Office *of*
Mortgage Settlement
Oversight

Continued Progress:

A Report from the Monitor of the National Mortgage Settlement

November 19, 2012

This progress report is my second as Monitor under the national mortgage servicing settlement. Like the report I released in August, this is not required by the settlement; the first required Monitor Report will be submitted to the United States District Court for the District of Columbia in the second quarter of 2013. Rather, this report is intended to inform readers about the steps the banks have taken to implement the settlement and my progress in its oversight. The report includes:

- Information about the relief distributed to consumers under the settlement between March 1, 2012 and September 30, 2012.
- An update on the implementation of the servicing standards, or reforms, set forth in the settlement and the metrics, or tests, I will use to assess compliance.
- A review of the complaints that have been submitted to me from professionals and consumers across the nation.
- An updated timeline for future reports and milestones (see Appendix I).

As was the case with my prior report, the consumer relief activities discussed in this report represent gross dollars that have not been subject to calculation under the crediting formulas in the settlement agreement. Therefore, the $26.11 billion in cumulative consumer relief reported here cannot be used to measure progress toward the $20 billion obligation in the settlement. As also was outlined in my first report, neither I nor the professionals working with me have confirmed these figures. No credit will be awarded to a servicer until I, as Monitor, am satisfied that the servicer has met its obligations.

Since my last report, I have met with consumer housing counselors and other professionals around the country. These meetings have reinforced my strong view that market feedback is critical to the success of the settlement. Information from the marketplace provides an up-to-the-minute understanding of the experiences that distressed borrowers and their representatives are having with the servicers. I continue to welcome reports of servicer performance regarding the implementation of the servicing standards and consumer relief or other observations from the marketplace.

I hope that this report, like the report that preceded it, will inform the public discussion of the settlement and the future of the housing market.

Sincerely,

Joseph A. Smith

As more fully described in my first report,[1] the Settlement[2] requires the Servicers[3] to (i) provide specific dollar amounts of relief to distressed borrowers within a three-year period ("Consumer Relief") and (ii) requires the Servicers to implement the reforms ("Servicing Standards") intended to redress the servicing practices that led to the claims that resulted in the Settlement. Set forth below are summaries of reports from the Servicers to the States that are parties to the Settlement,[4] to the Monitoring Committee,[5] and to me on their performance to date of their agreements to provide Consumer Relief and implement the Servicing Standards.

Consumer Relief

Under the Settlement, the Servicers have committed to providing the following minimum Consumer Relief obligations:[6]

- $200,000,000 for Ally
- $8,574,200,000 for Bank of America
- $4,212,400,000 for Chase
- $1,789,000,000 for Citi
- $4,337,000,000 for Wells

To meet this commitment, the Servicers can offer a variety of creditable Consumer Relief activities, including the following:

- First and second lien modifications
- Enhanced borrower transitional funds
- Facilitation of short sales
- Deficiency waivers
- Forbearance for unemployed borrowers
- Anti-blight activities
- Benefits for members of the armed services
- Refinancing programs

The Servicers have flexibility as to how they meet their overall obligations among the various Consumer Relief activities within certain parameters. For instance, at least 60 percent of each Servicer's obligation must be met by first and second lien principal reduction modifications, and no more than 10 percent can be met by deficiency waivers.[7]

Although the Settlement gives the Servicers some flexibility within the Settlement framework regarding the mix of creditable Consumer Relief activities they undertake, the Settlement also values the various types of relief differently. Much of the Consumer Relief is not credited on a dollar-for-dollar basis and some of the activities are valued more than others. For instance, some principal forgiveness on loans both owned and serviced by a Servicer is credited on a dollar-for-dollar basis whereas certain forbearance activities garner five-cents-on-the-dollar in credit.[8] Because much of the credit awarded is valued at less than dollar-for-dollar, the ultimate amount of gross Consumer Relief will be more than $20 billion.

