regarding the type of steps the Servicer may take to fulfill Servicer's Borrower Outreach Program in Hardest Hit Areas requirement], on a scheduled and sustained basis unless and until it (1) reports to the Monitor that it has fulfilled its total consumer relief obligation, or (2) informs the Monitor in writing that it no longer intends to seek credit for activities under the Lending Program or for bonus credit associated with 1st and 2nd lien principal reduction modifications in Hardest Hit Areas.

While the Servicer may report and the IRG may validate Hardest Hit Areas Credit as part of its interim Satisfaction Reviews, pursuant to Exhibit I.4.c.iii and Exhibit I.8.a.xix, my validation of Hardest Hit Areas Credit in any Report relating to any interim Satisfaction Review will be conditioned upon my certification that Servicer has complied with Exhibit I.4.c.i. *See* Exhibit I, ¶ 4.c.iii. In the event that I conclude that Servicer has not complied with Exhibit I.4.c.i, Servicer's validated credit amount will be reduced by the amount of Hardest Hit Areas Credit claimed by the Servicer. *See* Section V, below.

²⁰ Exhibit D, ¶ 1.b, as amended by Exhibit I, ¶ 8.a.i. GSE conforming loan limit caps as of January 1, 2010 are: 1 Unit - \$729,750; 2 Units - \$934,200; 3 Units - \$1,129,250; and 4 Units - \$1,403,400.

²¹ Servicer's Total Consumer Relief Funds obligation is \$475,000,000.

portfolio modifications (1st/2nd Lien Principal Reduction Obligation),²² with no less than \$93,750,000 of the 1st/2nd Lien Principal Reduction Obligation being satisfied through first lien principal forgiveness modifications (1st Lien Principal Reduction Obligation). Servicer's Total Refinance Funds must be at least \$25,000,000, of which only \$5,000,000 may be through the refinance of second liens.²³ Additionally, the Servicer may not receive credit of more than \$100,000,000 for relief provided to borrowers who meet the eligibility criteria of the New Lending Program pursuant to the requirements of Exhibit I.²⁴

Finally, with respect to the requirements applicable to the forms of Consumer Relief on the basis of transaction types, there are differences in eligibility requirements and crediting methodology for transaction types within each of the forms of Consumer Relief; there are also differences in eligibility requirements and crediting methodology among the various forms of Consumer Relief. These differences were explained in detail in Section II.B.5 of the First Interim Report, and, as set out in that Section, in general, credit amounts for all types of eligible relief other than the refinancing of first and second lien loans and loans originated pursuant to the New Lending Program are derived by multiplying the actual relief afforded to the borrower by a multiplier of between \$0.05 and \$1.00.²⁵ For each eligible loan originated pursuant to the New Lending Program, Servicer will receive \$10,000 credit (which can be increased if Servicer qualifies for early incentive credit, the Hardest Hit Areas credit, or both);²⁶ and the credit amount for a refinanced loan is calculated by multiplying the

²² Exhibit I, ¶ 3.a.i.

²³ Exhibit I, ¶¶ 3.a.ii and 5.c.iii. Credits earned by the Servicer on the Refinancing Program beyond that required by the Judgment can be credited against Servicer's overall consumer relief obligation, provided that any such credit shall not reduce or count against Servicer's minimum 1st lien Principal Reduction Obligation or 1st/2nd Lien Principal Reduction Obligation. Exhibit I, ¶ 8.a.x.

²⁴ Exhibit I, ¶ 3.a.iii.

²⁵ The multiplier used to determine credit amounts depends upon a variety of factors, including, for example, the type of relief given, the loan's pre-modification LTV, the borrower's delinquency status and whether Servicer owns the loan or is servicing it for third-party investors. Exhibit D-1.

²⁶ Exhibit I, ¶ 4.b.

difference between the pre-refinance and post-refinance interest rates by the unpaid principal balance and then multiplying the resulting product by a multiplier based upon the period of time during which the loan's reduced interest rate is to be in effect.²⁷

C. Consumer Relief – Servicer's Obligations

Under the terms of the Judgment, Servicer is obligated to provide \$500,000,000 in Consumer Relief. Servicer's Consumer Relief Requirements are allocated as follows: \$475,000,000 of relief to consumers who meet the eligibility requirements in paragraphs 1-8 of Exhibit D, as amended or supplemented by Exhibit I; and \$25,000,000 of refinancing relief to consumers who meet the eligibility requirements of paragraph 9 of Exhibit D, as amended or supplemented by Exhibit I.

D. Consumer Relief – Monitor's Obligations

The Judgment requires that I determine whether Servicer has satisfied the Consumer Relief Requirements in accordance with the authorities provided in the Judgment and report my findings to the Court in accordance with the provisions of paragraphs D.3 through D.5 of Exhibit E.²⁸ Under paragraph D.5 of Exhibit E, I am required to file my report with the Court after each Satisfaction Review and I am required to include in my report the number of borrowers assisted and credited activities conducted by Servicer pursuant to the Consumer Relief Requirements. I am also required to include in my report any material inaccuracies identified in prior State Reports filed by Servicer.²⁹ In the First Interim Report, I reported that Servicer had submitted 100 loans for credit completed between July 1, 2013, and December 31, 2014, and earned the Consumer Relief Credit reflected below in Table 1:

²⁷ Exhibit D, ¶ 9.e; Exhibit I, ¶¶ 5.c.iii and 8.a.ix.

²⁸ Exhibit E, ¶ C.5.

²⁹ Exhibit E, ¶ D.5. The Judgment requires that the Servicer, following the end of each quarter, "transmit to each state a report (the 'State Report') including general statistical data on Servicer's servicing performance, such as aggregate and state-specific information regarding the number of borrowers assisted and credited activities conducted pursuant to the Consumer Relief Requirements, as described in Schedule Y." Exhibit E, ¶ D.2.

Table 1

Type of Relief	Loan Count	Claimed Credit Amount
First Lien Mortgage Modifications	30	\$4,352,240
Standard Principal Reduction	13	1,840,234
Streamline Modifications	17	2,512,006
Refinancing Program	30	\$2,887,971
New Lending Program	40	\$587,500
First Time Homebuyer	12	150,000
Hardest Hit Areas Homebuyer	28	437,500
Total Consumer Relief Programs	100	\$7,827,711

E. Consumer Relief – Servicer’s Request

On August 14, 2015, after completing a Satisfaction Review, the IRG submitted to me an IRG Assertion on the amount of Consumer Relief credit that Servicer had claimed to have earned from July 1, 2013 through June 30, 2015 (Second Testing Period).³⁰ Servicer has requested that, in addition to reporting on the IRG Assertion, I review its crediting activity through June 30, 2015, and validate that the amount of credit claimed in the IRG Assertion is accurate and in accordance with Exhibits D, D-1 and I. In other words, Servicer has requested that I perform an interim review of Servicer’s partial satisfaction of its Consumer Relief Requirements.

III. Review – Partial Satisfaction

A. Overview

The IRG is charged with performing, among other reviews, a Satisfaction Review after the end of each calendar year and at other times during the term of the Judgment. In addition, Servicer may, in

³⁰ See footnote 4, above.

its discretion, choose to have the IRG conduct a Satisfaction Review at the end of any quarter.³¹ Servicer elected to exercise this discretion and have the IRG conduct a Satisfaction Review for the Second Testing Period. Once the IRG completes a Satisfaction Review, the IRG is required to report the results of that work to me through an IRG Assertion. When I receive an IRG Assertion, with the assistance of my PPF, I undertake the necessary confirmatory due diligence and validation of Servicer's claimed Consumer Relief credits as reflected in the IRG Assertion and then file with the Court a report regarding my findings. As noted above in Section II.E, this Report pertains to my findings regarding an IRG Assertion covering the Second Testing Period. Also, as noted above, at Servicer's request, this Report includes an interim review of Servicer's partial satisfaction of its Consumer Relief Requirements as reflected in the IRG Assertion.³²

B. Consumer Relief Satisfaction Review Process

In order to better accomplish the processes outlined in Section III.A above, Servicer, through SunTrust Mortgage, Inc., and I agreed upon, and the Monitoring Committee did not object to, a Work Plan that, among other things, sets out the testing methods, procedures and methodologies that are to be used relative to confirmatory due diligence and validation of Servicer's claimed Consumer Relief under Exhibits D, D-1 and I.

As contemplated in, and in furtherance of, the Work Plan, Servicer, through SunTrust Mortgage, Inc., and I also agreed upon Testing Definition Templates that outline the testing methods and process flows to be utilized to assess whether, and the extent to which, the credits Servicer would be claiming for its Consumer Relief activities were earned credits, that is, credits that could be applied toward satisfaction of Servicer's Consumer Relief Requirements. Additionally, based upon these

³¹ Exhibit E, ¶ C.7.

³² In the First Interim Report, I reviewed the qualifications of the IRG. While I will not be addressing this issue in this Report, I have not become aware of any facts that would lead me to question the competency and integrity of the IRG.

Testing Definition Templates, the IRG developed detailed test plans, tailored to Servicer's System of Record and business practices in the areas of mortgage loan servicing. These test plans, which were reviewed and commented upon by me and Professionals engaged by me, offered a step-by-step approach to testing mortgage loans in each of the different Consumer Relief transaction types. The testing methods and process flows are described in detail in Section III.B of the First Interim Report, and as set out in that Section, they entail the examination and testing by each of the IRG and the PPF of creditable activities, together with calculations based on the results of those examinations; and for some Consumer Relief transaction types, the review of state laws relative to the transaction types and the relief claimed by Servicer. Additional preparatory due diligence included both in-person and web-based meetings by the PPF with the IRG and the PPF's unfettered access to the IRG and the IRG's Work Papers during the PPF's confirmatory work and validation of Servicer's assertions relative to its Consumer Relief activities.

C. Servicer's Assertions

In Servicer's Consumer Relief Report submitted to the IRG, Servicer claimed that for the Second Testing Period it was entitled to claim credit in the amount of \$362,646,294 pursuant to Exhibits D, D-1 and I. Approximately 74% of the credit was a result of relief afforded to borrowers on loans in Servicer's mortgage loan portfolio that are held for investment; and the remainder was a result of relief afforded to borrowers on loans that Servicer was servicing for other investors. Approximately 18% of Servicer's claimed credit was through First Lien Mortgage Modifications and approximately 39% was through Second Lien Portfolio Modifications. The Refinancing Program made up 11% of Servicer's claimed credit and the origination of loans through the New Lending Program accounted for approximately 22% of the claimed credit. Short sales, deeds-in-lieu and other types of Consumer Relief made up approximately 10% of Servicer's claimed credit. A breakdown of the Consumer Relief

credit, by type of relief, claimed by Servicer and validated by the IRG for the Second Testing Period is set forth below in Table 2:

Table 2

Type of Relief	Loan Count	Claimed Credit Amount
First Lien Mortgage Modifications	424	\$64,318,225
Standard Principal Reduction	153	20,345,776
Streamline Modifications	271	43,972,449
Second Lien Portfolio Modifications	7,740	\$142,931,313
2.b Modifications	9	282,512
2.e Extinguishments	7,731	142,648,801
Refinancing Program	1,570	\$39,890,797
Standard Refinance – First Lien	743	31,183,069
Second Lien Rate Reduction	827	8,707,728
Other Creditable Items	1,162	\$35,069,085
Enhanced Borrower Transitional Funds	47	52,609
Payment to an Unrelated 2 nd Lien Holder	104	636,086
Short Sales/Deeds-in-Lieu	1,006	32,966,390
REO Properties Donated	5	1,414,000
New Lending Program	5,925	\$80,436,875
First Time Homebuyer	3,506	43,277,500
Hardest Hit Areas Homebuyer	2,418	37,146,875
Previously Liquidated Homebuyer	1	12,500
Total Consumer Relief Programs	16,821	\$362,646,294³³

D. Internal Review Group's Satisfaction Review

After submitting its IRG Assertion on August 14, 2015, the IRG reported to me the results of its Satisfaction Review, which report concluded that:

³³ Throughout this report, any dollar differences in totals are the result of rounding.

- i) the Consumer Relief asserted by Servicer for the Second Testing Period was based on completed transactions that were correctly reported by Servicer;
- ii) Servicer had correctly credited such Consumer Relief activities, so that the claimed amount of credit is correct; and
- iii) the claimed Consumer Relief correctly reflected the requirements, conditions and limitations, as currently applicable, set forth in Exhibits D, D-1 and I.

According to the IRG's report to me, its Satisfaction Review was based on a detailed review of Servicer's relevant records and on statistical sampling to a 99% confidence level.³⁴ The report of the IRG with regard to its Satisfaction Review was accompanied by the IRG's Work Papers reflecting its review and analysis.

E. IRG Testing and Confirmation as to Consumer Relief Credit Earned

1. Population Definition/Sampling Approach. The IRG's testing of Servicer's Consumer Relief Report as to the amount of Consumer Relief credit earned first involved the IRG randomly selecting five statistically valid samples from all mortgage loans receiving Consumer Relief for which Servicer sought credit in the Second Testing Period. Each of these samples was drawn from one of five separate and distinct categories, each of which was treated as a testing population (Testing Population). These Testing Populations were: (1) First Lien Mortgage Modifications,³⁵ including Standard Principal Reduction Modifications and Streamline Modifications; (2) Second Lien Portfolio Modifications,³⁶ including second lien principal reduction modifications and second lien principal

³⁴ Confidence level is a measure of the reliability of the outcome of a sample. A confidence level of 99% in performing a test on a sample means there is a probability of at least 99% that the outcome from the testing of the sample is representative of the outcome that would be obtained if the testing had been performed on the entire population.

³⁵ Exhibit D, ¶ 1 and Exhibit I, ¶ 8.a.i-vi.

³⁶ Exhibit D, ¶ 2 and Exhibit I, ¶ 6.

extinguishments; (3) Refinancing Program,³⁷ including standard first lien refinances and second lien rate reductions; (4) Other Credits,³⁸ including short sales, deeds-in-lieu, enhanced borrower transition funds, payments to unrelated second lien holders and anti-blight loss mitigation activities; and (5) New Lending Program,³⁹ pursuant to which Servicer may receive credit for originating loans to certain first-time homebuyers, hardest hit area homebuyers and homebuyers who have previously lost a home to foreclosure or short sale. The samples for each of these Testing Populations were selected utilizing a query script in the Archer system⁴⁰ that randomized all loans in each testing population and selected a sample from the fully randomized population list. In determining the sample size, the IRG, in accordance with the Work Plan, utilized at least a 99% confidence level (one tailed), 2.5% estimated error rate and 2% margin of error approach. The total number of loans in each Testing Population and the number of loans tested by the IRG, which number was equal to the number the Servicer and I had contemplated when developing the Work Plan, are set forth below in Table 3:

³⁷ Exhibit D, ¶ 9 and Exhibit I, ¶¶ 5 and 8.a.vii-xi.

³⁸ Exhibit D, ¶¶ 3, 4 and 7.

³⁹ Exhibit I, ¶ 4.

⁴⁰ Archer is a web-based governance, risk, and compliance tool that stores all information for all loans in each Testing Population. It also functions as a work paper repository in which the IRG performs testing and records evidence. The IRG also uses Archer to determine statistically valid sample sizes and select a random population.

Table 3

Testing Population	Number of Loans in Credit Population	Total Reported Credit Amount	Number of Loans in IRG Sample	Total Reported Credit Amount in IRG Sample
First Lien Mortgage Modifications	424	\$64,318,225	186	\$28,635,535
Second Lien Portfolio Modifications	7,740	\$142,931,313	317	\$6,139,254
Refinancing Program	1,570	\$39,890,797	273	\$7,015,172
Other Credits	1,162	\$35,069,085	258	\$6,785,068
New Lending Program	5,925	\$80,436,875	313	\$4,276,875
Total Loans	16,821	\$362,646,295	1,347	\$52,851,904

2. Approach to Testing Loans. For each of the loans in the samples drawn from the five Testing Populations, the IRG conducted an independent review to determine whether the loan was eligible for credit and the amount of credit reported by Servicer was calculated correctly. The IRG executed its review pursuant to and in accordance with the Work Plan and Testing Definition Templates and related test plans for each of the five Testing Populations by accessing from Servicer's SOR the various data inputs required to undertake the eligibility determination and credit calculation for each loan. Additionally, the IRG captured and saved in its Work Papers available screenshots from the SOR evidencing the relevant data. For each loan tested in a sample, the IRG determined whether it was eligible for credit based upon the assembled data for that loan, again following the appropriate Testing Definition Template and related test plans. If a loan was determined to be ineligible for credit, the IRG would conclude that Servicer should receive no credit for that loan. For each loan it determined to be eligible for credit, the IRG would recalculate the credit amount.

After verifying the eligibility and recalculating credit for all loans in the sample for each Testing Population, the IRG computed the sum of the recalculated credits for each sample for each Testing Population (Actual Credit Amount) and compared that amount against the amount of credit claimed by Servicer for the sample of the respective Testing Population (Reported Credit Amount). According to the Work Plan, if the Actual Credit Amount equals the Reported Credit Amount or if the Reported Credit Amount is not more than 2.0% greater or less than the Actual Credit Amount for any of the five Testing Populations, the Reported Credit Amount will be deemed correct and Servicer's Consumer Relief Report will be deemed to have passed the Satisfaction Review and will be certified by the IRG to the Monitor. If, however, the IRG determined that the Reported Credit Amount for any of the five Testing Populations exceeded by more than 2.0% the Actual Credit Amount, the IRG would inform Servicer, which would then be required to perform an analysis of the data of all loans in the Testing Population from which the sample had been drawn, identify and correct any errors, and provide an updated Consumer Relief Report to the IRG. The IRG would then select a new sample and test the applicable Testing Population or Testing Populations against the new report in accordance with the process set forth above. If the IRG determined that the Actual Credit Amount exceeded by more than 2.0% the Reported Credit Amount for a particular Testing Population, Servicer had the option of either (i) taking credit for the amount it initially reported to the IRG or (ii) correcting any underreporting of Consumer Relief credit and resubmitting the entire population of loans to the IRG for further testing in accordance with the process set forth above.⁴¹

⁴¹ Exhibits D and D-1, as modified by Exhibit I, also contain certain caps, minimums and other requirements the compliance with which can only be assessed once Servicer has asserted that it has fully satisfied its Consumer Relief Requirements pursuant to Exhibits D and D-1. Because Servicer is not asserting that it has fully satisfied its Consumer Relief Requirements, neither the IRG nor I have assessed Servicer's compliance with those caps, minimums and other requirements.

3. Results of IRG Testing of Reported Consumer Relief Credit. Utilizing the steps set forth above, the IRG determined that the difference between the Reported Credit Amount and the Actual Credit Amount for each sample of the five Testing Populations was within the 2.0% error threshold described above, as shown in Table 4:

Table 4

Testing Population	Loans Sampled	Servicer Reported Credit Amount	IRG Calculated Actual Credit Amount	Amount Overstated/ (Understated)	% Difference
First Lien Mortgage Modifications	186	\$28,635,535	\$28,498,120	\$137,415	0.48%
Second Lien Portfolio Modifications	317	\$6,139,254	\$6,139,568	(\$314)	(0.01)%
Refinancing Program	273	\$7,015,172	\$7,006,279	\$8,893	0.13%
Other Credits	258	\$6,785,068	\$6,753,067	\$32,001	0.47%
New Lending Program	313	\$4,276,875	\$4,276,875	\$0	0.00%

Based upon the results set forth above, the IRG certified to me that Servicer had earned the amount of Consumer Relief credit Servicer reported and such Reported Credit Amount was accurate and conformed to the requirements in Exhibits D, D-1 and I. This certification was evidenced in the IRG Assertion attached to this Report as Attachment 2, which assertion is in the form required by the Work Plan.