The Servicers will receive credit toward their commitments for Consumer Relief activity provided to borrowers on or after March 1, 2012.[9] To encourage the Servicers to make substantial progress in the first year of the Settlement, the Settlement provides an additional 25 percent credit for any first or second lien principal reductions or credited refinancing activities that take place within the first 12 months after March 1, 2012.[10] If a Servicer's total commitment is not fully satisfied within three years, it will be required to pay a penalty of 125 or 140 percent of its unmet commitment amount, depending on the facts.[11]

---

[1] *First Take:* Progress Report from the Monitor of the National Mortgage Settlement, August 29, 2012, available at https://www.mortgageoversight.com/wp-content/uploads/2012/09/OMSO_MonitorsReport_8.29.12.pdf ("*First Take*").

[2] As used in this report, the term "Settlement" will refer to the Consent Judgments described in *First Take*, including Exhibits attached thereto, entered in the United States District Court for the District of Columbia effective April 5, 2012. Unless expressly stated to be otherwise, the Settlement terms referenced in *First Take* and in this report apply to each of the Servicers.

[3] Ally Financial, Inc., Residential Capital LLC, and GMAC Mortgage LLC ("Ally"); Bank of America, N.A. ("Bank of America"); J.P. Morgan Chase Bank, N.A. ("Chase"); CitiMortgage, Inc. ("Citi"); and Wells Fargo & Company and Wells Fargo Bank, N.A. ("Wells").

[4] First Take: p. 15 (listing all Government Parties, including the States).

[5] A committee comprised of representatives of the U.S. Department of Housing and Urban Development, the U.S. Department of Justice and 15 States. First Take: pp. 2, 19.

[6] The amounts represent the aggregate Consumer Relief obligations (non-refinancing and refinancing relief combined) as set forth in ¶ III to each party's Consent Judgment and listed in First Take: p. 20.

[7] Exhibit D-1.

[8] Exhibit D-1.

[9] Exhibit D ¶ 10.a.

[10] Exhibit D ¶ 10.b.

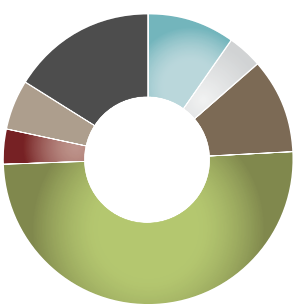
[11] Exhibit D ¶ 10.d.

Consumer Relief Distributed

The Settlement requires that each of the Servicers provide each State that is a party to the Settlement, with copies to the Monitor and the Monitoring Committee, a report ("State Report") regarding the number of borrowers assisted and credited activities under the Consumer Relief requirements.[12] The first of these reports was delivered by the Servicers on November 14, 2012. Subsequent reports will be delivered on or before the 45th day after the end of calendar quarters.[13]

Set forth below are summaries of information contained in the November 2012 State Reports. None of the data has been confirmed, credited or otherwise approved by me or the professional firms working with me. Appendix III to this report contains the detailed State Report information. Because the Consumer Relief reported below represents gross amounts that have not been scored under the crediting formulas in Exhibit D-1, the information cannot be used to measure the extent of the Servicers' satisfaction of their $20 billion Consumer Relief obligations under the Settlement. This amount also includes information provided separately by the Servicers at my request detailing first lien trial modifications in process as of Sept. 30, 2012.

Total Consumer Relief—Program to Date $26.11B[14]



March 1, 2012 to September 30, 2012:

With respect to the full Settlement period covered in this report (March 1, 2012 to September 30, 2012), the Servicers have reported that:

- 309,385 borrowers benefited from some type of Consumer Relief totaling $26.11 billion, which, on average, represents about $84,385 per borrower. This figure includes both completed Consumer Relief and active first lien trial modifications.
- 21,833 borrowers successfully completed a first lien modification and received $2.55 billion in loan principal forgiveness, averaging approximately $116,929 per borrower.
- 30,967 borrowers are in active first lien trial modifications as of September 30, 2012, the total principal value of which is $4.19 billion. This represents potential relief of $135,223 per borrower if the trials are completed.
- Second lien modifications and extinguishments were provided to 50,025 borrowers, representing approximately $2.78 billion in total relief. The average amount of relief for borrowers whose second liens were modified or extinguished was approximately $55,534.
- Servicers refinanced 37,396 home loans with an average unpaid principal balance of $210,398, reducing the annual interest rate by approximately 2.34 percent on average. The estimated benefit to borrowers from refinancing over the average life of the loan is approximately $1.44 billion.[15] On average, each borrower will save approximately $409 in interest payments each month.
- 113,534 borrowers had either a short sale completed during this period, or the lender accepted a deed in lieu of foreclosure, waiving any unpaid principal balance in either case. The total amount of this type of relief was approximately $13.13 billion, or about $115,672 per borrower.
- Through the various other Consumer Relief programs outlined in the Settlement documents,[16] the Servicers provided $1.01 billion in relief to 39,637 borrowers. The average amount of relief of these other programs amounts to $25,383 per borrower.

[12] Exhibit E ¶ D.2.
[13] Exhibit E ¶ D.2.
[14] Appendix II provides additional charts displaying different Consumer Relief activities.

[15] The estimated benefit to borrowers from refinancing is the estimated annual benefit multiplied by 7.85, which represents the Servicers' weighted multiplier under the Settlement per Exhibit D ¶ 9.3.ii.1, and is consistent with what some of the Servicers are reporting in their filings with the U.S. Securities and Exchange Commission. The estimated annual benefit to borrowers is the product of the average annual interest rate reduction, the average unpaid principal loan balance, and the number of borrowers.
[16] The other Consumer Relief programs include enhanced borrower transitional funds paid by Servicer, Servicer payments to unrelated second lienholder for release of second lien, forbearance for unemployed borrowers, deficiency waivers, forgiveness of principal associated with a decision not to pursue foreclosure, cash costs paid by Servicer for demolition of property, and real-estate owned ("REO") properties donated.

Servicer Satisfaction of Consumer Relief Obligations

It is my obligation as Monitor to determine whether a Servicer has satisfied its Consumer Relief Requirements.[17] Such a determination will be triggered by a Servicer's assertion that it has satisfied such requirements.[18] This assertion will then be reviewed by such Servicer's Internal Review Group ("IRG") that is separate and independent from the servicing operations that are being evaluated.[19] Such review will include a determination by the IRG that the Servicer's asserted relief activities have been completed and have been assigned the correct amount of credit under the Settlement terms. My Primary Professional Firm[20] ("PPF") and I will then undertake the necessary confirmatory due diligence and validation of the claimed Consumer Relief, and only if I am satisfied as to its accuracy will I certify the Servicer's satisfaction of its Consumer Relief obligations.[21] The processes to be followed by the IRG and by the PPF and me are contained in detailed work plans and related test scripts and other documentation. I am required to report to the U.S. District Court for the District of Columbia ("Court") on the Servicer's satisfaction of its Consumer Relief Requirements.[22] No such assertion of Consumer Relief satisfaction has been made by any of the Servicers to date, and accordingly, I have made no determination with regard to this provision of the Settlement.

[17] Exhibit E ¶ C.5.
[18] Exhibit E ¶ D.6.
[19] Exhibit E ¶ C.7.
[20] Exhibit E ¶ C.2. The PPF is an independent firm I retained to advise me, to review and confirm Consumer Relief, and to ensure the consistency of review of the Servicers' compliance with Servicing Standards. I selected BDO USA, LLP as my PPF.
[21] Exhibit E ¶¶ C.18, C.20.
[22] Exhibit E ¶ D.4 (providing that "[t]he Monitor Reports [as defined in ¶ D.3] shall be filed with the Court overseeing this Consent Judgment").

Servicing Standards, Metrics and Compliance Reports

As of October 2, 2012, the Servicers were required to be in full compliance with all 304 Servicing Standards established by the Settlement to improve the way borrowers are treated by their Servicers and to address the issues that led to the creation of the Settlement.[23] The Servicing Standards apply to all loans serviced by each Servicer. The Servicing Standards address a wide variety of issues including the integrity of documents;[24] customer service, including a single point of contact;[25] loss mitigation;[26] servicemember protections;[27] anti-blight activities;[28] and tenant rights.[29]

The Settlement outlines 29 defined Metrics,[30] or tests, that I will use to assess the Servicers' adherence to the Servicing Standards. As of September 25, 2012, the Servicers and I had largely agreed to a series of work plans ("Work Plans"). These Work Plans guide the work of the Servicers' IRGs in measuring both Consumer Relief and Servicing Standards performance, as well as the process by which my professional consultants and I will review the performance of the Servicers and their IRGs.[31]