F. Monitor's Review of the IRG's Assertion on Consumer Relief Credit

1. Preliminary Review. As discussed in the First Interim Report, prior to the PPF's review of the IRG's Consumer Relief testing for the 100 loans submitted for the period extending from July 1, 2013 through December 31, 2014 (First Testing Period), I, along with the PPF and some of my other

Professionals, met with representatives of Servicer to gain an understanding of its mortgage banking operations, SOR and IRG program, and the IRG's proposed approach for Consumer Relief testing, among other things. The knowledge gained during these meetings relative to the First Testing Period carried forward into the Second Testing Period and was supplemented by the PPF as necessary or appropriate through continued interaction with the IRG and Servicer.

2. Review. At my direction, the PPF conducted an extensive review of the testing performed by the IRG relative to Consumer Relief crediting for the Second Testing Period. This review of Consumer Relief crediting began in late August, 2015, and continued, with only minimal interruption, until the filing of this Report. The principal focus of the reviews was the PPF's testing of the entire sample of loans in each of the five Testing Populations, following the process and procedures set out in the Testing Definition Templates and the IRG's test plans. These reviews were of the same type as those undertaken by the PPF in performing its confirmatory work for the First Testing Period and included access to information of the type substantially identical to that which it was afforded access relative to its confirmatory work for the First Testing Period.

3. Results of the PPF's Testing of Reported Consumer Relief Credit. In its review of the IRG's work for the Second Testing Period, as explained above, the PPF conducted detailed re-testing of the entire sample of loans originally tested by the IRG.

As described above, throughout its testing process, the PPF interacted extensively with the IRG to resolve issues that arose during the testing process. These issues included the following, among others: (i) the type of evidence required to demonstrate that payments on a loan that was the subject of a First Lien Standard Principal Reduction Modification or First Lien Streamline Modification were current ninety days after the implementation of the modification, or became current prior to the 180th

day after the implementation of the modification;⁴² (ii) the type of evidence required to demonstrate that second liens for which Servicer was seeking second lien extinguishment credit had been intact before being extinguished; (iii) the type of evidence required to demonstrate that there was not a pending foreclosure sale in relation to an associated first lien that Servicer owned or serviced at the time of a second lien extinguishment for which Servicer seeks credit;⁴³ (iv) the appropriate methodology for calculating the credit due Servicer as a result of a short sale transaction completed by Servicer that included a payment to an unrelated second lien holder for the release of a second lien; (v) the type of evidence required to demonstrate that a loan originated under the New Lending Program was obtained via acquisition through Servicer's normal and customary channels (e.g., correspondent loans); (vi) the type of evidence, including loan information with respect to the borrower's associated first lien, and any other junior lien, if applicable, required to calculate the CLTV of a loan in relation to which Servicer was seeking second lien rate reduction credit; and (vii) the type of evidence required to demonstrate the timeliness of a valuation utilized to calculate the LTV or CLTV of loan.

After completing the loan-level testing, the PPF determined that the IRG had correctly validated the Consumer Relief credit amounts reported by Servicer in the five Testing Populations. The results of the PPF's loan-level testing are set forth in Table 5:

⁴² See Exhibit D-1, footnote 2, as amended by Exhibit I, ¶ 8.a.xviii.

⁴³ See Exhibit I, ¶ 6.c.

Table 5

Type of Relief	Loans Reviewed by PPF	Servicer Reported Credit Amount	PPF Calculated Actual Credit Amount	Amount Overstated/ (Understated)	% Difference
First Lien Mortgage Modifications	186	\$28,635,535	\$28,454,908	\$180,627	0.63%
Second Lien Portfolio Modifications	317	\$6,139,254	\$6,118,178	\$21,076	0.34%
Refinancing Program	273	\$7,015,172	\$7,005,436	\$9,736	0.14%
Other Credits	258	\$6,785,068	\$6,757,881	\$27,187	0.40%
New Lending Program	313	\$4,276,875	\$4,276,875	\$0	0.00%

For each of the samples tested, the difference between the Reported Credit Amount and the actual credit amount as calculated by the PPF was within the margin of error set forth in the Work Plan. In addition, other than the PPF's findings that: (1) a First Lien Standard Principal Reduction Modification was not current 90 days after the implementation of the modification and did not become current prior to the 180th day after the implementation of the modification, (2) four second lien extinguishments were ineligible because the evidence presented for each loan did not establish that the subject lien was intact when the extinguishment was implemented, and (3) there were instances where Servicer and the IRG miscalculated the amount of credit due to the Servicer in reference to a particular Consumer Relief transaction, the PPF's credit calculation and the IRG's credit calculation are substantially the same.

The PPF documented its findings in its work papers and has reported them to me. I then undertook an in-depth review of the IRG's Work Papers with the PPF, as well as the PPF's work papers.

IV. Monitor's Review of Non-Creditable Requirements of Exhibit D

As part of my interim review of Servicer's Consumer Relief activities, I undertook an inquiry into whether Servicer complied with certain Non-Creditable Requirements of Exhibit D, as amended by Exhibit I. Specifically, under Exhibit D, Servicer agreed that:

i) Servicer "will not implement any of the Consumer Relief Requirements described [in Exhibit D to the Judgment] through policies that are intended to [(1)] disfavor a specific geography within or among states that are a party to the Judgment or [(2)] discriminate against any protected class of borrowers";⁴⁴

ii) Servicer "shall not, in the ordinary course, require a borrower to waive or release legal claims and defenses as a condition of approval for loss mitigation activities under these Consumer Relief Requirements";⁴⁵

iii) Servicer shall modify a second lien mortgage owned by Servicer consistent with the treatment waterfall described in paragraph 2.c.i of Exhibit D, as modified by Exhibit I, within a reasonable amount of time to facilitate a Participating Servicer's modification of a first lien mortgage owned by the Participating Servicer;⁴⁶

iv) Servicer shall "extinguish a second lien owned by Servicer behind a successful short sale/deed-in-lieu conducted by a Participating Servicer ... where the first lien is greater than 100% LTV and has an [unpaid principal balance] at or below the Applicable Limits, until the Servicer's Consumer Relief Requirement credits are fulfilled";⁴⁷

⁴⁴ Exhibit D, Introduction.

⁴⁵ Exhibit D, Introduction. The Judgment contains an exception to this requirement that permits Servicer to require a waiver or release of legal claims and defenses with respect to a Consumer Relief activity offered in connection with the resolution of a contested claim, when the borrower would not otherwise have received as favorable terms or when the borrower receives additional consideration.

⁴⁶ Exhibit D, ¶ 1.h, as amended by Exhibit I, ¶ 8.a.vi.

⁴⁷ Exhibit D, ¶ 4.d.

v) Servicer will adjust the credits it claimed for Consumer Relief implemented pursuant to the Settlement by any incentive payments (federal or state funds) that are “the source of [the] Servicer’s credit claim”;⁴⁸

vi) Servicer will implement a refinancing program for all borrowers who meet the minimum eligibility criteria in paragraph 9.a. of Exhibit D, and “use reasonable efforts to identify active servicemembers in its owned portfolio who would qualify and to solicit those individuals for the refinancing program”;⁴⁹ and

vii) Servicer will, in the case of an owned portfolio first lien, waive any deficiency amount remaining after an eligible servicemember sells his or her principal residence in a short sale conducted in accordance with Servicer’s then customary short sale process, so long as the deficiency amount is less than \$250,000.⁵⁰

In order to assess Servicer’s compliance with the Non-Creditable Requirements, the PPF and I interviewed the Executive Vice President and the Managing Attorney for SunTrust Mortgage, Inc. The focus of this interview was an inquiry into the processes and procedures that Servicer utilized to (i) select the borrowers to whom it provided the Consumer Relief for which it now seeks and will in the future seek credit pursuant to the Judgment; and (ii) ensure that it is complying with the Non-Creditable Requirements.

Throughout my tenure as Monitor, my Professionals and I have interacted with both of the persons who were interviewed and know them to have responsibilities related to Servicer’s day-to-day compliance with the Consumer Relief requirements of the Judgment. As a result, I believe them to possess the requisite knowledge concerning Servicer’s compliance with the Non-Creditable

⁴⁸ Exhibit D, ¶¶ 1.j.ii and 2.d.i.

⁴⁹ Exhibit D, ¶¶ 8.c and 9.a.

⁵⁰ Exhibit D, ¶ 8.b.i.

Requirements and have concluded that their responses to our inquiries have been credible and consistent with information obtained through the Consumer Relief credit testing and other procedures undertaken by my Professionals and me to ensure Servicer's compliance with the Judgment.

Based upon the interview of the foregoing persons, in conjunction with the above described loan-level testing undertaken by the PPF, I have no reason to believe that Servicer has, as of June 30, 2015:

- i) Implemented any of the Consumer Relief Requirements through policies that are intended to (1) disfavor a specific geography within or among states that are a party to the Judgment or (2) discriminate against any protected class of borrowers;
- ii) Required borrowers to waive or release legal claims and defenses as a condition of approval for loss mitigation activities under these Consumer Relief requirements;
- iii) Failed to modify a second lien mortgage owned by Servicer consistent with the treatment waterfall described in paragraph 2.c.i of Exhibit D, as modified by Exhibit I, within a reasonable amount of time to facilitate a Participating Servicer's modification of a first lien mortgage owned by the Participating Servicer;⁵¹
- iv) Failed to extinguish a second lien owned by Servicer behind a successful short sale/deed-in-lieu conducted by a Participating Servicer where the first lien is greater than 100% LTV and has an unpaid principal balance at or below the Applicable Limits;⁵²

⁵¹ The information obtained through the interview process indicated that Servicer did not receive requests prompted by a Participating Servicer to modify Servicer's owned second lien mortgage consistent with the treatment waterfall described in paragraph 2.c.i of Exhibit D, as modified by Exhibit I, to facilitate the Participating Servicer's modification of a first lien mortgage owned by the Participating Servicer.

⁵² The information obtained through the interview process indicated that Servicer did not receive requests prompted by a Participating Servicer to extinguish Servicer's owned second lien behind a successful short sale/deed-in-lieu conducted by a Participating Servicer.

v) Failed to adjust the credits it claimed for Consumer Relief implemented pursuant to the Settlement by any incentive payments (federal or state funds) that are the source of the Servicer's credit claim;⁵³

vi) Failed to implement a refinancing program for all borrowers who meet the minimum eligibility criteria in paragraph 9.a. of Exhibit D and use reasonable efforts to identify active servicemembers in its owned portfolio who would qualify and solicit them for the program; or

vii) In the case of an owned portfolio first lien, failed to waive any deficiency amount remaining after an eligible servicemember sells his or her principal residence in a short sale conducted in accordance with Servicer's then customary short sale process, so long as the deficiency amount was less than \$250,000.

V. Monitor's Review of Borrower Outreach Program in Hardest Hit Areas

As part of my interim review of Servicer's Consumer Relief activities, I also evaluated Servicer's compliance with the requirement of Exhibit I that it establish a Borrower Outreach Program pursuant to which it undertakes, in good faith, steps to increase borrower awareness of the New Lending Program and principal reduction loss mitigation options available pursuant to the Judgment in Hardest Hit Areas. While Exhibit I does not require Servicer to undertake specific steps to fulfill this requirement, it requires that the Servicer employ one or more activities substantially similar to the following examples listed in paragraph 4.c.i of Exhibit I:

i) partner and/or co-brand with reputable housing assistance or non-profit consumer or housing counseling agencies of its choosing to increase borrower awareness of the Lending Program;

ii) sponsor borrower outreach events targeted at Hardest Hit Areas;

⁵³ The information obtained through both the interviews I conducted and the Consumer Relief credit testing and other procedures undertaken by my Professionals and me confirmed that Servicer has not participated in programs that include state or federal incentive payments.

- iii) provide information and/or training regarding the Lending Program to the Servicer's origination agents who are active in Hardest Hit Areas;
- iv) provide information and/or training regarding the Lending Program and principal reduction loss mitigation options to reputable housing assistance or non-profit consumer or housing counseling agencies that are active in Hardest Hit Areas; and/or
- v) increase the Servicer's advertising efforts targeted to reach potential borrowers living in or considering home purchase financing in Hardest Hit Areas.⁵⁴

Exhibit I further requires Servicer to employ the activities:

on a scheduled and sustained basis unless and until it (1) reports to the Monitor that it has fulfilled its total consumer relief obligation, or (2) informs the Monitor in writing that it no longer intends to seek credit for activities under the [New] Lending Program or for bonus credit associated with [First Lien Mortgage Modifications] and [Second Lien Portfolio Modifications] in Hardest Hit Areas.

Moreover, once Servicer informs me in writing of its intention to no longer seek credit for activities under the New Lending Program, Servicer is not able to receive credit under the New Lending Program or the bonus credit for First Lien Mortgage Modifications and Second Lien Portfolio Modifications in the Hardest Hit Areas.⁵⁵

Exhibit I also requires that I evaluate Servicer's Borrower Outreach Program and certify that Servicer has complied with its obligations under the Judgment as related to the program.⁵⁶ To conduct this evaluation, I reviewed an oral and written presentation made by the Executive Vice President of SunTrust Mortgage, Inc., concerning the features of Servicer's efforts to meet its obligation under

⁵⁴ Exhibit I, ¶ 4.c.i.

⁵⁵ Exhibit I, ¶ 4.c.ii.

⁵⁶ Exhibit I, ¶ 4.c.iii.

Exhibit I of establishing a Borrower Outreach Program. As a result of this review, I have noted that Servicer's Borrower Outreach Program activities have included, but were not limited to, the following:

- i) hiring a manager to build and lead the Borrower Outreach Program;
- ii) reviewing and enhancing Servicer's affordable mortgage products;
- iii) providing training to loan officers in low-to-moderate income areas regarding affordable mortgage products and best practices;
- iv) participating, on a monthly basis during 2014 and 2015, in a variety of first-time homebuyer education seminars and programs throughout the Southeastern United States, including, but not limited to, those sponsored by Servicer, as well as those sponsored by Habitat for Humanity, the YMCA, and the Urban League;
- v) participating in more than 10 outreach events targeting first-time home buyers during the second half of 2014 and all of 2015;
- vi) participating in and/or co-sponsoring a variety of conferences focusing on first-time home buying, including, but not limited to, conferences organized by the National Association of Hispanic Real Estate Professionals, Freddie Mac, the Asian Real Estate Association of America; the Empire Board of Realtists, the National Association of Gay & Lesbian Real Estate Professionals, and the Urban League;
- vii) entering into contribution agreements with not-for-profit agencies providing financial literacy education and homeownership, credit and money management counseling to low- and moderate-income individuals;
- viii) launching a campaign targeting SunTrust Banks, Inc.'s clients who are renters, resulting in over 1,000 clients, including more than 200 in Hardest Hit Areas, applying for new mortgages;

- ix) contributing approximately \$1.3 million to not-for-profit housing counseling organizations;
and
- x) in conjunction with a not-for-profit organization that helps veterans who are disabled or have experienced career-impacting injuries while on active duty, establishing a program through which Servicer refurbishes and donates to veterans of the Iraq and Afghanistan conflicts previously foreclosed homes.

Servicer has informed me that many of these activities are ongoing and will continue after it satisfies its Consumer Relief Requirements.

Based upon the foregoing information, I have concluded that, during the Second Report Period, Servicer had established a New Lending Program and undertook in good faith steps to increase borrower awareness of that program and principal reduction loss mitigation options available pursuant to the Judgment in Hardest Hit Areas.

VI. State Reports/Reported Credit Amounts

In order to meet my obligation of identifying any material inaccuracies in prior State Reports filed by Servicer, I conducted a comparison of the information contained in Servicer's Consumer Relief Report regarding Consumer Relief granted, including the 100 loans submitted for Consumer Relief credit during the First Testing Period, to the program-to-date data contained in Servicer's State Report filed for the quarter ending June 30, 2015. This comparison revealed that there were some apparent differences between the aggregate amount of relief in certain categories of relief as reported by Servicer in its Consumer Relief Report submitted to the IRG and the amount of relief for those categories as reported by Servicer in its State Reports filed for the quarter ending June 30, 2015. In each case, the number of borrowers and the amount of relief, by relief category, contained in the

program-to-date data in the Servicer's State Report was greater than the number of borrowers and the amount of relief contained in Servicer's Consumer Relief Report.

At my direction, the PPF has made inquiry of Servicer regarding these differences. As a result of those inquiries, I have determined that these differences are the result of a variety of factors, including (1) timing differences between the completion of certain creditable relief and Servicer's submission of that relief to the IRG;⁵⁷ and (2) decisions made by Servicer to not seek credit for certain transactions for which it believed it was entitled to credit. As a result, I have determined that these differences do not constitute material inaccuracies.

VII. Consumer Relief Credit from July 1, 2013 through June 30, 2015

Based upon the procedures described above and in the First Interim Report, from the Start Date through June 30, 2015, without taking into account any minimums or caps applicable to creditable activity or the allocation of excess relief under Servicer's Refinance Program,⁵⁸ Servicer is entitled to claim credit in the amount of \$370,474,005 pursuant to Exhibits D, D-1 and I. Approximately 75% of the credit was a result of relief afforded to borrowers on loans in Servicer's mortgage loan portfolio that are held for investment; and the remainder was a result of relief afforded to borrowers on loans that Servicer was servicing for other investors. Approximately 18% of Servicer's claimed credit was through First Lien Mortgage Modification and approximately 39% was through Second Lien Portfolio

⁵⁷ These timing differences are the result of two different factors. First, consumer relief transactions might not yet be creditable when they are completed. For example, first lien modifications that do not require a trial payment plan are not creditable immediately upon completion. Rather, they are only creditable once a sufficient period of time has passed after completion for Servicer to demonstrate that payments on the modification are current as of 90 days following the implementation of the modification or, alternatively, prior to the 180th day after implementation of the modification. *See* Exhibit D-1, footnote 2, as amended by Exhibit I, ¶ 8.a.xviii. Second, prior to submitting its Consumer Relief Report to the IRG for testing, the Servicer submits its population of loans to the SunTrust Credit Validation Team (CVT), which prepares credit files, confirms eligibility, preliminarily calculates credit, and generally serves as a quality assurance and quality control function. This additional level of review creates a timing difference between the number of borrowers and gross relief reported in Servicer's State Report compared to the number of borrowers and amount of relief contained in the Consumer Relief Report.

⁵⁸ *See* footnotes 23 and 41, above, and footnote 59, below.