The Settlement requires that each Servicer's IRG perform reviews ("Compliance Reviews") of the Servicer's performance of its implementation of Servicing Standards pursuant to the Work Plans discussed above.[32] On November 14, 2012, I received a Compliance Review from the IRG of each of the Servicers, covering performance during the third calendar quarter of 2012 as measured by the Metrics that are included in the relevant Work Plan. The PPF and the assigned Secondary Professional Firm ("SPF") for each Servicer[33] are currently analyzing these Compliance Reviews. In addition, the PPF and I are conducting ongoing reviews of the IRG's independence, competence and performance.[34]

[23] Exhibit E ¶ A (requiring full implementation of all Servicing Standards within 180 days of entry of the Consent Judgment).
[24] Exhibit A ¶ I.
[25] Exhibit A Servicing Standards IV.C.1 – IV.C.9.
[26] Exhibit A ¶ IV.
[27] Exhibit A ¶ V.
[28] Exhibit A Servicing Standards VIII.A.1 – VIII.A.4.
[29] Exhibit A Servicing Standards VIII.B.1 – VIII.B.2.
[30] Exhibit E-1.
[31] Exhibit E ¶¶ C.11 – C.15.
[32] Exhibit E ¶ C.7.
[33] First Take: p.3.
[34] Exhibit E ¶ C.10.

The next Compliance Reviews are to be delivered by the IRGs on or before February 14, 2013 regarding Servicer performance during the fourth calendar quarter of 2012. Based on a thorough analysis of these two Compliance Reviews, I will prepare my first report for submission to the Court ("Monitor's Report").[35] I am required to confer with each Servicer and the Monitoring Committee regarding my preliminary findings and each Servicer is authorized to submit written comments, which shall be appended to my report to the Court.[36] I intend to deliver my first Monitor's Report to the Court during the second calendar quarter of 2013.

If the IRG or I find that a Servicer failed a metric, the Servicer is required to meet with the Monitoring Committee within 15 days of the Quarterly Report disclosing such failure.[37] The Servicer has the right to cure a potential violation and must remediate any material harm to individual borrowers discovered by the review. Where I determine the breach is widespread, the Servicer must take additional steps to identify and remediate harmed borrowers outside of those identified by the sample review.[38] If the Servicer fails to cure its violation, it is subject to enforcement action in the Court.[39]

In addition to the initial 29 Metrics, the Settlement authorizes me to create up to three new Metrics at my own discretion.[40] I also am authorized to create as many new Metrics as necessary for measuring Servicer compliance if I perceive a pattern or practice of noncompliance with the Standards that is reasonably likely to cause harm to consumers.[41] That is why I continue to seek the input of consumers and their advocates to share their experiences with me through my website, www.mortgageoversight.com.