Modifications. The Refinancing Program made up approximately 12% of Servicer's claimed credit and approximately 22% was as a result of loan originations through the New Lending Program. Short sales, deeds-in-lieu and other types of Consumer Relief made up approximately 9% of Servicer's claimed credit. In addition, Servicer has met its Consumer Relief Requirements for the Refinancing Program and approximately 69% of its Total Consumer Relief Funds obligations. A breakdown of the Consumer Relief credit, by type of relief, earned by Servicer from the Start Date through June 30, 2015 is set forth in Table 6, below:

Table 6

Type of Relief	Loan Count	Claimed Credit Amount to Date
First Lien Mortgage Modifications	454	\$68,670,465
Standard Principal Reduction	166	22,186,010
Streamline Modifications	288	46,484,455
Second Lien Portfolio Modifications	7,740	\$142,931,313
2.b Modifications	9	282,512
2.e Extinguishments	7,731	142,648,801
Refinancing Program⁵⁹	1,600	\$42,778,768
Standard Refinance – First Lien	773	34,071,040
Second Lien Rate Reduction	827	8,707,728
Other Creditable Items	1,162	\$35,069,085
Enhanced Borrower Transitional Funds	47	52,609
Payment to an Unrelated 2 nd Lien Holder	104	636,086
Short Sales/Deeds-in-Lieu	1,006	32,966,390
REO Properties Donated	5	1,414,000
New Lending Program	5,965	\$81,024,375
First Time Homebuyer	3,518	43,427,500
Hardest Hit Areas Homebuyer	2,446	37,584,375
Previously Liquidated Homebuyer	1	12,500
Total Consumer Relief Programs	16,921	\$370,474,005

⁵⁹ The amount of credit earned from Servicer's Refinancing Program in excess of \$25,000,000 is deemed "excess refinancing credit" and, subject to the limits and terms set out in Exhibits D, D-1 and I, may be applied toward Servicer's Total Consumer Relief Funds obligations. See footnote 23, above. Servicer's application of excess refinancing credit towards its Total Consumer Relief Funds obligations, if any, will be addressed in my final report on Servicer's consumer relief activities.

VIII. Summary and Conclusions

On the basis of the information submitted to me and the work as described in this Report, (i) I find that the amount of Consumer Relief set out in Servicer's Consumer Relief Report for the period extending from July 1, 2013, to June 30, 2015, is correct and accurate within the tolerances permitted under the Work Plan; (ii) I have no reason to believe that Servicer has failed to comply with all of the requirements of Exhibits D and I to the Judgment for the period extending from July 1, 2013 through June 30, 2015; and (iii) I have not identified any material inaccuracies in the State Reports filed by Servicer for the period July 1, 2013 through June 30, 2015.

Prior to the filing of this Report, I have conferred with Servicer and the Monitoring Committee about my findings and I have provided each with a copy of my Report. Immediately after filing this Report, I will provide a copy of this Report to the Board of Directors of SunTrust Mortgage, Inc., or a committee of the Board designated by Servicer.⁶⁰

I respectfully submit this Report to the United States District Court for the District of Columbia, this 19th day of May, 2016.

MONITOR

s/ Joseph A. Smith, Jr.
Joseph A. Smith, Jr.
P.O. Box 2091
Raleigh, NC 27602
Telephone: (919) 825-4748
Facsimile: (919) 825-4650
Email: Joe.smith@mortgageoversight.com

⁶⁰ See Exhibit E, ¶ D.4

CERTIFICATE OF SERVICE

I hereby certify that on this date I have filed a copy of the foregoing using the Court's CM/ECF system, which will send electronic notice of filing to the persons listed below at their respective email addresses.

This the 19th day of May, 2016.

s/ Joseph A. Smith, Jr.

Joseph A. Smith, Jr.

SERVICE LIST

John M. Abel

PENNSYLVANIA OFFICE OF ATTORNEY
GENERAL

Bureau of Consumer Protection
Strawberry Square
15th Floor

Harrisburg, PA 17120

(717) 783-1439

jabel@attorneygeneral.gov

Assigned: 06/20/2014

representing

**COMMONWEALTH
OF PENNSYLVANIA**
(Plaintiff)

Gillian Lorraine Andrews

DELAWARE DEPARTMENT OF JUSTICE

820 N. French Street

5th Floor

Wilmington, DE 19801

(302) 577-8844

gillian.andrews@state.de.us

Assigned: 06/25/2014

representing

**STATE OF
DELAWARE**
(Plaintiff)

Ryan Scott Asbridge

OFFICE OF THE MISSOURI ATTORNEY

GENERAL

P.O. Box 899

Jefferson City, MO 65102

(573) 751-7677

ryan.asbridge@ago.mo.gov

Assigned: 06/24/2014

representing

STATE OF MISSOURI
(Plaintiff)

Jane Melissa Azia

OFFICE OF THE NEW YORK ATTORNEY
GENERAL

Bureau Consumer Frauds & Protection

120 Broadway

New York, NY 10271

(212) 416-8727

jane.azia@ag.ny.gov

Assigned: 06/23/2014

representing

STATE OF NEW YORK
(Plaintiff)

Noel Steven Barnes

STATE OF ALABAMA - OFFICE OF THE
ATTORNEY GENERAL

Assistant Attorney General

501 Washington Avenue

Suite 118

Montgomery, AL 36104

(334) 353-9196

nbarnes@ago.state.al.us

Assigned: 06/23/2014

representing

STATE OF ALABAMA
(Plaintiff)

Richard L. Bischoff

OFFICE OF ATTORNEY GENERAL STATE
OF TEXAS

401 E. Franklin

Suite530

El Paso, TX 79901

(915) 834-5800

richard.bischoff@texasattorneygeneral.gov

Assigned: 08/15/2014

representing

STATE OF TEXAS
(Plaintiff)

Janet Carolyn Borth

OREGON DEPARTMENT OF JUSTICE

1162 Court Street, NE

Salem, OR 97301

(503) 934-4400

janet.c.borth@doj.state.or.us

Assigned: 06/25/2014

representing

STATE OF OREGON
(Plaintiff)

Rebecca Claire Branch

ATTORNEY GENERAL'S OFFICE, STATE
OF NEW MEXICO

P. O. Box 1508
Santa Fe, NM 87504
(505) 222-9059
(505) 222-9033 (fax)
rbranch@nmag.gov
Assigned: 06/25/2014

representing

**STATE OF NEW
MEXICO**
(Plaintiff)

Nathan Allan Brennaman

MINNESOTA ATTORNEY GENERAL'S
OFFICE

445 Minnesota Street
Suite 1200
St. Paul, MN 55101-2130
(615) 757-1415
nate.brennaman@ag.state.mn.us
Assigned: 06/24/2014

representing

**STATE OF
MINNESOTA**
(Plaintiff)

Elliot Burg

VERMONT OFFICE OF THE ATTORNEY
GENERAL

109 State Street
Montpelier, VT 05609
(802) 828-2153
elliott.burg@state.vt.us
Assigned: 06/25/2014

representing

STATE OF VERMONT
(Plaintiff)

Victoria Ann Butler

OFFICE OF THE ATTORNEY GENERAL,
STATE FLORIDA

3507 East Frontage Road
Suite 325
Tampa, FL 33607
(813) 287-7950
(813) 281-5515 (fax)
Victoria.Butler@myfloridalegal.com
Assigned: 06/20/2014

representing

STATE OF FLORIDA
(Plaintiff)

Lucy Cardwell

OFFICE OF ATTORNEY GENERAL/MD
200 St. Paul Place
16th Floor
Baltimore, MD 21202
(410) 576-6337
(410) 576-6566 (fax)
lcardwell@oag.state.md.us
Assigned: 06/23/2014

representing

**STATE OF
MARYLAND**
(Plaintiff)

Philip Daniel Carlson

SOUTH DAKOTA ATTORNEY GENERAL'S
OFFICE
1302 E. Highway 14
Suite 1
Pierre, SD 57501
(605) 773-3215
phil.carlson@state.sd.us
Assigned: 06/30/2014

representing

**STATE OF SOUTH
DAKOTA**
(Plaintiff)

Joseph J Chambers

STATE OF CONNECTICUT OFFICE OF
THE ATTORNEY GENERAL
P.O. Box 120
55 Elm Street
Hartford, CT 06141-0120
(860) 808-5298
joseph.chambers@ct.gov
Assigned: 07/03/2014

representing

**STATE OF
CONNECTICUT**
(Plaintiff)

Tina Charoenpong

CALIFORNIA DEPARTMENT OF JUSTICE
300 South Spring Street
Suite 1702
Los Angeles, CA 90013
(213) 897-2000
tina.charoenpong@doj.ca.gov
Assigned: 06/24/2014

representing

**STATE OF
CALIFORNIA**
(Plaintiff)

Adam Harris Cohen

NEW YORK STATE OFFICE OF THE
ATTORNEY GENERAL
Bureau of Consumer Frauds & Protection
120 Broadway
New York, NY 10271
(212) 416-8622
Adam.Cohen2@ag.ny.gov
Assigned: 06/23/2014

representing

STATE OF NEW YORK
(Plaintiff)

James Bryant DePriest

323 Center Street
Suite 500
Little Rock, AR 72201
(501)682-5028
jim.depriest@arkansasag.gov
Assigned: 06/25/2014

representing

STATE OF ARKANSAS
(Plaintiff)

Andrew Thomas Dougherty

ILLINOIS ATTORNEY GENERAL'S
OFFICE
100 W Randolph
12th Floor
Chicago, IL 60601
(312) 814-4982
adougherty@atg.state.il.us
Assigned: 06/25/2014

representing

STATE OF ILLINOIS
(Plaintiff)

Cynthia Clapp Drinkwater

ALASKA ATTORNEY GENERAL'S OFFICE
1031 W. 4th Avenue
Suite 300
Anchorage, AK 99501
(907) 269-5200
cynthia.drinkwater@alaska.gov
Assigned: 06/25/2014

representing

STATE OF ALASKA
(Plaintiff)

Lisa Reisen Dyen

OFFICE OF ATTORNEY GENERAL,
COMMONWEALTH OF MASSACHUSETTS
Consumer Protection Division
One Ashburton Place
Boston, MA 02108
(617) 727-2200
lisa.dyen@state.ma.us
Assigned: 06/24/2014

representing

**COMMONWEALTH
OF MASSACHUSETTS**
(Plaintiff)

William C. Edgar

UNITED STATES DEPARTMENT OF
JUSTICE
Civil Division, Commercial Litigation Section
Frauds Section
601 D Street, N.W.
Room 9016
Washington, DC 20004
(202) 353-7950
(202) 616-3085 (fax)
william.edgar@usdoj.gov
Assigned: 06/17/2014

representing

**UNITED STATES OF
AMERICA**
(Plaintiff)

Wade Farraway

UTAH ATTORNEY GENERAL'S OFFICE
160 East 300 South
5th Floor
Salt Lake City, UT 84114
(801) 366-0310
wfarraway@utah.gov
Assigned: 07/02/2014

representing

STATE OF UTAH
(Plaintiff)

Daniel Hugo Fruchter

U.S. DEPARTMENT OF JUSTICE
601 D Street, NW
Room 9936
Washington, DC 20004
(202) 305-2035
(202) 616-4286 (fax)
Daniel.Fruchter@usdoj.gov
Assigned: 06/19/2014

representing

**UNITED STATES OF
AMERICA**
(Plaintiff)

Stephanie Guyon

IDAHO ATTORNEY GENERAL'S OFFICE
954 W. Jefferson
2nd Floor
Boise, ID 83702
(208) 334-4135
stephanie.guyon@ag.idaho.gov
Assigned: 06/25/2014

representing

STATE OF IDAHO
(Plaintiff)

Brian P. Hudak

U.S. ATTORNEY'S OFFICE FOR THE
DISTRICT OF COLUMBIA
555 Fourth Street, NW
Washington, DC 20530
(202) 252-2549
(202) 252-2599 (fax)
brian.hudak@usdoj.gov
Assigned: 08/21/2014

representing

**UNITED STATES OF
AMERICA**
(Plaintiff)

David W. Huey

WASHINGTON STATE OFFICE OF THE
ATTORNEY GENERAL
Consumer Protection Division
P. O. Box 2317
1250 Pacific Avenue
Tacoma, WA 98332-2317
(253) 593-5057
davidh3@atg.wa.gov
Assigned: 06/26/2014

representing

**STATE OF
WASHINGTON**
(Plaintiff)

Clyde W. Hutchins

STATE OF WYOMING, ATTORNEY
GENERAL'S OFFICE
123 State Capitol Avenue
Cheyenne, WY 82003
(307) 777-7847
clyde.hutchins@wyo.gov
Assigned: 07/10/2014

representing

STATE OF WYOMING
(Plaintiff)

David B. Irvin

OFFICE OF VIRGINIA ATTORNEY
GENERAL

Antitrust and Consumer Litigation Section
900 East Main Street
Richmond, VA 23219
(804) 786-4047
dirvin@oag.state.va.us
Assigned: 06/23/2014

representing

**COMMONWEALTH
OF VIRGINIA**
(Plaintiff)

J. Riley Key

BRADLEY ARANT BOULT CUMMINGS
LLP

One Federal Place
1819 Fifth Avenue North
Birmingham, AL 35203
(205) 521-8247
(205) 521-6247 (fax)
rkey@babbc.com
Assigned: 06/23/2014
PRO HAC VICE

representing

**SUNTRUST
MORTGAGE INC.**
(Defendant)

Kristine M. Kuzemka

NEVADA OFFICE OF THE ATTORNEY
GENERAL

Bureau of Consumer Protection
555 E. Washington Avenue
Suite 3900
Las Vegas, NV 89101
(702) 486-3420
kkuzemka@ag.nv.gov
Assigned: 06/25/2014

representing

STATE OF NEVADA
(Plaintiff)

Abigail L. Kuzman

OFFICE OF THE INDIANA ATTORNEY
GENERAL

Consumer Protection Division
302 West Washington Street
5th Floor
Indianapolis, IN 46204
(317) 234-6843
abigail.kuzma@atg.in.gov
Assigned: 06/25/2014

representing

STATE OF INDIANA
(Plaintiff)

Matthew James Lampke
OHIO ATTORNEY GENERAL
Mortgage Foreclosure Unit
30 East Broad Street
26th Floor
Columbus, OH 43215
(614) 466-8569
matthew.lampke@ohioattorneygeneral.gov
Assigned: 06/19/2014

representing

STATE OF OHIO
(Plaintiff)

Jared Quante Libet
OFFICE OF THE SOUTH CAROLINA
ATTORNEY GENERAL
1000 Assembly Street
Room 519
Columbia, SC 29201
(803) 734-5251
jlibet@scag.gov
Assigned: 07/02/2014

representing

**STATE OF SOUTH
CAROLINA**
(Plaintiff)

Robert Richmond Maddox
BRADLEY ARANT BOULT CUMMINGS
LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, AL 35203
(205) 521-8454
(205) 488-6454 (fax)
rmaddox@babco.com
Assigned: 06/17/2014

representing

**SUNTRUST
MORTGAGE INC.**
(Defendant)

Patrick Thomas Madigan
IOWA ATTORNEY GENERAL'S OFFICE
Consumer Protection Division
1305 East Walnut Street
Des Moines, IA 50319
(515) 281-5926
patrick.madigan@iowa.gov
Assigned: 06/27/2014

representing

STATE OF IOWA
(Plaintiff)

Jennifer Corinne Miner Dethmers
COLORADO DEPARTMENT OF LAW
1300 Broadway
7th Floor
Denver, CO 80203
(720) 508-6228
jennifer.dethmers@state.co.us
Assigned: 07/07/2014

representing

**STATE OF
COLORADO**
(Plaintiff)

Keith V. Morgan
U.S. ATTORNEY'S OFFICE FOR THE
DISTRICT OF COLUMBIA
555 Fourth Street, NW
Washington, DC 20530
(202) 252-2537
(202) 252-2599 (fax)
keith.morgan@usdoj.gov
Assigned: 06/18/2014

representing

**UNITED STATES OF
AMERICA**
(Plaintiff)

Chuck Robert Munson
MONTANA DEPARTMENT OF JUSTICE
555 Fuller Avenue
Helena, MT 59601
(406) 444-4500
cmunson@mt.gov
Assigned: 06/24/2014

representing

STATE OF MONTANA
(Plaintiff)

Edmund Francis Murray, Jr.
RHODE ISLAND DEPARTMENT OF
ATTORNEY GENERAL
150 South Main Street
Providence, RI 02903
(401) 274-4400 ext. 2401
emurray@riag.ri.gov
Assigned: 06/24/2014

representing

**STATE OF RHODE
ISLAND**
(Plaintiff)

Brendan F.X. O'Neil

OFFICE OF THE MAINE ATTORNEY
GENERAL

6 State House Station
Augusta, MA 04333
(207) 626-8842
brendan.oneil@maine.gov
Assigned: 06/23/2014

representing

STATE OF MAINE
(Plaintiff)

James Collington Paige

STATE OF HAWAII DEPARTMENT OF
THE ATTORNEY GENERAL

425 Queen Street
Honolulu, HI 96813
(808) 586-1194
james.c.paige@hawaii.gov
Assigned: 06/30/2014

representing

STATE OF HAWAII
(Plaintiff)

D. J. Pascoe

MICHIGAN DEPARTMENT OF
ATTORNEY GENERAL

Corporate Oversight Division
525 W. Ottawa
G. Mennen Williams Building, 6th Floor
Lansing, MI 48909
(517) 373-1160
pascoed1@michigan.gov
Assigned: 06/30/2014

representing

STATE OF MICHIGAN
(Plaintiff)

Cara M. Petersen

CONSUMER FINANCIAL PROTECTION
BUREAU

1700 G Street, NW
Washington, DC 20552
(202) 435-7493
(202) 435-7722 (fax)
cara.petersen@cfpb.gov
Assigned: 06/25/2014

representing

**CONSUMER
FINANCIAL
PROTECTION
BUREAU**
(Plaintiff)

Holly C Pomraning

STATE OF WISCONSIN DEPARTMENT OF JUSTICE

17 West Main Street

Madison, WI 53707

(608) 266-5410

pomraninghc@doj.state.wi.us

Assigned: 06/19/2014

representing

STATE OF WISCONSIN
(Plaintiff)

Matthew Edward Pulle

TENNESSEE ATTORNEY GENERAL'S OFFICE

500 Charlotte Avenue

Nashville, TN 37202-0207

(615) 741-3533

matt.pulle@ag.tn.gov

Assigned: 07/07/2014

representing

STATE OF TENNESSEE
(Plaintiff)

Lorraine Karen Rak

STATE OF NEW JERSEY OFFICE OF THE ATTORNEY GENERAL

124 Halsey Street

5th Floor

Newark, NJ 07102

(973) 877-1280

Lorraine.Rak@dol.lps.state.nj.us

Assigned: 06/26/2014

representing

STATE OF NEW JERSEY
(Plaintiff)

James Bradley Robertson

BRADLEY ARANT BOULT CUMMINGS LLP

One Federal Place

1819 Fifth Avenue North

Birmingham, AL 35203

(205) 521-8000

(205) 521-8800 (fax)

brobertson@babco.com

Assigned: 06/24/2014

PRO HAC VICE

representing

SUNTRUST MORTGAGE INC.
(Defendant)

Don Wallace Rodgers

COMMONWEALTH OF KENTUCKY
OFFICE OF THE ATTORNEY GENERAL
310 Whittington Parkway
Suite 101
Louisville, KY 40222
(502) 429-7134
don.rodgers@ag.ky.gov
Assigned: 07/03/2014

representing

**COMMONWEALTH
OF KENTUCKY**
(Plaintiff)

Bennett C. Rushkoff

OFFICE OF THE ATTORNEY GENERAL
Public Advocacy Section
441 4th Street, NW
Suite 600-S
Washington, DC 20001
(202) 727-5173
(202) 727-6546 (fax)
bennett.rushkoff@dc.gov
Assigned: 06/23/2014

representing

**DISTRICT OF
COLUMBIA**
(Plaintiff)

Jeremy Travis Shorbe

OFFICE OF THE ARIZONA ATTORNEY
GENERAL
400 W. Congress Street
Suite S315
Tucson, AZ 85701
(520) 628-6504
Jeremy.Shorbe@azag.gov
Assigned: 06/25/2014

representing

STATE OF ARIZONA
(Plaintiff)

Joseph Alderson Smith, Jr.

OFFICE MORTGAGE SETTLEMENT
OVERSIGHT
301 Fayetteville Street
Suite 1801
Raleigh, NC 27601
(919) 825-4748
(919) 825-4650 (fax)
joe.smith@mortgageoversight.com
Assigned: 08/17/2015

representing

JOSEPH A. SMITH, JR.
(Interested Party)

Abigail Marie Stempson

OFFICE OF THE NEBRASKA ATTORNEY
GENERAL

COConsumer Protection Division
2115 State Capitol
Lincoln, NE 68509-8920
(402) 471-2811
abigail.stempson@nebraska.gov
Assigned: 06/25/2014

representing

STATE OF NEBRASKA
(Plaintiff)

Meghan Elizabeth Stoppel

OFFICE OF THE KANSAS ATTORNEY
GENERAL

120 SW 10th Avenue
2nd Floor
Topeka, KS 66612
(785) 296-3751
meghan.stoppel@ag.ks.gov
Assigned: 06/23/2014

representing

STATE OF KANSAS
(Plaintiff)

Jeffrey W. Stump

GEORGIA DEPARTMENT OF LAW

Regulated Industries
40 Capitol Square, SW
Atlanta, GA 30334
(404) 656-3337
jstump@law.ga.gov
Assigned: 06/25/2014

representing

STATE OF GEORGIA
(Plaintiff)

Phillip K. Woods

NORTH CAROLINA DEPARTMENT OF
JUSTICE

114 West Edenton Street
Raleigh, NC 27602-0629
(919) 716-6052
pwoods@ncdoj.gov
Assigned: 06/24/2014

representing

**STATE OF NORTH
CAROLINA**
(Plaintiff)

Stacie L. deBlieux

LOUISIANA DEPARTMENT OF JUSTICE

P.O. BOX 94005

1885 North 3rd Street

Baton Rouge, LA 70804

(225) 326-6458

(225) (fax)

deblieuxs@ag.state.la.us

Assigned: 06/20/2014

representing

STATE OF LOUISIANA

(Plaintiff)

ATTACHMENT 1
Judgment and Exhibits D, D-1, E and I

See attached

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,
et al.,
555 4th Street, NW
Washington, D.C. 20530

Plaintiffs,

v.

SUNTRUST MORTGAGE, INC.
901 Semmes Ave
Richmond, Virginia 23224

Defendant.

Civil Action No. 14-1028 (RMC)

CONSENT JUDGMENT

WHEREAS, Plaintiffs, the United States of America, the Consumer Financial Protection Bureau (the CFPB or Bureau) and the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming, the Commonwealths of Kentucky, Massachusetts, Pennsylvania and Virginia, and the District of Columbia filed their complaint on June 17, 2014, alleging that SunTrust Mortgage, Inc. (“Defendant”) either itself or through its affiliates or subsidiaries violated, among other laws, the Unfair and Deceptive Acts

and Practices laws of the Plaintiff States, the Consumer Financial Protection Act of 2010, the False Claims Act, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and the Bankruptcy Code and Federal Rules of Bankruptcy Procedure;

WHEREAS, the parties have agreed to resolve their claims without the need for litigation;

WHEREAS, Defendant, by its attorneys, has consented to entry of this Consent Judgment without trial or adjudication of any issue of fact or law and to waive any appeal if the Consent Judgment is entered as submitted by the parties;

WHEREAS, Defendant, by entering into this Consent Judgment, does not admit any allegations other than those facts of the Complaint deemed necessary to the jurisdiction of this Court and the facts set forth in Attachment A to Exhibit J;

WHEREAS, the intention of the United States, the Bureau, and the States in effecting this settlement is to remediate harms allegedly resulting from the alleged unlawful conduct of the Defendant, either itself or through its affiliates or subsidiaries;

AND WHEREAS, Defendant has agreed to waive service of the complaint and summons and hereby acknowledges the same;

NOW THEREFORE, without trial or adjudication of issues of fact or law, without this Consent Judgment constituting evidence against Defendant except as otherwise noted, and upon consent of Defendant, the Court finds that there is good and sufficient cause to enter this Consent Judgment, and that it is therefore ORDERED, ADJUDGED, AND DECREED:

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1345, 1355(a), and 1367, 12 U.S.C. § 5565(a)(1), and under 31 U.S.C. § 3732(a) and (b), and over Defendant. The Complaint states a claim upon which relief may be granted against Defendant. Venue is appropriate in this District pursuant to 28 U.S.C. § 1391(b)(2) and 31 U.S.C. § 3732(a).

II. SERVICING STANDARDS

2. Defendant shall comply with the Servicing Standards, attached hereto as Exhibit A, in accordance with their terms and Section A of Exhibit E, attached hereto.

III. FINANCIAL TERMS

3. *Payment Settlement Amounts.* Defendant shall pay or cause to be paid into an interest bearing escrow account to be established for this purpose the sum of fifty million dollars (\$50,000,000), which shall be known as the “Direct Payment Settlement Amount” as specified in Exhibit F, and which shall be distributed in the manner and for the purposes specified in Exhibit B. Defendant shall further pay to the United States Department of Justice the sum of four hundred and eighteen million dollars (\$418,000,000), which shall be known as the “Exhibit J Settlement Amount” as specified in Exhibit J, plus simple interest on the Settlement Amount at a rate of 2.375% per annum accruing from March 5, 2014 through March 15, 2014, for a total of \$418,271,986, as described in Exhibit J. Defendant’s payment of the Direct Payment Settlement Amount shall be made by electronic funds transfer within ten days of receiving notice that the escrow account referenced in this Paragraph 3 is established or within ten days of the Effective Date of this Consent Judgment, whichever is later. Defendant's payment of the Exhibit J

Settlement Amount shall be made by electronic funds transfer, pursuant to written instructions to be provided by the United States Department of Justice, within ten days of receiving the written instructions from the United States Department of Justice. After Defendant has made the required payments, Defendant shall no longer have any property right, title, interest or other legal claim in any funds held in escrow. The interest bearing escrow account established by this Paragraph 3 is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation Section 1.468B-1 of the U.S. Internal Revenue Code of 1986, as amended. The Monitoring Committee established in Paragraph 8 shall, in its sole discretion, appoint an escrow agent ("Escrow Agent") who shall hold and distribute funds as provided herein. All costs and expenses of the Escrow Agent, including taxes, if any, shall be paid from the funds under its control, including any interest earned on the funds.

4. *Payments to Foreclosed Borrowers.* In accordance with written instructions from the State members of the Monitoring Committee, for the purposes set forth in Exhibit C, the Escrow Agent shall transfer from the escrow account to the Administrator appointed under Exhibit C forty million dollars (\$40,000,000) (the "Borrower Payment Amount") to enable the Administrator to provide cash payments to borrowers whose homes were finally sold or taken in foreclosure by Defendant between and including January 1, 2008 and December 31, 2013; who submit claims allegedly arising from the Covered Conduct (as that term is defined in Exhibit G hereto); and who otherwise meet criteria set forth by the State members of the Monitoring Committee; and to pay the reasonable costs and expenses of a Settlement Administrator, including taxes and fees for tax counsel, if any. Defendant shall also pay or cause to be paid any additional amounts necessary to pay claims, if any, of borrowers whose data is provided to the Settlement Administrator by Defendant after Defendant warrants that the data is complete and

accurate pursuant to Paragraph 3 of Exhibit C. The Borrower Payment Amount and any other funds provided to the Administrator for these purposes shall be administered in accordance with the terms set forth in Exhibit C.

5. *Consumer Relief.* Defendant itself and through its affiliates and subsidiaries, shall provide five hundred million dollars (\$500,000,000) of relief to consumers who meet the eligibility criteria in the forms and amounts described in Paragraphs 1-9 of Exhibit D, as amended by Exhibit I, to remediate harms allegedly caused by the alleged unlawful conduct of Defendant. Defendant shall receive credit towards such obligation as described in Exhibit D as amended by Exhibit I.

IV. ENFORCEMENT

6. The Servicing Standards and Consumer Relief Requirements, attached as Exhibits A and D, are incorporated herein as the judgment of this Court and shall be enforced in accordance with the authorities provided in the Enforcement Terms, attached hereto as Exhibit E.

7. The Parties agree that Joseph A. Smith, Jr. shall be the Monitor and shall have the authorities and perform the duties described in the Enforcement Terms, attached hereto as Exhibit E.

8. The Parties agree that the Monitoring Committee established pursuant to certain Consent Judgments entered in *United States, et al. v. Bank of America Corp., et al.*, No. 12-civ-00361-RMC (April 4, 2012) (Docket Nos. 10-14) and referenced specifically in paragraph 8 of those Consent Judgments, shall be designated as the committee responsible for performing the role of the Administration and Monitoring Committee, as described in the Enforcement Terms. References to the "Monitoring Committee" in this Consent Judgment and related documents shall be understood to refer to the same Monitoring Committee as that established in the *Bank of*

America Corp. case referenced in the preceding sentence, with the addition of a CFPB Member, and the Monitoring Committee shall serve as the representative of the participating state and federal agencies in the administration of all aspects of this Consent Judgment and the monitoring of compliance with it by the Defendant.

V. RELEASES

9. The United States, the Bureau, and Defendant have agreed, in consideration for the terms provided herein, for the release of certain claims, and remedies, as provided in the Federal Release, attached hereto as Exhibit F and in the Origination Release, attached hereto as Exhibit J. The United States, the Bureau, and Defendant have also agreed that certain claims and remedies are not released, as provided in Paragraph 11 of Exhibit F and as provided in paragraph 3 of Exhibit J. The releases contained in Exhibit F and Exhibit J shall become effective on the dates and pursuant to the terms provided in those documents.

10. The Department of Housing and Urban Development and Defendant have agreed, in consideration for the terms provided herein, for the release of certain claims, and remedies, as provided in the Administrative Release, attached hereto as Exhibit K. The release contained in Exhibit K shall become effective on the date and pursuant to the terms provided in that document.

11. The State Parties and Defendant have agreed, in consideration for the terms provided herein, for the release of certain claims and remedies, as provided in the State Release, attached hereto as Exhibit G. The State Parties and Defendant have also agreed that certain claims and remedies are not released, as provided in Part IV of Exhibit G. The releases contained in Exhibit G shall become effective upon payment of the Direct Payment Settlement Amount by Defendant.

VII. OTHER TERMS

12. In the event that the Defendant (a) does not complete certain consumer relief activities as set forth in Exhibit D, as amended by Exhibit I (“Consumer Relief Requirements”), and (b) does not make the Consumer Relief Payments (as that term is defined in Exhibit F (Federal Release)) and fails to cure such non-payment within thirty days of written notice by the party, the United States, the Bureau, and any State Party may withdraw from the Consent Judgment and declare it null and void with respect to the withdrawing party. Nothing in this paragraph shall be interpreted to affect the releases in Exhibit J, or the release of civil and administrative claims, remedies, and penalties based on Covered Origination Conduct in Exhibit K.

13. This Court retains jurisdiction for the duration of this Consent Judgment to enforce its terms. The parties may jointly seek to modify the terms of this Consent Judgment, subject to the approval of this Court. This Consent Judgment may be modified only by order of this Court.

14. The Effective Date of this Consent Judgment shall be the date on which the Consent Judgment has been entered by the Court and has become final and non-appealable. An order entering the Consent Judgment shall be deemed final and non-appealable for this purpose if there is no party with a right to appeal the order on the day it is entered.

15. This Consent Judgment shall remain in full force and effect for three and one-half years from the date it is entered (“the Term”), at which time the Defendant’s obligations under the Consent Judgment shall expire, except that, pursuant to Exhibit E, Defendant shall submit a final Quarterly Report for the last quarter or portion thereof falling within the Term and cooperate with the Monitor's review of said report, which shall be concluded no later than six

months after the end of the Term. The duration of the Servicer's obligations under the Servicing Standards set forth in Exhibit A shall be reduced to a period of three years from the date of the entry of the Consent Judgment, if at the end of the third year, the Monitor's two servicing standard compliance reports immediately prior to that date reflect that the Servicer had no Potential Violations during those reporting periods, or any Corrective Action Plans that the Monitor had not yet certified as completed. Defendant shall have no further obligations under this Consent Judgment six months after the expiration of the Term, but the Court shall retain jurisdiction for purposes of enforcing or remedying any outstanding violations that are identified in the final Monitor Report and that have occurred but not been cured during the Term.

16. Except as otherwise agreed in Exhibit B, each party to this litigation will bear its own costs and attorneys' fees associated with this litigation.

17. Nothing in this Consent Judgment shall relieve Defendant of their obligation to comply with applicable state and federal law.

18. The sum and substance of the parties' agreement and of this Consent Judgment are reflected herein and in the Exhibits attached hereto. In the event of a conflict between the terms of the Exhibits and paragraphs 1-18 of this summary document, the terms of the Exhibits shall govern.

SO ORDERED this 30 day of September, 2014



UNITED STATES DISTRICT JUDGE

EXHIBIT D

Consumer Relief Requirements

Any Servicer as defined in the Servicing Standards set forth in Exhibit A to this Consent Judgment (hereinafter “Servicer” or “Participating Servicer”) agrees that it will not implement any of the Consumer Relief Requirements described herein through policies that are intended to (i) disfavor a specific geography within or among states that are a party to the Consent Judgment or (ii) discriminate against any protected class of borrowers. This provision shall not preclude the implementation of pilot programs in particular geographic areas.

Any discussion of property in these Consumer Relief Requirements, including any discussion in Table 1 or other documents attached hereto, refers to a 1-4 unit single-family property (hereinafter, “Property” or collectively, “Properties”).

Any consumer relief guidelines or requirements that are found in Table 1 or other documents attached hereto, are hereby incorporated into these Consumer Relief Requirements and shall be afforded the same deference as if they were written in the text below.

For the avoidance of doubt, subject to the Consumer Relief Requirements described below, Servicer shall receive credit for consumer relief activities with respect to loans insured or guaranteed by the U.S. Department of Housing and Urban Development, U.S. Department of Veterans Affairs, or the U.S. Department of Agriculture in accordance with the terms and conditions herein, provided that nothing herein shall be deemed to in any way relieve Servicer of the obligation to comply with the requirements of the U.S. Department of Housing and Urban Development, U.S. Department of Veterans Affairs, and the U.S. Department of Agriculture with respect to the servicing of such loans.

Servicer shall not, in the ordinary course, require a borrower to waive or release legal claims and defenses as a condition of approval for loss mitigation activities under these Consumer Relief Requirements. However, nothing herein shall preclude Servicer from requiring a waiver or release of legal claims and defenses with respect to a Consumer Relief activity offered in connection with the resolution of a contested claim, when the borrower would not otherwise have received as favorable terms or when the borrower receives additional consideration.

Programmatic exceptions to the crediting available for the Consumer Relief Requirements listed below may be granted by the Monitoring Committee on a case-by-case basis.

To the extent a Servicer is responsible for the servicing of a mortgage loan to which these Consumer Relief Requirements may apply, the Servicer shall receive credit for all consumer relief and refinancing activities undertaken in connection with such

mortgage loan by any of its subservicers to the same extent as if Servicer had undertaken such activities itself.*

1. First Lien Mortgage Modifications

- a. Servicer will receive credit under Table 1, Section 1, for first-lien mortgage loan modifications made in accordance with the guidelines set forth in this Section 1.
- b. First liens on occupied¹ Properties with an unpaid principal balance (“UPB”) prior to capitalization at or below the highest GSE conforming loan limit cap as of January 1, 2010 shall constitute at least 85% of the eligible credits for first liens (the “Applicable Limits”).
- c. Eligible borrowers must be at least 30 days delinquent or otherwise qualify as being at imminent risk of default due to borrower’s financial situation.
- d. Eligible borrowers’ pre-modification loan-to-value ratio (“LTV”) is greater than 100%.
- e. Post-modification payment should target a debt-to-income ratio (“DTI”)² of 31% (or an affordability measurement consistent with HAMP guidelines) and a modified LTV³ of no greater than 120%, provided that eligible borrowers receive a modification that meets the following terms:
 - i. Payment of principal and interest must be reduced by at least 10%.
 - ii. Where LTV exceeds 120% at a DTI of 31%, principal shall be reduced to a LTV of 120%, subject to a minimum DTI of 25% (which minimum may be waived by Servicer at Servicer’s sole

* If a Servicer holds a mortgage loan but does not service or control the servicing rights for such loan (either through its own servicing operations or a subservicer), then no credit shall be granted to that Servicer for consumer relief and refinancing activities related to that loan.

¹ Servicer may rely on a borrower’s statement, at the time of the modification evaluation, that a Property is occupied or that the borrower intends to rent or re-occupy the property.

² Consistent with HAMP, DTI is based on first-lien mortgage debt only. For non-owner-occupied properties, Servicer shall consider other appropriate measures of affordability.

³ For the purposes of these guidelines, LTV may be determined in accordance with HAMP PRA.

discretion), provided that for investor-owned loans, the LTV and DTI need not be reduced to a level that would convert the modification to net present value (“NPV”) negative.

- f. DTI requirements may be waived for first lien mortgages that are 180 days or more delinquent as long as payment of principal and interest is reduced by at least 20% and LTV is reduced to at least 120%.
- g. Servicer shall also be entitled to credit for any amounts of principal reduction which lower LTV below 120%.
- h. When Servicer reduces principal on a first lien mortgage via its proprietary modification process, and a Participating Servicer owns the second lien mortgage, the second lien shall be modified by the second lien owning Participating Servicer in accordance with Section 2.c.i below, provided that any Participating Servicer other than the five largest servicers shall be given a reasonable amount of time, as determined by the Monitor, after that Participating Servicer’s Start Date to make system changes necessary to participate in and implement this requirement. Credit for such second lien mortgage write-downs shall be credited in accordance with the second lien percentages and cap described in Table 1, Section 2.
- i. In the event that, in the first 6 months after Servicer’s Start Date (as defined below), Servicer temporarily provides forbearance or conditional forgiveness to an eligible borrower as the Servicer ramps up use of principal reduction, Servicer shall receive credit for principal reduction on such modifications provided that (i) Servicer may not receive credit for both the forbearance and the subsequent principal reduction and (ii) Servicer will only receive the credit for the principal reduction once the principal is actually forgiven in accordance with these Consumer Relief Requirements and Table 1.
- j. Eligible modifications include any modification that is made on or after Servicer’s Start Date, including:
 - i. Write-offs made to allow for refinancing under the FHA Short Refinance Program;
 - ii. Modifications under the Making Home Affordable Program (including the Home Affordable Modification Program (“HAMP”) Tier 1 or Tier 2) or the Housing Finance Agency Hardest Hit Fund (“HFA Hardest Hit Fund”) (or any other federal program) where principal is forgiven, except to the extent that state or federal funds paid to Servicer in its capacity as an investor are the source of a Servicer’s credit claim.