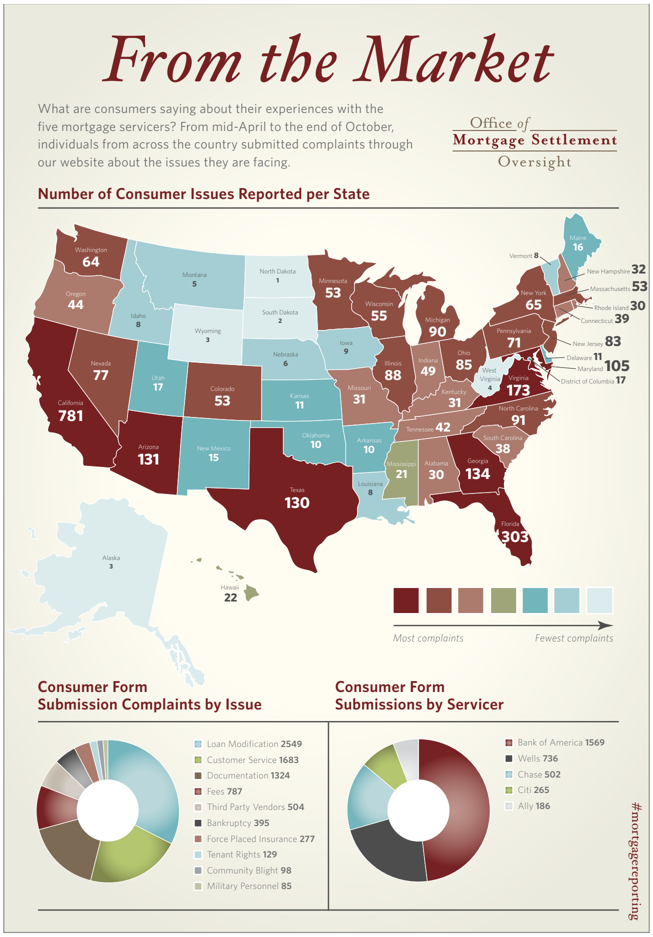
From the Marketplace

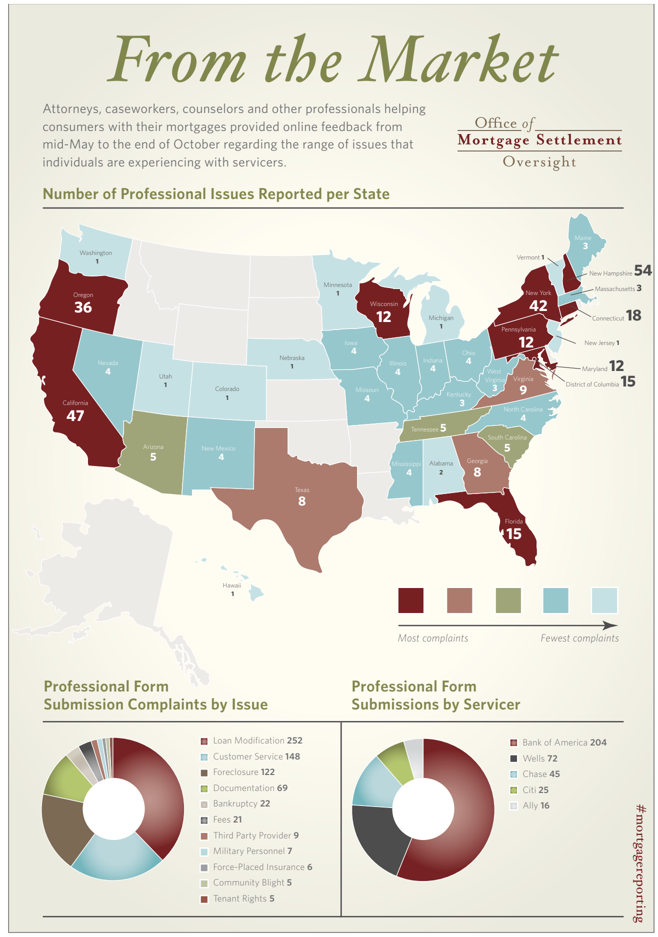
Information provided by borrowers and the professionals who counsel them is an integral part of my work monitoring the Settlement. I continue to accept, analyze and use complaints from both consumers and professionals via www.mortgageoversight.com to obtain a first-hand report on the Servicers' performance.

Since the forms were posted on my website in May 2012, I have received more than 3,000 distinct submissions from consumers in all 50 states and the District of Columbia whose loans are serviced by one or more of the Servicers. More than 70 percent of the consumer submissions relate to complaints about problems in the loan modification process or a failure to modify or refinance a loan, customer service and documentation problems with a foreclosure, bankruptcy or loan file. Issues surrounding dual tracking also are predominant. I also am seeing an increasing number of reports concerning successor servicers or sub-servicers that are taking over the account administration from one of the Servicers.

Through a separate form on the website, I have received more than 350 submissions from professionals in 39 states and the District of Columbia currently representing or assisting homeowners. Professionals such as legal aid attorneys and attorneys in private practice, bankruptcy attorneys and trustees, housing and credit counselors, non-profit advocates, realtors, specialists in Attorneys General and Congressional offices, and state banking regulatory agency staff have submitted these claims. Professional submissions report statistical data about potential violations of the Servicing Standards, as well as related explanatory narrative. I am grateful for their advocacy on behalf of their clients and their willingness to work with me.

[35] Exhibit E ¶ D.3.
[36] Exhibit E ¶ D.4.
[37] Exhibit E ¶ E.1.
[38] Exhibit E ¶¶ E.2 – E.5.
[39] Exhibit E ¶ J.3.
[40] Exhibit E ¶ C.12.
[41] Exhibit E ¶ C.23.