- iii. Modifications under other proprietary or other government modification programs, provided that such modifications meet the guidelines set forth herein.⁴

2. Second Lien Portfolio Modifications

- a. Servicer is required to adhere to these guidelines in order to receive credit under Table 1, Section 2.
- b. A write-down of a second lien mortgage will be creditable where such write-down facilitates either (a) a first lien modification that involves an occupied Property for which the borrower is 30 days delinquent or otherwise at imminent risk of default due to the borrower's financial situation; or (b) a second lien modification that involves an occupied Property with a second lien which is at least 30 days delinquent or otherwise at imminent risk of default due to the borrower's financial situation.

⁴ Two examples are hereby provided. Example 1: on a mortgage loan at 175% LTV, when a Servicer (in its capacity as an investor) extinguishes \$75 of principal through the HAMP Principal Reduction Alternative ("PRA") modification in order to bring the LTV down to 100%, if the Servicer receives \$28.10 in PRA principal reduction incentive payments from the U.S. Department of the Treasury for that extinguishment, then the Servicer may claim \$46.90 of principal reduction for credit under these Consumer Relief Requirements:

LTV Reduction Band:	HAMP-PRA Incentive Amount Received:	Allowable Settlement Credit:
175% LTV to 140% LTV	\$10.50 (35% LTV * \$0.30)	\$24.50 ((35% LTV-\$10.50) * \$1.00)
140% LTV to 115% LTV	\$11.30 (25% LTV * \$0.45)	\$13.70 ((25% LTV-\$11.30) * \$1.00)
115% LTV to 105% LTV	\$6.30 (10% LTV * \$0.63)	\$3.70 ((10% LTV-\$6.30) * \$1.00)
105% LTV to 100% LTV	None (no credit below 105% LTV)	\$5.00 (5% LTV * \$1.00)
Total:	\$28.10	\$46.90

Example 2: on a mortgage loan at 200% LTV, when a Servicer (in its capacity as an investor) extinguishes \$100 of principal through a HAMP-PRA modification in order to bring the LTV down to 100%, if the Servicer receives \$35.60 in PRA principal reduction incentive payments from Treasury for that extinguishment, then although the Servicer would have funded \$64.40 in principal reduction on that loan, the Servicer may claim \$55.70 of principal reduction for credit under these Consumer Relief Requirements:

LTV Reduction Band:	HAMP-PRA Incentive Amount Received:	Allowable Settlement Credit:
200% LTV to 175% LTV	\$7.50 (25% LTV * \$0.30)	\$8.80 ((25% LTV-\$7.50) * \$0.50)
175% LTV to 140% LTV	\$10.50 (35% LTV * \$0.30)	\$24.50 ((35% LTV-\$10.50) * \$1.00)
140% LTV to 115% LTV	\$11.30 (25% LTV * \$0.45)	\$13.70 ((25% LTV-\$11.30) * \$1.00)
115% LTV to 105% LTV	\$6.30 (10% LTV * \$0.63)	\$3.70 ((10% LTV-\$6.30) * \$1.00)
105% LTV to 100% LTV	None (no credit below 105% LTV)	\$5.00 (5% LTV * \$1.00)
Total:	\$35.60	\$55.70

c. Required Second Lien Modifications:

- i. Servicer agrees that it must write down second liens consistent with the following program until its Consumer Relief Requirement credits are fulfilled:
 1. A write-down of a second lien mortgage will be creditable where a successful first lien modification is completed by a Participating Servicer via a servicer's proprietary, non-HAMP modification process, in accordance with Section 1, with the first lien modification meeting the following criteria:
 - a. Minimum 10% payment reduction (principal and interest);
 - b. Income verified;
 - c. A UPB at or below the Applicable Limits; and
 - d. Post-modification DTI⁵ between 25% and 31%.
 2. If a Participating Servicer has completed a successful proprietary first lien modification and the second lien loan amount is greater than \$5,000 UPB and the current monthly payment is greater than \$100, then:
 - a. Servicer shall extinguish and receive credit in accordance with Table 1, Section 2.iii on any second lien that is greater than 180 days delinquent.
 - b. Otherwise, Servicer shall solve for a second lien payment utilizing the HAMP Second Lien Modification Program ("2MP") logic used as of January 26, 2012.
 - c. Servicer shall use the following payment waterfall:
 - i. Forgiveness equal to the lesser of (a) achieving 115% combined loan-to-value ratio ("CLTV") or (b) 30% UPB (subject to minimum forgiveness level); then
 - ii. Reduce rate until the 2MP payment required by 2MP logic as of January 26, 2012; then

⁵ Consistent with HAMP, DTI is based on first-lien mortgage debt only. For non-owner-occupied properties, Servicer shall consider other appropriate measures of affordability.

by the Monitor, after their Start Date to make system changes necessary to participate in and implement this requirement) where the first lien is greater than 100% LTV and has a UPB at or below the Applicable Limits, until Servicer's Consumer Relief Requirement credits are fulfilled. The first lien holder would pay to the second lien holder 8% of UPB, subject to a \$2,000 floor and an \$8,500 ceiling. The second lien holder would then release the note or lien and waive the balance.

5. Deficiency Waivers

- a. Servicer may receive credit for waiving deficiency balances if not eligible for credit under some other provision, subject to the cap provided in the Table 1, Section 5.i.
- b. Credit for such waivers of any deficiency is only available where Servicer has a valid deficiency claim, meaning where Servicer can evidence to the Monitor that it had the ability to pursue a deficiency against the borrower but waived its right to do so after completion of the foreclosure sale.

6. Forbearance for Unemployed Borrowers

- a. Servicer may receive credit for forgiveness of payment of arrearages on behalf of an unemployed borrower in accordance with Table 1, Section 6.i.
- b. Servicer may receive credit under Table 1, Section 6.ii., for funds expended to finance principal forbearance solutions for unemployed borrowers as a means of keeping them in their homes until such time as the borrower can resume payments. Credit will only be provided beginning in the 7th month of the forbearance under Table 1, Section 6.ii.

7. Anti-Blight Provisions

- a. Servicer may receive credit for certain anti-blight activities in accordance with and subject to caps contained in Table 1, Section 7.
- b. Any Property value used to calculate credits for this provision shall have a property evaluation meeting the standards acceptable under the Making Home Affordable programs received within 3 months of the transaction.

8. Benefits for Servicemembers

- a. Short Sales
 - i. Servicer shall, with respect to owned portfolio first liens, provide servicemembers who qualify for SCRA benefits ("Eligible Servicemembers") a short sale agreement containing a predetermined minimum net proceeds amount ("Minimum Net Proceeds") that Servicer will accept for short sale transaction upon receipt of the listing agreement and all required third-party approvals. The Minimum Net Proceeds may be expressed as a

fixed dollar amount, as a percentage of the current market value of the property, or as a percentage of the list price as approved by Servicer. After providing the Minimum Net Proceeds, Servicer may not increase the minimum net requirements above the Minimum Net Proceeds amount until the initial short sale agreement termination date is reached (not less than 120 calendar days from the date of the initial short sale agreement). Servicer must document subsequent changes to the Minimum Net Proceeds when the short sale agreement is extended.

- ii. Eligible Servicemembers shall be eligible for this short sale program if: (a) they are an active duty full-time status Eligible Servicemember; (b) the property securing the mortgage is not vacant or condemned; (c) the property securing the mortgage is the Eligible Servicemember's primary residence (or, the property was his or her principal residence immediately before he or she moved pursuant to a Permanent Change of Station ("PCS") order dated on or after October 1, 2010; (d) the Eligible Servicemember purchased the subject primary residence on or after July 1, 2006 and before December 31, 2008; and (e) the Eligible Servicemember relocates or has relocated from the subject property not more than 12 months prior to the date of the short sale agreement to a new duty station or home port outside a 50-mile radius of the Eligible Servicemember's former duty station or home port under a PCS. Eligible Servicemembers who have relocated may be eligible if the Eligible Servicemember provides documentation that the property was their principal residence prior to relocation or during the 12-month period prior to the date of the short sale agreement.

b. Short Sale Waivers

- i. If an Eligible Servicemember qualifies for a short sale hereunder and sells his or her principal residence in a short sale conducted in accordance with Servicer's then customary short sale process, Servicer shall, in the case of an owned portfolio first lien, waive the additional amount owed by the Eligible Servicemember so long as it is less than \$250,000.
 - ii. Servicer shall receive credit under Table 1, Section 4, for mandatory waivers of amounts under this Section 8.b.
- c. With respect to the refinancing program described in Section 9 below, Servicer shall use reasonable efforts to identify active servicemembers in its owned portfolio who would qualify and to solicit those individuals for the refinancing program.

9. Refinancing Program

- a. Servicer shall create a refinancing program for current borrowers. Servicer shall provide notification to eligible borrowers indicating that they may refinance under the program described herein. The minimum occupied Property eligibility criteria for such a program shall be:
 - i. The program shall apply only to Servicer-owned first lien mortgage loans.
 - ii. Loan must be current with no delinquencies in past 12 months.
 - iii. Fixed rate loans, ARMS, or I/Os are eligible if they have an initial period of 5 years or more.
 - iv. Current LTV is greater than 100%.
 - v. Loans must have been originated prior to January 1, 2009.
 - vi. Loan must not have received any modification in the past 24 months.
 - vii. Loan must have a current interest rate of at least 5.25 % or PMMS + 100 basis points, whichever is greater.
 - viii. The minimum difference between the current interest rate and the offered interest rate under this program must be at least 25 basis points or there must be at least a \$100 reduction in monthly payment.
 - ix. Maximum UPB will be an amount at or below the Applicable Limits.
 - x. The following types of loans are excluded from the program eligibility:
 1. FHA/VA
 2. Property outside the 50 States, DC, and Puerto Rico
 3. Loans on Manufactured Homes
 4. Loans for borrowers who have been in bankruptcy anytime within the prior 24 months
 5. Loans that have been in foreclosure within the prior 24 months
- b. The refinancing program shall be made available to all borrowers fitting the minimum eligibility criteria described above in 9.a. Servicer will be free to extend the program to other customers beyond the minimum eligibility criteria provided above and will receive credit under this Agreement for such refinancings, provided that such customers have an

LTV of over 80%, and would not have qualified for a refinance under Servicer's generally-available refinance programs as of September 30, 2011. Notwithstanding the foregoing, Servicer shall not be required to solicit or refinance borrowers who do not satisfy the eligibility criteria under 9.a above. In addition, Servicer shall not be required to refinance a loan under circumstances that, in the reasonable judgment of the Servicer, would result in Troubled Debt Restructuring ("TDR") treatment. A letter to the United States Securities and Exchange Commission regarding TDR treatment, dated November 22, 2011, shall be provided to the Monitor for review.

- c. The structure of the refinanced loans shall be as follows:
 - i. Servicer may offer refinanced loans with reduced rates either:
 1. For the life of the loan;
 2. For loans with current interest rates above 5.25% or PMMS + 100 basis points, whichever is greater, the interest rate may be reduced for 5 years. After the 5 year fixed interest rate period, the rate will return to the preexisting rate subject to a maximum rate increase of 0.5% annually; or
 3. For loans with an interest rate below 5.25% or PMMS + 100 basis points, whichever is greater, the interest rate may be reduced to obtain at least a 25 basis point interest rate reduction or \$100 payment reduction in monthly payment, for a period of 5 years, followed by 0.5% annual interest rate increases with a maximum ending interest rate of 5.25% or PMMS + 100 basis points.
 - ii. The original term of the loan may be changed.
 - iii. Rate reduction could be done through a modification of the existing loan terms or refinance into a new loan.
 - iv. New term of the loan has to be a fully amortizing product.
 - v. The new interest rate will be capped at 100 basis points over the PMMS rate or 5.25%, whichever is greater, during the initial rate reduction period.
- d. Banks fees and expenses shall not exceed the amount of fees charged by Banks under the current Home Affordable Refinance Program ("HARP") guidelines.
- e. The program shall be credited under these Consumer Relief Requirements as follows:

- i. Credit will be calculated as the difference between the preexisting interest rate and the offered interest rate times UPB times a multiplier.
- ii. The multiplier shall be as follows:
 1. If the new rate applies for the life of the loan, the multiplier shall be 8 for loans with a remaining term greater than 15 years, 6 for loans with a remaining term between 10 and 15 years and 5 for loans with a remaining term less than 10 years.
 2. If the new rate applies for 5 years, the multiplier shall be 5.
- f. Additional dollars spent by each Servicer on the refinancing program beyond that Servicer's required commitment shall be credited 25% against that Servicer's first lien principal reduction obligation and 75% against that Servicer's second lien principal reduction obligation, up to the limits set forth in Table 1.

10. Timing, Incentives, and Payments

- a. For the consumer relief and refinancing activities imposed by this Agreement, Servicer shall be entitled to receive credit against Servicer's outstanding settlement commitments for activities taken on or after Servicer's start date, March 1, 2012 (such date, the "Start Date").
- b. Servicer shall receive an additional 25% credit against Servicer's outstanding settlement commitments for any first or second lien principal reduction and any amounts credited pursuant to the refinancing program within 12 months of Servicer's Start Date (e.g., a \$1.00 credit for Servicer activity would count as \$1.25).
- c. Servicer shall complete 75% of its Consumer Relief Requirement credits within two years of the Servicer's Start Date.
- d. If Servicer fails to meet the commitment set forth in these Consumer Relief Requirements within three years of Servicer's Start Date, Servicer shall pay an amount equal to 125% of the unmet commitment amount; except that if Servicer fails to meet the two year commitment noted above, and then fails to meet the three year commitment, the Servicer shall pay an amount equal to 140% of the unmet three-year commitment amount; provided, however, that if Servicer must pay any Participating State for failure to meet the obligations of a state-specific commitment to provide Consumer Relief pursuant to the terms of that commitment, then Servicer's obligation to pay under this provision shall be reduced by the amount that such a Participating State would have received under this provision and the Federal portion of the payment attributable to that

Participating State. The purpose of the 125% and 140% amounts is to encourage Servicer to meet its commitments set forth in these Consumer Relief Requirements.

11. Applicable Requirements

The provision of consumer relief by the Servicer in accordance with this Agreement in connection with any residential mortgage loan is expressly subject to, and shall be interpreted in accordance with, as applicable, the terms and provisions of the Servicer Participation Agreement with the U.S. 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 affiliates are 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, provided, however, that the inability of a Servicer to offer a type, form or feature of the consumer relief payments by virtue of an Applicable Requirement shall not relieve the Servicer of its aggregate consumer relief obligations imposed by this Agreement, i.e., the Servicer must satisfy such obligations through the offer of other types, forms or features of consumer relief payments that are not limited by such Applicable Requirement.

EXHIBIT D-1

Table 1¹

Menu Item	Credit Towards Settlement	Credit Cap
Consumer Relief Funds		
<i>1. First Lien Mortgage Modification²</i>		<i>Minimum 30% for First Lien Mods³ (which can be reduced by 2.5% of overall consumer relief funds for excess refinancing program credits above the minimum amount required)</i>
<u>PORTFOLIO LOANS</u>		
<i>i. First lien principal forgiveness modification</i>	LTV <= 175%: \$1.00 Write-down=\$1.00 Credit LTV > 175%: \$1.00 Write-down=\$0.50 Credit (for only the portion of principal forgiven over 175%)	
<i>ii. Forgiveness of forbearance amounts on existing modifications</i>	\$1.00 Write-down=\$0.40 Credit	<i>Max 12.5%</i>

¹ Where applicable, the number of days of delinquency will be determined by the number of days a loan is delinquent at the start of the earlier of the first or second lien modification process. For example, if a borrower applies for a first lien principal reduction on February 1, 2012, then any delinquency determination for a later second lien modification made pursuant to the terms of this Agreement will be based on the number of days the second lien was delinquent as of February 1, 2012.

² Credit for all modifications is determined from the date the modification is approved or communicated to the borrower. However, no credits shall be credited unless the payments on the modification are current as of 90 days following the implementation of the modification, including any trial period, except if the failure to make payments on the modification within the 90 day period is due to unemployment or reduced hours, in which case Servicer shall receive credit provided that Servicer has reduced the principal balance on the loan. Eligible Modifications will include any modification that is completed on or after the Start Date, as long as the loan is current 90 days after the modification is implemented.

³ All minimum and maximum percentages refer to a percentage of total consumer relief funds.

Menu Item	Credit Towards Settlement	Credit Cap
-----------	---------------------------	------------

- | | | |
|--|--|--|
| <p>iii. Earned forgiveness over a period of no greater than 3 years – provided consistent with PRA</p> | <p>LTV <= 175%: \$1.00 Write-down=\$.85 Credit</p> <p>LTV > 175%: \$1.00 Write-down=\$0.45 Credit (for only the portion of principal forgiven over 175%)</p> | |
|--|--|--|

SERVICE FOR OTHERS

- | | | |
|--|--|--|
| <p>iv. First lien principal forgiveness modification on investor loans (forgiveness by investor)</p> | <p>\$1.00 Write-down=\$0.45 Credit</p> | |
| <p>v. Earned forgiveness over a period of no greater than 3 years – provided consistent with PRA</p> | <p>LTV <= 175%: \$1.00 Write-down=\$.40 Credit</p> <p>LTV > 175%: \$1.00 Write-down=\$0.20 Credit (for only the portion of principal forgiven over 175%)</p> | |

2. Second Lien Portfolio Modifications

Minimum of 60% for 1st and 2nd Lien Mods (which can be reduced by 10% of overall consumer relief funds for excess refinancing program credits above the minimum amounts required)

- | | | |
|--|--|--|
| <p>i. Performing Second Liens (0-90 days delinquent)</p> | <p>\$1.00 Write-down=\$0.90 Credit</p> | |
|--|--|--|

Menu Item	Credit Towards Settlement	Credit Cap
-----------	---------------------------	------------

ii. Seriously Delinquent Second Liens (>90-179 days delinquent)	\$1.00 Write- down=\$0.50 Credit	
---	-------------------------------------	--

iii. Non-Performing Second Liens (180 or more days delinquent)	\$1.00 Write-down=\$0.10 Credit	
--	------------------------------------	--

**3. Enhanced Borrower
Transitional Funds**

Max 5%

i. Servicer Makes Payment	\$1.00 Payment=\$1.00 Credit (for the amount over \$1,500)	
ii. Investor Makes Payment (non-GSE)	\$1.00 Payment=0.45 Credit (for the amount over the \$1,500 average payment established by Fannie Mae and Freddie Mac)	

4. Short Sales/Deeds in Lieu

i. Servicer makes payment to unrelated 2 nd lien holder for release of 2 nd lien	\$1.00 Payment=\$1.00 Credit	
ii. Servicer forgives deficiency and releases lien on 1 st lien Portfolio Loans	\$1.00 Write-down=\$0.45 Credit	
iii. Investor forgives deficiency and releases lien on 1 st Lien investor loans	\$1.00 Write-down=\$0.20 Credit	
iv. Forgiveness of deficiency balance and release of lien on		

Menu Item	Credit Towards Settlement	Credit Cap
Portfolio Second Liens		
Performing Second Liens (0-90 days delinquent)	\$1.00 Write-down=\$0.90 Credit	
Seriously Delinquent Second Liens (>90-179 days delinquent)	\$1.00 Write-down=\$0.50 Credit	
Non-Performing Second Liens (180 or more days delinquent)	\$1.00 Write-down=\$0.10 Credit	
5. Deficiency Waivers		<i>Max 10%</i>
i. Deficiency waived on 1 st and 2 nd liens loans	\$1.00 Write-down=\$0.10 Credit	
6. Forbearance for unemployed homeowners		
i. Servicer forgives payment arrearages on behalf of borrower	\$1.00 new forgiveness=\$1.00 Credit	
ii. Servicer facilitates traditional forbearance program	\$1.00 new forbearance = \$0.05 Credit	
7. Anti-Blight Provisions		<i>Max 12%</i>
i. Forgiveness of principal associated with a property where Servicer does not pursue foreclosure	\$1.00 property value=\$0.50 Credit	

Menu Item	Credit Towards Settlement	Credit Cap
ii. Cash costs paid by Servicer for demolition of property	\$1.00 Payment=\$1.00 Credit	
iii. REO properties donated to accepting municipalities or non-profits or to disabled servicemembers or relatives of deceased servicemembers	\$1.00 property value=\$1.00 Credit	

EXHIBIT E

Enforcement Terms

- A. Implementation Timeline.** Servicer anticipates that it will phase in the implementation of the Servicing Standards using a grid approach that prioritizes implementation based upon: (i) the importance of the Servicing Standard to the borrower; and (ii) the difficulty of implementing the Servicing Standard. In addition to the Servicing Standards that have been implemented upon entry of this Consent Judgment, the periods for implementation will be: (a) within 60 days of entry of this Consent Judgment; (b) within 90 days of entry of this Consent Judgment; and (c) within 180 days of entry of this Consent Judgment. Servicer will agree with the Monitor chosen pursuant to Section C, below, on the timetable in which the Servicing Standards will be implemented. In the event that Servicer, using reasonable efforts, is unable to implement certain of the standards on the specified timetable, Servicer may apply to the Monitor for a reasonable extension of time to implement those standards or requirements.
- B. Monitoring Committee.** The Monitoring Committee established pursuant to certain Consent Judgments entered in *United States, et al. v. Bank of America Corp., et al.*, No. 12-civ-00361-RMC (April 4, 2012) (Docket Nos. 10-14) and referenced specifically in paragraph 8 of those Consent Judgments, shall monitor Servicer's compliance with this Consent Judgment (the "Monitoring Committee"). References to the "Monitoring Committee" in this Exhibit and related documents shall be understood to refer to the same Monitoring Committee as that established in the *Bank of America Corp.* case referenced in the preceding sentence with the addition of a CFPB member, and the Monitoring Committee shall serve as the representative of the participating state and federal agencies in the administration of all aspects of this and all similar Consent Judgments and the monitoring of compliance with it by the Defendant. The Monitoring Committee may substitute representation, as necessary. Subject to Section F, the Monitoring Committee may share all Monitor Reports, as that term is defined in Section D.3 below, with any releasing party.
- C. Monitor**
- Retention and Qualifications and Standard of Conduct**
1. Pursuant to an agreement of the parties, Joseph A. Smith Jr. is appointed to the position of Monitor under this Consent Judgment. If the Monitor is at any time unable to complete his or her duties under this Consent Judgment, Servicer and the Monitoring Committee shall mutually agree upon a replacement in accordance with the processes and standards set forth in Section C of Exhibit E.
 2. Such Monitor shall be highly competent and highly respected, with a reputation that will garner public confidence in his or her ability to

perform the tasks required under this Consent Judgment. The Monitor shall have the right to employ an accounting firm or firms or other firm(s) with similar capabilities to support the Monitor in carrying out his or her duties under this Consent Judgment. Monitor and Servicer shall agree on the selection of a “Primary Professional Firm” or “Firm,” which must have adequate capacity and resources to perform the work required under this agreement. The Monitor shall also have the right to engage one or more attorneys or other professional persons to represent or assist the Monitor in carrying out the Monitor’s duties under this Consent Judgment (each such individual, along with each individual deployed to the engagement by the Primary Professional Firm, shall be defined as a “Professional”). The Monitor and Professionals will collectively possess expertise in the areas of mortgage servicing, loss mitigation, business operations, compliance, internal controls, accounting, and foreclosure and bankruptcy law and practice. The Monitor and Professionals shall at all times act in good faith and with integrity and fairness towards all the Parties.

3. The Monitor and Professionals shall not have any prior relationships with the Parties that would undermine public confidence in the objectivity of their work and, subject to Section C.3(e), below, shall not have any conflicts of interest with any Party.
 - (a) The Monitor and Professionals will disclose, and will make a reasonable inquiry to discover, any known current or prior relationships to, or conflicts with, any Party, any Party’s holding company, any subsidiaries of the Party or its holding company, directors, officers, and law firms.
 - (b) The Monitor and Professionals shall make a reasonable inquiry to determine whether there are any facts that a reasonable individual would consider likely to create a conflict of interest for the Monitor or Professionals. The Monitor and Professionals shall disclose any conflict of interest with respect to any Party.
 - (c) The duty to disclose a conflict of interest or relationship pursuant to this Section C.3 shall remain ongoing throughout the course of the Monitor’s and Professionals’ work in connection with this Consent Judgment.
 - (d) All Professionals shall comply with all applicable standards of professional conduct, including ethics rules and rules pertaining to conflicts of interest.

- (e) To the extent permitted under prevailing professional standards, a Professional's conflict of interest may be waived by written agreement of the Monitor and Servicer.
 - (f) Servicer or the Monitoring Committee may move the Court for an order disqualifying any Professional on the grounds that such Professional has a conflict of interest that has inhibited or could inhibit the Professional's ability to act in good faith and with integrity and fairness toward all Parties.
4. The Monitor must agree not to be retained by any Party, or its successors or assigns, for a period of two years after the conclusion of the terms of the engagement. Any Professionals who work on the engagement must agree not to work on behalf of Servicer, or its successor or assigns, for a period of 1 year after the conclusion of the term of the engagement (the "Professional Exclusion Period"). Any Firm that performs work with respect to Servicer on the engagement must agree not to perform work on behalf of Servicer, or its successor or assigns, that consists of advising Servicer on a response to the Monitor's review during the engagement and for a period of six months after the conclusion of the term of the engagement (the "Firm Exclusion Period"). The Professional Exclusion Period, Firm Exclusion Period, and terms of exclusion may be altered on a case-by-case basis upon written agreement of Servicer and the Monitor. The Monitor shall organize the work of any Firms so as to minimize the potential for any appearance of, or actual, conflicts.

Monitor's Responsibilities

- 5. It shall be the responsibility of the Monitor to determine whether Servicer is in compliance with the Servicing Standards and whether Servicer has satisfied the Consumer Relief Requirements in accordance with the authorities provided herein and to report his or her findings as provided in Section D.3, below.
- 6. The manner in which the Monitor will carry out his or her compliance responsibilities under this Consent Judgment and, where applicable, the methodologies to be utilized shall be set forth in a work plan agreed upon by Servicer and the Monitor, and not objected to by the Monitoring Committee (the "Work Plan").

Internal Review Group

- 7. Servicer will designate an internal quality control group that is independent from the line of business whose performance is being measured (the "Internal Review Group") to perform compliance reviews each calendar quarter ("Quarter") in accordance with the terms and conditions of the Work Plan (the "Compliance Reviews") and satisfaction

of the Consumer Relief Requirements after the (A) end of each calendar year (and, in the discretion of the Servicer, any Quarter) and (B) earlier of the Servicer assertion that it has satisfied its obligations thereunder and the third anniversary of the Effective Date (the “Satisfaction Review”). For the purposes of this provision, a group that is independent from the line of business shall be one that does not perform operational work on mortgage servicing, and ultimately reports to a Chief Risk Officer, Chief Audit Executive, Chief Compliance Officer, or another employee or manager who has no direct operational responsibility for mortgage servicing.

8. The Internal Review Group shall have the appropriate authority, privileges, and knowledge to effectively implement and conduct the reviews and metric assessments contemplated herein and under the terms and conditions of the Work Plan.
9. The Internal Review Group shall have personnel skilled at evaluating and validating processes, decisions, and documentation utilized through the implementation of the Servicing Standards. The Internal Review Group may include non-employee consultants or contractors working at Servicer’s direction.
10. The qualifications and performance of the Internal Review Group will be subject to ongoing review by the Monitor. Servicer will appropriately remediate the reasonable concerns of the Monitor as to the qualifications or performance of the Internal Review Group.

Work Plan

11. Servicer’s compliance with the Servicing Standards shall be assessed via metrics identified and defined in Schedule E-1 hereto (as supplemented from time to time in accordance with Section C.22, below, the “Metrics”). The threshold error rates for the Metrics are set forth in Schedule E-1 (as supplemented from time to time in accordance with Section C.22, below, the “Threshold Error Rates”). The Internal Review Group shall perform test work to compute the Metrics each Quarter, and report the results of that analysis via the Compliance Reviews. The Internal Review Group shall perform test work to assess the satisfaction of the Consumer Relief Requirements within 45 days after the (A) end of each calendar year (and, in the discretion of the Servicer, any Quarter) and (B) earlier of (i) the end of the Quarter in which Servicer asserts that it has satisfied its obligations under the Consumer Relief Provisions and (ii) the Quarter during which the third anniversary of the Effective Date occurs, and report that analysis via the Satisfaction Review.

12. Servicer and the Monitor shall reach agreement on the terms of the Work Plan within 90 days of the Monitor's appointment, which time can be extended for good cause by agreement of Servicer and the Monitor. If such Work Plan is not objected to by the Monitoring Committee within 20 days, the Monitor shall proceed to implement the Work Plan. In the event that Servicer and the Monitor cannot agree on the terms of the Work Plan within 90 days or the agreed upon terms are not acceptable to the Monitoring Committee, Servicer and Monitoring Committee or the Monitor shall jointly petition the Court to resolve any disputes. If the Court does not resolve such disputes, then the Parties shall submit all remaining disputes to binding arbitration before a panel of three arbitrators. Each of Servicer and the Monitoring Committee shall appoint one arbitrator, and those two arbitrators shall appoint a third.
13. The Work Plan may be modified from time to time by agreement of the Monitor and Servicer. If such amendment to the Work Plan is not objected to by the Monitoring Committee within 20 days, the Monitor shall proceed to implement the amendment to the Work Plan. To the extent possible, the Monitor shall endeavor to apply the Servicing Standards uniformly across all Servicers.
14. The following general principles shall provide a framework for the formulation of the Work Plan:
 - (a) The Work Plan will set forth the testing methods and agreed procedures that will be used by the Internal Review Group to perform the test work and compute the Metrics for each Quarter.
 - (b) The Work Plan will set forth the testing methods and agreed procedures that will be used by Servicer to report on its compliance with the Consumer Relief Requirements of this Consent Judgment, including, incidental to any other testing, confirmation of state-identifying information used by Servicer to compile state-level Consumer Relief information as required by Section D.2.
 - (c) The Work Plan will set forth the testing methods and procedures that the Monitor will use to assess Servicer's reporting on its compliance with the Consumer Relief Requirements of this Consent Judgment.
 - (d) The Work Plan will set forth the methodology and procedures the Monitor will utilize to review the testing work performed by the Internal Review Group.

- (e) The Compliance Reviews and the Satisfaction Review may include a variety of audit techniques that are based on an appropriate sampling process and random and risk-based selection criteria, as appropriate and as set forth in the Work Plan.
- (f) In formulating, implementing, and amending the Work Plan, Servicer and the Monitor may consider any relevant information relating to patterns in complaints by borrowers, issues or deficiencies reported to the Monitor with respect to the Servicing Standards, and the results of prior Compliance Reviews.
- (g) The Work Plan should ensure that Compliance Reviews are commensurate with the size, complexity, and risk associated with the Servicing Standard being evaluated by the Metric.
- (h) Following implementation of the Work Plan, Servicer shall be required to compile each Metric beginning in the first full Quarter after the period for implementing the Servicing Standards associated with the Metric, or any extension approved by the Monitor in accordance with Section A, has run.

Monitor's Access to Information

- 15. So that the Monitor may determine whether Servicer is in compliance with the Servicing Standards, Servicer shall provide the Monitor with its regularly prepared business reports analyzing Executive Office servicing complaints (or the equivalent); access to all Executive Office servicing complaints (or the equivalent) (with appropriate redactions of borrower information other than borrower name and contact information to comply with privacy requirements); and, if Servicer tracks additional servicing complaints, quarterly information identifying the three most common servicing complaints received outside of the Executive Office complaint process (or the equivalent). In the event that Servicer substantially changes its escalation standards or process for receiving Executive Office servicing complaints (or the equivalent), Servicer shall ensure that the Monitor has access to comparable information.
- 16. So that the Monitor may determine whether Servicer is in compliance with the Servicing Standards, Servicer shall notify the Monitor promptly if Servicer becomes aware of reliable information indicating Servicer is engaged in a significant pattern or practice of noncompliance with a material aspect of the Servicing Standards.
- 17. Servicer shall provide the Monitor with access to all work papers prepared by the Internal Review Group in connection with determining compliance with the Metrics or satisfaction of the Consumer Relief Requirements in accordance with the Work Plan.

18. If the Monitor becomes aware of facts or information that lead the Monitor to reasonably conclude that Servicer may be engaged in a pattern of noncompliance with a material term of the Servicing Standards that is reasonably likely to cause harm to borrowers, the Monitor shall engage Servicer in a review to determine if the facts are accurate or the information is correct.
19. Where reasonably necessary in fulfilling the Monitor's responsibilities under the Work Plan to assess compliance with the Metrics or the satisfaction of the Consumer Relief Requirements, the Monitor may request information from Servicer in addition to that provided under Sections C.15-18. Servicer shall provide the requested information in a format agreed upon between Servicer and the Monitor.
20. Where reasonably necessary in fulfilling the Monitor's responsibilities under the Work Plan to assess compliance with the Metrics or the satisfaction of the Consumer Relief Requirements, the Monitor may interview Servicer's employees and agents, provided that the interviews shall be limited to matters related to Servicer's compliance with the Metrics or the Consumer Relief Requirements, and that Servicer shall be given reasonable notice of such interviews.

Monitor's Powers

21. Where the Monitor reasonably determines that the Internal Review Group's work cannot be relied upon or that the Internal Review Group did not correctly implement the Work Plan in some material respect, the Monitor may direct that the work on the Metrics (or parts thereof) be reviewed by Professionals or a third party other than the Internal Review Group, and that supplemental work be performed as necessary.
22. If the Monitor becomes aware of facts or information that lead the Monitor to reasonably conclude that Servicer may be engaged in a pattern of noncompliance with a material term of the Servicing Standards that is reasonably likely to cause harm to borrowers or tenants residing in foreclosed properties, the Monitor shall engage Servicer in a review to determine if the facts are accurate or the information is correct. If after that review, the Monitor reasonably concludes that such a pattern exists and is reasonably likely to cause material harm to borrowers or tenants residing in foreclosed properties, the Monitor may propose an additional Metric and associated Threshold Error Rate relating to Servicer's compliance with the associated term or requirement. Any additional Metrics and associated Threshold Error Rates (a) must be similar to the Metrics and associated Threshold Error Rates contained in Schedule E-1, (b) must relate to material terms of the Servicing Standards, (c) must

either (i) be outcome based or (ii) require the existence of policies and procedures required by the Servicing Standards, in a manner similar to Metrics 5.B-E, and (d) must be distinct from, and not overlap with, any other Metric or Metrics. Notwithstanding the foregoing, the Monitor may add a Metric that satisfies (a)-(c) but does not satisfy (d) of the preceding sentence if the Monitor first asks the Servicer to propose, and then implement, a Corrective Action Plan, as defined below, for the material term of the Servicing Standards with which there is a pattern of noncompliance and that is reasonably likely to cause material harm to borrowers or tenants residing in foreclosed properties, and the Servicer fails to implement the Corrective Action Plan according to the timeline agreed to with the Monitor.

23. If Monitor proposes an additional Metric and associated Threshold Error Rate pursuant to Section C.22, above, Monitor, the Monitoring Committee, and Servicer shall agree on amendments to Schedule E-1 to include the additional Metrics and Threshold Error Rates provided for in Section C.22, above, and an appropriate timeline for implementation of the Metric. If Servicer does not timely agree to such additions, any associated amendments to the Work Plan, or the implementation schedule, the Monitor may petition the court for such additions.
24. Any additional Metric proposed by the Monitor pursuant to the processes in Sections C.22 or C.23 and relating to provision VIII.B.1 of the Servicing Standards shall be limited to Servicer's performance of its obligations to comply with (1) the federal Protecting Tenants at Foreclosure Act and state laws that provide comparable protections to tenants of foreclosed properties; (2) state laws that govern relocation assistance payments to tenants ("cash for keys"); and (3) state laws that govern the return of security deposits to tenants.

D. Reporting

Quarterly Reports

1. Following the end of each Quarter, Servicer will report the results of its Compliance Reviews for that Quarter (the "Quarterly Report"). The Quarterly Report shall include: (i) the Metrics for that Quarter; (ii) Servicer's progress toward meeting its payment obligations under this Consent Judgment; and (iii) general statistical data on Servicer's overall servicing performance described in Schedule Y. Except where an extension is granted by the Monitor, Quarterly Reports shall be due no later than 45 days following the end of the Quarter and shall be provided to: (1) the Monitor and (2) the Board of Servicer or a committee of the Board designated by Servicer. The first Quarterly Report shall cover the first full Quarter after this Consent Judgment is entered.

2. Following the end of each Quarter, Servicer will transmit to each state a report (the "State Report") including general statistical data on Servicer's servicing performance, such as aggregate and state-specific information regarding the number of borrowers assisted and credited activities conducted pursuant to the Consumer Relief Requirements, as described in Schedule Y. The State Report will be delivered simultaneously with the submission of the Quarterly Report to the Monitor. Servicer shall provide copies of such State Reports to the Monitor and Monitoring Committee.

Monitor Reports

3. The Monitor shall report on Servicer's compliance with this Consent Judgment in periodic reports setting forth his or her findings (the "Monitor Reports"). The first three Monitor Reports will each cover at least two Quarterly Reports. The first Monitor's Report may, at the Monitor's discretion, include more than two Quarterly Reports but shall not exceed three Quarterly Reports. If the first three Monitor Reports do not find Potential Violations (as defined in Section E.1, below), each successive Monitor Report will cover four Quarterly Reports, unless and until a Quarterly Report reveals a Potential Violation (as defined in Section E.1, below). In the case of a Potential Violation, the Monitor may (but retains the discretion not to) submit a Monitor Report after the filing of each of the next two Quarterly Reports, provided, however, that such additional Monitor Report(s) shall be limited in scope to the Metric or Metrics as to which a Potential Violation has occurred.
4. Prior to issuing any Monitor Report, the Monitor shall confer with Servicer and the Monitoring Committee regarding its preliminary findings and the reasons for those findings. Servicer shall have the right to submit written comments to the Monitor, which shall be appended to the final version of the Monitor Report. Final versions of each Monitor Report shall be provided simultaneously to the Monitoring Committee and Servicer within a reasonable time after conferring regarding the Monitor's findings. The Monitor Reports shall be filed with the Court overseeing this Consent Judgment and shall also be provided to the Board of Servicer or a committee of the Board designated by Servicer.
5. The Monitor Report shall: (i) describe the work performed by the Monitor and any findings made by the Monitor during the relevant period, (ii) list the Metrics and Threshold Error Rates, (iii) list the Metrics, if any, where the Threshold Error Rates have been exceeded, (iv) state whether a Potential Violation has occurred and explain the nature of the Potential Violation, and (v) state whether any Potential Violation has been cured. In addition, following each Satisfaction Review, the Monitor Report shall report on the Servicer's satisfaction of the Consumer Relief Requirements,

including regarding the number of borrowers assisted and credited activities conducted pursuant to the Consumer Relief Requirements, and identify any material inaccuracies identified in prior State Reports. Except as otherwise provided herein, the Monitor Report may be used in any court hearing, trial, or other proceeding brought pursuant to this Consent Judgment pursuant to Section J, below, and shall be admissible in evidence in a proceeding brought under this Consent Judgment pursuant to Section J, below. Such admissibility shall not prejudice Servicer's right and ability to challenge the findings and/or the statements in the Monitor Report as flawed, lacking in probative value or otherwise. The Monitor Report with respect to a particular Potential Violation shall not be admissible or used for any purpose if Servicer cures the Potential Violation pursuant to Section E, below.

Satisfaction of Payment Obligations

6. Upon the satisfaction of any category of payment obligation under this Consent Judgment, Servicer, at its discretion, may request that the Monitor certify that Servicer has discharged such obligation. Provided that the Monitor is satisfied that Servicer has met the obligation, the Monitor may not withhold and must provide the requested certification. Any subsequent Monitor Report shall not include a review of Servicer's compliance with that category of payment obligation.

Compensation

7. Within 120 days of entry of this Consent Judgment, the Monitor shall, in consultation with the Monitoring Committee and Servicer, prepare and present to Monitoring Committee and Servicer an annual budget providing its reasonable best estimate of all fees and expenses of the Monitor to be incurred during the first year of the term of this Consent Judgment, including the fees and expenses of Professionals and support staff (the "Monitoring Budget"). On a yearly basis thereafter, the Monitor shall prepare an updated Monitoring Budget providing its reasonable best estimate of all fees and expenses to be incurred during that year. The Monitor, at his discretion, may alter the timing of the budgeting process so that Servicer may be incorporated into the same billing cycle as signatories to the Consent Judgments filed in the *Bank of America Corp* case referenced above. Absent an objection within 20 days, a Monitoring Budget or updated Monitoring Budget shall be implemented. Consistent with the Monitoring Budget, Servicer shall pay all fees and expenses of the Monitor, including the fees and expenses of Professionals and support staff. The fees, expenses, and costs of the Monitor, Professionals, and support staff shall be reasonable. Servicer may apply to the Court to reduce or disallow fees, expenses, or costs that are unreasonable.

E. Potential Violations and Right to Cure

1. A “Potential Violation” of this Consent Judgment occurs if the Servicer has exceeded the Threshold Error Rate set for a Metric in a given Quarter. In the event of a Potential Violation, Servicer shall meet and confer with the Monitoring Committee within 15 days of the Quarterly Report or Monitor Report indicating such Potential Violation.
2. Servicer shall have a right to cure any Potential Violation.
3. Subject to Section E.4, a Potential Violation is cured if (a) a corrective action plan approved by the Monitor (the “Corrective Action Plan”) is determined by the Monitor to have been satisfactorily completed in accordance with the terms thereof; and (b) a Quarterly Report covering the Cure Period (as defined herein) reflects that the Threshold Error Rate has not been exceeded with respect to the same Metric and the Monitor confirms the accuracy of said report using his or her ordinary testing procedures. The Cure Period shall be the first full quarter after completion of the Corrective Action Plan or, if the completion of the Corrective Action Plan occurs within the first month of a Quarter and if the Monitor determines that there is sufficient time remaining, the period between completion of the Corrective Action Plan and the end of that Quarter (the “Cure Period”).
4. If after Servicer cures a Potential Violation pursuant to the previous section, another violation occurs with respect to the same Metric, then the second Potential Violation shall immediately constitute an uncured violation for purposes of Section J.3, provided, however, that such second Potential Violation occurs in either the Cure Period or the quarter immediately following the Cure Period.
5. In addition to the Servicer’s obligation to cure a Potential Violation through the Corrective Action Plan, Servicer must remediate any material harm to particular borrowers identified through work conducted under the Work Plan. In the event that a Servicer has a Potential Violation that so far exceeds the Threshold Error Rate for a metric that the Monitor concludes that the error is widespread, Servicer shall, under the supervision of the Monitor, identify other borrowers who may have been harmed by such noncompliance and remediate all such harms to the extent that the harm has not been otherwise remediated.
6. In the event a Potential Violation is cured as provided in Sections E.3, above, then no Party shall have any remedy under this Consent Judgment (other than the remedies in Section E.5) with respect to such Potential Violation.

F. Confidentiality

1. These provisions shall govern the use and disclosure of any and all information designated as “CONFIDENTIAL,” as set forth below, in documents (including email), magnetic media, or other tangible things provided by the Servicer to the Monitor in this case, including the subsequent disclosure by the Monitor to the Monitoring Committee of such information. In addition, it shall also govern the use and disclosure of such information when and if provided to the participating state parties or the participating agency or department of the United States whose claims are released through this settlement (“participating state or federal agency whose claims are released through this settlement”).
2. The Monitor may, at his discretion, provide to the Monitoring Committee or to a participating state or federal agency whose claims are released through this settlement any documents or information received from the Servicer related to a Potential Violation or related to the review described in Section C.18; provided, however, that any such documents or information so provided shall be subject to the terms and conditions of these provisions. Nothing herein shall be construed to prevent the Monitor from providing documents received from the Servicer and not designated as “CONFIDENTIAL” to a participating state or federal agency whose claims are released through this settlement.
3. The Servicer shall designate as “CONFIDENTIAL” that information, document or portion of a document or other tangible thing provided by the Servicer to the Monitor, the Monitoring Committee or to any other participating state or federal agency whose claims are released through this settlement that Servicer believes contains a trade secret or confidential research, development, or commercial information subject to protection under applicable state or federal laws (collectively, “Confidential Information”). These provisions shall apply to the treatment of Confidential Information so designated.
4. Except as provided by these provisions, all information designated as “CONFIDENTIAL” shall not be shown, disclosed or distributed to any person or entity other than those authorized by these provisions. Participating states and federal agencies whose claims are released through this settlement agree to protect Confidential Information to the extent permitted by law.
5. This agreement shall not prevent or in any way limit the ability of a participating state or federal agency whose claims are released through this settlement to comply with any subpoena, Congressional demand for documents or information, court order, request under the Right of Financial Privacy Act, or a state or federal public records or state or

federal freedom of information act request; provided, however, that in the event that a participating state or federal agency whose claims are released through this settlement receives such a subpoena, Congressional demand, court order or other request for the production of any Confidential Information covered by this Order, the state or federal agency shall, unless prohibited under applicable law or unless the state or federal agency would violate or be in contempt of the subpoena, Congressional demand, or court order, (1) notify the Servicer of such request as soon as practicable and in no event more than ten (10) calendar days of its receipt or three calendar days before the return date of the request, whichever is sooner, and (2) allow the Servicer ten (10) calendar days from the receipt of the notice to obtain a protective order or stay of production for the documents or information sought, or to otherwise resolve the issue, before the state or federal agency discloses such documents or information. In all cases covered by this Section, the state or federal agency shall inform the requesting party that the documents or information sought were produced subject to the terms of these provisions.

- G. Dispute Resolution Procedures.** Servicer, the Monitor, and the Monitoring Committee will engage in good faith efforts to reach agreement on the proper resolution of any dispute concerning any issue arising under this Consent Judgment, including any dispute or disagreement related to the withholding of consent, the exercise of discretion, or the denial of any application. Subject to Section J, below, in the event that a dispute cannot be resolved, Servicer, the Monitor, or the Monitoring Committee may petition the Court for resolution of the dispute. Where a provision of this agreement requires agreement, consent of, or approval of any application or action by a Party or the Monitor, such agreement, consent or approval shall not be unreasonably withheld.
- H. Consumer Complaints.** Nothing in this Consent Judgment shall be deemed to interfere with existing consumer complaint resolution processes, and the Parties are free to bring consumer complaints to the attention of Servicer for resolution outside the monitoring process. In addition, Servicer will continue to respond in good faith to individual consumer complaints provided to it by State Attorneys General or State Financial Regulators in accordance with the routine and practice existing prior to the entry of this Consent Judgment, whether or not such complaints relate to Covered Conduct released herein.
- I. Relationship to Other Enforcement Actions.** Nothing in this Consent Judgment shall affect requirements imposed on the Servicer pursuant to Consent Orders issued by the appropriate Federal Banking Agency (FBA), as defined in 12 U.S.C. § 1813(q), against the Servicer. In conducting their activities under this Consent Judgment, the Monitor and Monitoring Committee shall not impede or otherwise interfere with the Servicer's compliance with the requirements imposed pursuant

to such Orders or with oversight and enforcement of such compliance by the FBA.

J. Enforcement

1. **Consent Judgment.** This Consent Judgment shall be filed in the U.S. District Court for the District of Columbia (the “Court”) and shall be enforceable therein. Servicer and the Releasing Parties shall waive their rights to seek judicial review or otherwise challenge or contest in any court the validity or effectiveness of this Consent Judgment. Servicer and the Releasing Parties agree not to contest any jurisdictional facts, including the Court’s authority to enter this Consent Judgment.
2. **Enforcing Authorities.** Servicer’s obligations under this Consent Judgment shall be enforceable solely in the U.S. District Court for the District of Columbia. An enforcement action under this Consent Judgment may be brought by any Party to this Consent Judgment or the Monitoring Committee. Monitor Report(s) and Quarterly Report(s) shall not be admissible into evidence by a Party to this Consent Judgment except in an action in the Court to enforce this Consent Judgment. In addition, unless immediate action is necessary in order to prevent irreparable and immediate harm, prior to commencing any enforcement action, a Party must provide notice to the Monitoring Committee of its intent to bring an action to enforce this Consent Judgment. The members of the Monitoring Committee shall have no more than 21 days to determine whether to bring an enforcement action. If the members of the Monitoring Committee decline to bring an enforcement action, the Party must wait 21 additional days after such a determination by the members of the Monitoring Committee before commencing an enforcement action.
3. **Enforcement Action.** In the event of an action to enforce the obligations of Servicer and to seek remedies for an uncured Potential Violation for which Servicer’s time to cure has expired, the sole relief available in such an action will be:
 - (a) **Equitable Relief.** An order directing non-monetary equitable relief, including injunctive relief, directing specific performance under the terms of this Consent Judgment, or other non-monetary corrective action.
 - (b) **Civil Penalties.** The Court may award as civil penalties an amount not more than \$1 million per uncured Potential Violation; or, in the event of a second uncured Potential Violation of Metrics 1.a, 1.b, or 2.a (*i.e.*, a Servicer fails the specific Metric in a Quarter, then fails to cure that Potential Violation, and then in subsequent Quarters, fails the same Metric again in a Quarter and fails to cure

that Potential Violation again in a subsequent Quarter), where the final uncured Potential Violation involves widespread noncompliance with that Metric, the Court may award as civil penalties an amount not more than \$5 million for the second uncured Potential Violation.

Nothing in this Section shall limit the availability of remedial compensation to harmed borrowers as provided in Section E.5.

(c) Any penalty or payment owed by Servicer pursuant to the Consent Judgment shall be paid to the clerk of the Court or as otherwise agreed by the Monitor and the Servicer and distributed by the Monitor as follows:

1. In the event of a penalty based on a violation of a term of the Servicing Standards that is not specifically related to conduct in bankruptcy, the penalty shall be allocated, first, to cover the costs incurred by any state or states in prosecuting the violation, and second, among the participating states according to the same allocation as the State Payment Settlement Amount.
2. In the event of a penalty based on a violation of a term of the Servicing Standards that is specifically related to conduct in bankruptcy, the penalty shall be allocated to the United States or as otherwise directed by the Director of the United States Trustee Program.
3. In the event of a payment due under Paragraph 10.d of the Consumer Relief requirements, 50% of the payment shall be allocated to the United States, and 50% shall be allocated to the State Parties to the Consent Judgment, divided among them in a manner consistent with the allocation in Exhibit B of the Consent Judgment.

K. Sunset. This Consent Judgment and all Exhibits shall retain full force and effect for three and one-half years from the date it is entered (the “Term”), unless otherwise specified in the Exhibit. The duration of the Servicer’s obligations under the Servicing Standards set forth in Exhibit A shall be reduced to a period of three years from the date of the entry of the Consent Judgment, if at the end of the third year, the Monitor’s two servicing standard compliance reports immediately prior to that date reflect that the Servicer had no Potential Violations during those reporting periods, or any Corrective Action Plans that the Monitor had not yet certified as completed. Servicer shall submit a final Quarterly Report

for the last quarter or portion thereof falling within the Term, and shall cooperate with the Monitor's review of said report, which shall be concluded no later than six months following the end of the Term, after which time Servicer shall have no further obligations under this Consent Judgment.

EXHIBIT I

This Exhibit I is an Addendum to Exhibits D and D-1

The Federal Parties, the State Parties, and Defendant, have agreed to enter into the Consent Judgment. Capitalized terms used herein but not defined herein have the meanings assigned to them in the relevant portion of or exhibit to the Consent Judgment.

In addition to the terms agreed elsewhere in the Consent Judgment, the Parties agree to the following:

1. This Exhibit I amends and modifies the terms and provisions of Exhibits D and D-1. For clarity, the terms agreed to in this Exhibit are in addition to, and not in lieu of terms agreed elsewhere in the Consent Judgment and its exhibits. To the extent that this Exhibit I and Exhibits D or D-1 or other provisions of the Consent Judgment have inconsistent or conflicting terms and provisions, this Exhibit I shall be controlling and shall govern the agreement among the Parties. Whenever Exhibits D or D-1 are referenced in this Exhibit I or elsewhere in the Consent Judgment and exhibits, it shall mean Exhibits D or D-1 as amended and modified by this Exhibit I. References to Servicer in Exhibits D, D-1, and I shall mean SunTrust Banks, Inc. including its affiliates and subsidiaries (“Servicer” or “SunTrust”).
2. Pursuant to Paragraph 3 of the Consent Judgment, Defendant shall pay a Direct Payment Settlement Amount of \$50,000,000, by electronic funds transfer within ten days of receiving notice that the escrow account referenced in Paragraph 3 of the Consent Judgment is established or within ten days after the entry of the Consent Judgment (“Effective Date”), whichever is later.
3. Defendant shall be responsible for \$500,000,000 in consumer relief as set forth in Exhibit D and credited pursuant to the terms of Exhibits D and D-1.
 - a. The Servicer’s \$500,000,000 consumer relief obligation will be allocated as follows:
 - i. The Servicer will provide a minimum of \$187,500,000 in creditable relief to consumers who meet the eligibility criteria in the forms and amounts described in Paragraphs 1 or 2 of Exhibit D and/or Paragraph 6 of Exhibit I (“1st/2nd Lien Principal Reduction Obligation”). No less than \$93,750,000 of the 1st/2nd Lien Principal Reduction Obligation will come from consumers who meet the eligibility criteria described in Paragraph 1 of Exhibit D (“1st Lien Principal Reduction Obligation”).
 - ii. The Servicer will provide a minimum of \$25,000,000 in creditable relief to consumers who meet the eligibility criteria in the forms and amounts described in Paragraph 9 of Exhibit D and/or in Paragraph 5 of Exhibit I (“Refinancing Obligation”).

- iii. The Servicer may not receive credit of more than \$100,000,000 for relief provided to consumers who meet the eligibility criteria in the forms and amounts described in Paragraph 4 of Exhibit I (“Lending Cap”).
 - b. Notwithstanding anything to the contrary in the Consent Judgment or the Exhibits thereto, Defendant will be obligated to make the payments specified in Paragraph 10.d of Exhibit D in the event and to the extent that Servicer or its successors in interest do not complete the Consumer Relief Requirements set forth in Exhibit D.
 - c. The releases contained in Exhibits F and G of the Consent Judgment shall become effective upon payment of the Direct Payment Settlement Amount by Defendant. The United States and any State Party may withdraw from the Consent Judgment and declare it null and void with respect to that party and all released entities if the Consumer Relief Requirements (as that term is defined in Exhibit F (Federal Release)) required under this Consent Judgment are not completed within the time specified and any payment required under Paragraph 10.d of Exhibit D is not made within thirty days of written notice by the party. However, the United States may not void the terms and releases set forth in Exhibits J and K.
4. Low to Moderate Income and Hardest Hit Area Lending Program (“Lending Program”). The Servicer may establish mortgage origination programs satisfying the conditions set forth below, and will receive credit against its Lending Cap in the manner and form set forth below.
 - a. Eligibility Criteria. The Eligibility Criteria for the Lending Program are the following:
 - i. Purchase-money mortgages originated after January 1, 2014 to credit-worthy borrowers whose income is no greater than 80% of the area median income (“AMI”) as calculated in accordance with the parameters used by the U.S. Department of Housing and Urban Development and who (1) are first time homebuyers or (2) who are buying homes in hardest hit areas as set forth in Appendix A (“Hardest Hit Areas”) or (3) who have previously lost a home to foreclosure or short sale; and
 - ii. The borrower intends to occupy the home. The Servicer may rely on the borrower’s stated intent to occupy the home when evidencing the borrower’s intent to occupy.
 - b. Crediting. Credits for relief provided under this program will be calculated according to the following terms:
 - i. The Servicer will receive a \$10,000 credit against Defendant's consumer relief obligation for each eligible mortgage loan originated by the Servicer.

- ii. The Servicer will receive an additional 25% credit for any eligible mortgage loan made by the Servicer to a borrower who is purchasing a home in the Hardest Hit Areas.
 - iii. The Servicer will receive an additional 25% credit for any eligible mortgage loan made by the Servicer to a borrower between January 1, 2014 and January 1, 2015
- c. Borrower Outreach Program in Hardest Hit Areas.
- i. The Servicer will in good faith take steps substantially similar to some of the examples described below to increase borrower awareness of the Lending Program and principal reduction loss mitigation options available pursuant to this Agreement in Hardest Hit Areas. The following are illustrative examples of the steps the Servicer may take to satisfy this requirement: partner and/or co-brand with reputable housing assistance or non-profit consumer or housing counseling agencies of its choosing to increase borrower awareness of the Lending Program; sponsor borrower outreach events targeted at Hardest Hit Areas; provide information and/or training regarding the Lending Program to the Servicer's origination agents who are active in Hardest Hit Areas; provide information and/or training regarding the Lending Program and principal reduction loss mitigation options to reputable housing assistance or non-profit consumer or housing counseling agencies that are active in Hardest Hit Areas; and/or increase the Servicer's advertising efforts targeted to reach potential borrowers living in or considering home purchase financing in Hardest Hit Areas.
 - ii. The Servicer must employ one or more activities in satisfaction of the requirement in Paragraph 4.c.i., above, on a scheduled and sustained basis unless and until it (1) reports to the Monitor that it has fulfilled its total consumer relief obligation, or (2) informs the Monitor in writing that it no longer intends to seek credit for activities under the Lending Program or for bonus credit associated with 1st and 2nd lien principal reduction modifications in Hardest Hit Areas. The Servicer may not receive credit under the Lending Program or receive the bonus associated with 1st and 2nd lien principal reduction modifications in Hardest Hit Areas for any activity initiated after the date on which it informs the Monitor of its intention to no longer seek credit for activities under the Lending Program.
 - iii. The Monitor will evaluate and certify the Servicer's compliance with paragraph 4.c.i. above using a methodology similar to the methodology employed to determine the Servicers' compliance with the Mandatory Relief Requirements set forth in Exhibit E to the Consent Judgment entered in *United States, et al. v. Bank of America Corp., et al.*, No. 12-civ-00361-RMC (April 4, 2012) (Docket Nos. 10-14).

5. Additional Rate Reduction Programs. The Servicer may establish programs satisfying the conditions set forth below, and rate relief provided through these programs will receive credit against its Refinancing Obligation in the manner as described below. Except where specified below, the calculation of credit for these programs will be consistent with Paragraph 9 of Exhibit D. In accordance with Paragraph 9.b of Exhibit D, Servicer will not be required to solicit or offer Rate Reduction Program relief on loans under circumstances that, in the reasonable judgment of the Servicer, would result in TDR treatment.
 - a. Rate Relief Program.
 - i. Eligibility Criteria. The Eligibility Criteria for the Rate Relief Program are the following:
 - A. The borrower's LTV is greater than 100%, or is greater than 80% if the borrower would not have qualified for a refinance under the Servicer's generally-available refinance programs as of June 30, 2013;
 - B. The loan to be modified is a first lien and was originated prior to January 1, 2009;
 - C. The borrower is current on the loan, and has not had more than one delinquency of at most 30 days within the prior 12 months; and
 - D. The current interest rate on the loan is at least 5.25%, including but not limited to interest-only loans.
 - E. Borrowers need not have underwriting based on income.
 - ii. Relief. Borrowers meeting the Eligibility Criteria will be offered the following:
 - A. A new fixed rate mortgage at or below current conforming rates (as indicated by the Primary Mortgage Market Survey Rate ("PMMS") at the time the modification or refinance is evaluated);
 - B. Minimum payment relief of \$100/month; and
 - C. No future interest rate increases, changes in term, or additional costs to the borrower.
 - D. Relief may be provided through a modification or refinance.

- b. Payment Shock Relief Program.
 - i. Eligibility Criteria. The same eligibility criteria in Paragraph 9.a of Exhibit D, shall be the Eligibility Criteria for the Payment Shock Relief Program, except as follows:
 - A. The subject loan is a first lien that is at imminent risk of default, consistent with Paragraph 1.c. of Exhibit D, due to being an interest-only loan or other high-risk mortgage product that may reset, resulting in a payment shock to the borrower.
 - B. The current interest rate may be at or below the greater of 5.25% or PMMS plus 100 basis points.
 - C. Borrowers need not have underwriting based on income.
 - ii. Relief. Borrowers meeting the Eligibility Criteria for this program will be offered the following:
 - A. A fully amortizing 30-year loan with a fixed interest rate no greater than PMMS plus 75 basis points; or a fully amortizing 30-year, 1-year LIBOR ARM at a 175 basis point margin.
 - B. Relief may be provided through a modification or refinance.
 - iii. For purposes of calculating credit under Paragraph 9 of Exhibit D:
 - A. Permanent margin reductions for post-modification 30-year ARMs will be treated consistent with Paragraph 9.e of Exhibit D.
- c. Second Lien Rate Reduction Program
 - i. Eligibility Criteria. The same eligibility criteria in Paragraph 9.a of Exhibit D, applied to second liens, shall be the Eligibility Criteria for the Second Lien Reduction Program, except as follows:
 - A. The program shall apply to Servicer owned second lien mortgage loans;
 - B. The combined LTV must be greater than 100%;
 - C. The current interest rate is at least 5.25%.
 - ii. Relief. Borrowers meeting the Eligibility Criteria for this program will be offered a modification or refinance that meets the requirements set forth in Paragraphs 9.c and 9.d of Exhibit D, as applied to second liens, except that the Servicer will reduce the borrower's rate by at least 200 basis points.

However, the Servicer will not be obligated to reduce the borrower's rate to below 4%.

- iii. Credit. Credits for relief provided under this program will be calculated at 90% of the calculation set forth in Paragraph 9.e of Exhibit D. The amount of credit available under this program will be capped at \$5 million of the total Refinancing Obligation.
 - d. Notwithstanding the success or failure of a Refinancing Program in putting borrowers in sustainable mortgages, the Servicer shall be obligated to satisfy the commitment set forth in Paragraph 3 above; failure to satisfy the commitment set forth in Paragraph 3 shall result in an additional payment as set forth in Paragraph 10 of the Consumer Relief Requirements contained in Exhibit D.
6. Second Lien Principal Modification Program
- a. Eligibility Criteria. For purposes of crediting second lien principal reduction modifications under Paragraph 2 of Exhibit D, the eligibility criteria may also include:
 - i. A current second lien that is at imminent risk of default due to being, among other things, an interest-only loan, delinquent senior lien, or other high-risk mortgage product that may reset, resulting in a payment shock to the borrower. Servicer need not require income verification for these borrowers.
 - b. Provided a second lien modification is otherwise creditable under this Paragraph 6, the Servicer will receive credit for modifications to loans where personal liability has been discharged in Chapter 7 bankruptcy, the borrower continues to occupy the property, the borrower remains current on payments post-discharge, and the underlying lien has not been extinguished.
 - c. Relief. Borrowers may receive 100% principal forgiveness on their second liens except for situations where the Servicer owns or services the first lien loan on the same property and knows the first lien is to be foreclosed on or is subject to a foreclosure sale in the next 30 days.
 - d. Credit. Credits for relief provided under this program will be calculated in accordance with the provisions set forth in Paragraph 2 of Exhibit D, and in accordance with the crediting formula set forth in Paragraph 2.i of Exhibit D-1.
7. Borrower Solicitation. The Servicer will solicit all borrowers in its loan portfolio who are eligible for the Rate Relief Program as of the Effective Date ("Eligible Borrowers"). The Servicer will solicit as follows:
- a. Such solicitation shall commence as soon as reasonably practicable following the Effective Date and solicitations shall be sent to Eligible Borrowers in accordance with the timeline set forth in the Servicer's work plan until the Servicer reports to the Monitor that it has satisfied its Refinancing Obligation. Any borrower who accepts an

- offer made under a Rate Relief Program within 3 months from the date the Servicer sends the borrower a refinance or modification agreement (which shall be the first calendar day of the month following the date the refinance or modification agreement is first sent pursuant to Paragraph 7.c.i below) will receive the relief. Further, any borrower who accepts a modification offer made under the Rate Relief Program within 180 days of the offer being made shall, unless the SunTrust has, as of the date of the offer, exceeded their obligations under Paragraph 3 by \$60,000,000, receive the modification. The minimum solicitation period for an offer made under a Rate Relief Program shall be 3 months from the date the solicitation commences (which shall be the first calendar day of the month following the date written communication is first sent pursuant to Paragraph 7.c.i below). Upon commencement of this solicitation of any individual Eligible Borrower, the Servicer shall complete all of the solicitation requirements described below until the earlier of the following occurs: (a) exhaustion of relevant solicitation steps described in Paragraph 7.c below, without success, or (b) proper acceptance or denial of an Eligible Borrower for a Rate Relief Program (the "Borrower Solicitation Period").
- b. The Borrower Solicitation Requirements shall not apply to solicitations for modification programs other than Rate Relief Program (which may be conducted contemporaneously), to solicitations to a particular Eligible Borrower that occur after that particular Eligible Borrower has been previously solicited, in compliance with this agreement, to Eligible Borrowers under the Rate Relief Program who (1) accepted another home retention option after the Effective Date of this Consent Judgment, or (2) who accepted a non-home retention option prior to the date the Servicer made a final determination that the borrower was an Eligible Borrower provided that the borrower was informed about and offered a modification under the Rate Reduction Program. Additionally, the Servicer is not required to solicit Eligible Borrowers whose loans are no longer serviced by the Servicer at the time the Servicer identifies the Eligible Borrower for solicitation.
- c. Requirements for solicitations under this paragraph shall include:
- i. The Servicer will issue an initial proactive correspondence letter to borrowers advising them they are eligible for the Rate Relief Program ("Proactive Correspondence"). If the borrower expresses an interest in the Rate Relief Program, Servicer shall send the pre-approved refinance or modification agreement (as appropriate) to the borrower for execution. These packages will be sent via overnight delivery services (*e.g.*, Federal Express) with return receipt/delivery confirmation.
 - ii. If the borrower does not return the agreement after being sent the package, the Servicer will call the Eligible Borrower.
 - iii. If the Servicer is not successful in communicating with the borrower following the initial Proactive Correspondence, the Servicer will send a second Proactive Correspondence on or about 30 days after the mailing of the initial Proactive Correspondence.

iv. The Servicer, as part of any contact with borrowers, whether by telephone, mail or otherwise, shall (1) advise borrowers that they may be eligible for a Rate Relief Program; and (2) clearly describe the Rate Relief Program being offered as well as the documents required to be submitted by the borrower and state what other information, if any, the Servicer needs to complete the analysis.

8. Other Matters.

a. Menu Items. With respect to Exhibit D and D-1 Table 1 "Credit Towards Settlement," the following modification and amendments shall apply:

i. Exhibit D, Paragraph 1.b is amended by replacing "85%" with "65%".

ii. Exhibit D, Paragraph 1.d is amended by replacing "100%" with "90%".

iii. Exhibit D, Paragraphs 1.e, 1.f, and 1.g are amended as follows:

A. By replacing all references to LTV of 120% with LTV of 110%; and

iv. Exhibit D, Paragraph 1.e is amended as follows: By adding a subparagraph 1.e.iii, which shall read: "When the borrower's pre-modification LTV ratio is below 100%, then the borrower's post-modification LTV shall not be lower than 80%."

v. Exhibit D, Paragraph 1.f applies to the following categories of loans:

A. Regardless of delinquency, modifications made to borrowers in an active bankruptcy; or for borrowers who have received Chapter 7 bankruptcy discharges of personal liability for the loans, who continue to occupy the properties, who remain current on payments, and where the underlying lien has not been extinguished;

B. Regardless of delinquency, modifications made to borrowers involved in active litigation;

C. Modifications made to borrowers who are current (less than 30 days delinquent) on a mortgage modification made prior to the terms of this Agreement or that does not meet the terms set forth in this Agreement.

vi. Exhibit D, Paragraph 1.h is amended to read as follows: "Following Servicer's Effective Date, Servicer will modify a second lien mortgage-loan consistent with the treatment waterfall described below, and as modified by Exhibit I, within a reasonable time to facilitate a Participating Servicer's modification of a first lien mortgage owned by the Participating Servicer, provided that the Participating Servicer who owns the first lien mortgage contacts Servicer regarding the second lien mortgage loan that Servicer owns and provides reasonably satisfactory documentation of the first lien

mortgage actively being considered for modification. Credit for such second lien mortgage loan write downs shall be credited in accordance with the second lien percentages and cap described in Table 1, Section 2, as amended by Exhibit I. Additionally, Servicer will receive credit for modified first lien mortgages that qualify for its proprietary modification processes regardless of whether the owner of the second lien mortgage loan modifies the second lien.”

- vii. Exhibit D Paragraph 9.c is amended as follows by adding subparagraph 9.c.i.4: For loans with current interest rates above 5.25% or PMMS +100 basis points, whichever is greater, the interest rate may be reduced for 7 years. After the 7 year fixed interest rate period, the rate will be set at the then-current 1-year LIBOR plus 175 basis points, subject to a maximum rate increase of 2% in the first year (the maximum rate is based off of the fixed rate that applied during the 7-year term), 2% in any year following the first year, and a maximum 5% total increase for the life of the loan (the maximum rate is based off of the fixed rate that applied during the 7-year term). The relief described herein may also be offered in Exhibit I Paragraphs 5.a.ii.A, 5.b.ii.A, and 5.c.ii.
- viii. Exhibit D Paragraph 9.c is amended as follows by adding subparagraph 9.c.i.5: For loans with current interest rates below 5.25% or PMMS +100 basis points, the interest rate may be reduced to obtain at least a 25 basis point interest rate reduction or \$100 payment reduction in monthly payment, for a period of 7 years. After the 7 year fixed interest rate period, the rate will be set at the then-current 1-year LIBOR plus 175 basis point, subject to a maximum rate increase of 2% in the first year (the maximum rate is based off of the fixed rate that applied during the 7-year term), 2% in any year following the first year, and a 5% total increase for the life of the loan (the maximum rate is based off of the fixed rate that applied during the 7-year term). The relief described herein may also be offered in Exhibit I Paragraph 5.b.ii.A.
- ix. Exhibit D Paragraph 9.e is amended as follows by adding Paragraph 9.e.3: If the new rate applies for 7 years, the multiplier shall be 6.
- x. Exhibit D, Paragraph 9.f is amended to read as follows: “Additional dollars spent by Servicer on the refinancing program beyond Servicer's required commitment shall be credited against Servicer's overall consumer relief obligation, provided that any such credit shall not reduce or count against Servicer's minimum 1st Lien Principal Reduction Obligation or “1st/2nd Lien Principal Reduction Obligation.”.
- xi. The Servicer will receive credit for activities set forth in Paragraph 9 of Exhibit D and Paragraph 5 of Exhibit I for loans discharged in Chapter 7 bankruptcy provided the Servicer maintains a valid lien on the property, the borrower remains in the home, the borrower remains current on payments

post-discharge, and the loss mitigation activity is otherwise creditable under Paragraph 9 of Exhibit D or Paragraph 5 of Exhibit I.

- xii. Exhibit D, Paragraph 10.a is amended to read as follows: “For the consumer relief and refinancing activities imposed by this Agreement, Servicer shall be entitled to receive credit against Servicer’s outstanding settlement commitments for activities taken on or after Servicer’s start date, July 1, 2013 (such date, the “Start Date”), including without limitation any creditable activity that occurred before the completion and approval of any Work Plan.”
- xiii. Exhibit D, Paragraph 10.b is amended to read as follows: “Servicer shall receive an additional 25% credit against Servicer’s outstanding settlement commitments for any first or second lien principal reduction, any amounts credited pursuant to the refinancing program, and any amounts credited pursuant to the Lending Program between January 1, 2014 and January 1, 2015. This early incentive credit is cumulative with other credits (including Hardest Hit).”
- xiv. Exhibit D, Paragraph 10.c is amended to read as follows: “Servicer shall complete 75% of its Consumer Relief Requirement credits within two years of the Effective Date.”
- xv. Exhibit D, Paragraph 10.d is amended to read as follows: “If Servicer fails to meet the commitment set forth in these Consumer Relief Requirementst within three years of the Effective Date, Servicer shall pay an amount equal to 125% of the unmet commitment amount; except that if Servicer fails to meet the two year commitment noted above, and then fails to meet the three year commitment, the Servicer shall pay an amount equal to 140% of the unmet three-year commitment amount; provided, however, that if Servicer must pay any Participating State for failure to meet the obligations of a state-specific commitment to provide Consumer Relief pursuant to the terms of that commitment, then Servicer’s obligation to pay under this provision shall be reduced by the amount that such a Participating State would have received under this provision and the Federal portion of the payment attributable to that Participating State. The purpose of the 125% and 140% amount is to encourage Servicer to meet its commitments set forth in these Consumer Relief Requirements. ”
- xvi. Exhibit D-1, Paragraphs 1 and 2 Credit Caps are deleted, except that the cap on “forgiveness of forbearance amounts on existing modification” will remain 12.5%.
- xvii. Exhibit D-1, Paragraph 3 Credit Cap is amended by replacing “5%” with “10”.
- xviii. Exhibit D-1, Footnote 2 is amended to read as follows: “Credit for all modifications is determined from the date the modification is approved (the

date on which the Servicer decides to offer the modification to the borrower) or communicated to the borrower. No credits will be credited unless the payments on the modification are current as of 90 days following the implementation of the modification, including any trial period, or unless the borrower is not current at day 90 but subsequently becomes current prior to day 180. However, if the failure to make payments on the modification within the 90 day period is due to unemployment or reduced hours, the Servicer will receive credit provided that Servicer has reduced the principal balance on the loan. Eligible Modifications will include any modification that is completed on or after the Start Date, as long as the loan meets the criteria set forth in the preceding sentences of footnote 2.”

- xix. The Servicer will receive an additional 25% credit for any first or second lien principal reduction modifications made, pursuant to Paragraphs 1 and 2 of Exhibit D and Paragraph 6 of Exhibit I, to borrowers in Hardest Hit Areas. This credit is conditioned on Servicer’s satisfaction of the outreach requirements as set forth in Paragraph 4.C.iii.

ATTACHMENT 2
IRG Assertion



IRG Assertion

I am the Internal Review Group Executive of SunTrust Bank. To the best of my knowledge, after undertaking responsible due diligence, I certify that the Consumer Relief Report of SunTrust Banks, Inc., including its affiliates and subsidiaries ("Servicer"), for the period ending June 30, 2015 and the outcomes of this Satisfaction Review are based on a complete and accurate performance of the Work Plan by the IRG. This IRG Assertion is given to the Monitor, as identified in the Consent Judgment, pursuant to Section C.7 and D.1 of Exhibit E to the Consent Judgment (Enforcement Terms) and Section I.B.4 and Section III of the Work Plan.

IRG Executive: Brian Ayub

Date: August 14, 2015

Consumer Relief <i>See Note 1</i>	Current Submission	Reported to Date*
Reported Credits through 6/30/2015	\$ Credit	\$ Credit
First Lien Modifications	\$ 64,318,225.07	\$ 68,662,733.43
Second Lien Modifications**	\$ 142,931,312.54	\$ 142,931,312.54
Other Programs (see Note 2)		
i. Other - Short Sales / Deed-in-Lieu	\$ 32,966,390.23	\$ 32,966,390.23
ii. All Except Short Sales / Deed-in-Lieu	\$ 2,102,694.33	\$ 2,102,694.33
Refinance Program	\$ 39,890,796.51	\$ 42,778,767.95
New Lending Program	\$ 80,436,875.00	\$ 81,024,375.00
Total Consumer Relief	\$ 362,646,293.68	\$ 370,466,273.48

* These results contain the February 2015 Actual Credits for a monitor approved submission containing a limited number of loans in the test population. For this initial submission, IRG did not follow the sampling requirements as defined in the Work Plan, but instead tested the entire population of loans submitted as requested by the monitor. Credits reported in this submission are based on Actual Credits verified through IRG review.

** The Current Submission and Reported to Date amounts were reduced by \$149,821.74 to reflect overstatement of Reported Credit for Program 2 (Second Lien Modifications) as communicated in notice received from the Servicer. Notice was received after the Second Lien Modification population was submitted to the IRG.

Notes:

- 1) This report reflects Consumer Relief Credits calculated as required in Appendix D. Actual consumer benefit is reflected in Schedule Y.
- 2) In addition to Short Sales and Deeds-in-Lieu, 'Other Programs' includes the following:
 - a. Enhanced Borrower Transition Funds paid by Servicer (excess of \$1,500)
 - b. Servicer Payments to Unrelated 2nd Lien Holder for Release of 2nd Lien
 - c. Deficiency Waivers
 - d. Forbearance for Unemployed Borrowers
 - e. Anti-Blight
 - i. Forgiveness of Principal Associated with a Property when no FCL
 - ii. Cash Costs Paid by Servicer for Demolition of Property
 - iii. REO Properties Donated