Roughly 80 percent of the professional submissions involved problems encountered in the loan modification process, customer service issues, or problems in the foreclosure process. Similar to the consumer submissions, the issues involving loan modification and foreclosure are linked to concerns regarding dual tracking, problems with meeting notice requirements about loss mitigation documentation or programs, and Servicers pursuing foreclosure or other collection efforts while a completed loss mitigation application was pending. The vast majority of the customer service submissions dealt with various aspects of the Servicers' single point of contact and the untimely, ineffective, or inconsistent service provided.

I will continue to regularly review and evaluate the reports submitted to me, as well as the Executive Office complaints filed with the Servicers.[42] These reports may demonstrate Servicer noncompliance or the need for an additional metric. If and when I see a pattern or practice of a violation, I will address it. Reports submitted from consumers and professionals provide real-world information, without which it would be impossible to determine the Settlement's true efficacy in improving the way homeowners are treated by the Servicers.

[42] Exhibit E ¶ C.16 (authorizing access to all Executive Office servicing complaints).

Conclusion

The Settlement is a bipartisan, state-federal response to a serious problem that has the potential to change our country's mortgage system for the better. While it is still too soon to judge the extent of the effectiveness of the Settlement, I believe the past eight months of our work have been well spent. I look forward to continuing our work together for the benefit of current and future homeowners.

Appendices

Appendix I: Timeline of Future Settlement Reports

Timelines

The following infographic shows the historical dates beginning with the announcement of the National Mortgage Settlement and leading up to the release of the Monitor's first report. It also spells out deadlines for the duration of the Settlement when banks must provide relief to distressed homeowners and adopt better mortgage-related practices, or Servicing Standards.

Office *of* Mortgage Settlement Oversight

Make Up of the Organization

The National Mortgage Settlement kicked off several milestones from the appointment of the Monitor to the release of his second report.

Consumer Relief

The banks must provide at least $20 billion in relief to struggling homeowners. They must periodically report their activities, including meeting certain thresholds, by specific dates over the next three years. The Monitor must also provide reports to the D.C. District Court regarding bank compliance.

Servicing Standards

The banks must comply with more than 300 Servicing Standards as of October 2, 2012 and provide quarterly reports to the Monitor regarding how well those standards are working over the next three years. The Monitor will also provide reports to the D.C. District Court regarding bank compliance.

March 1, 2012
Servicers began Consumer Relief activities.

March 1, 2012
Servicers began implementing Servicing Standards.

March 20, 2012
National Mortgage Settlement announced.

April 5, 2012
Consent Judgments entered in D.C. District Court; Smith officially named Monitor.

June 4, 2012
Monitor selected BDO as PPF.

June 4, 2012
End of 60 day period in implementation schedule.

July 1, 2012
Servicers began quarter when they will be evaluated against up to 9 Metrics.

July 5, 2012
End of 90 day period in implementation schedule.

July 27, 2012
Monitor and Servicers reached agreement on initial Work Plans.

August 6, 2012
Monitor selected five SPFs - one for each Servicer.

August 14, 2012
Servicers reported preliminary relief activity between March 1, 2012 and June 30, 2012 to Monitor.

August 29, 2012
Monitor released Progress Report, *First Take*.

September 25, 2012
Monitor and Servicers reached agreement on amended Work Plans.

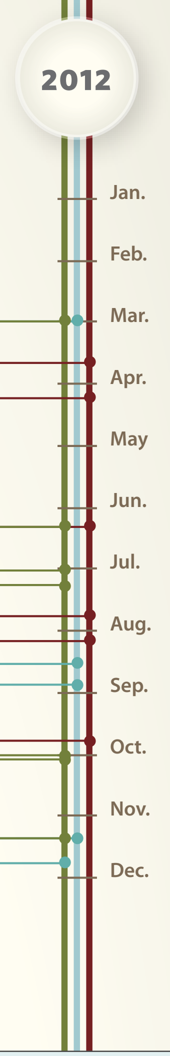
October 1, 2012
Servicers began quarter when they will be evaluated against up to 20 Metrics.

October 2, 2012
All 304 Servicing Standards have been implemented.

November 14, 2012
Servicers delivered State Reports to states and Monitor.

November 14, 2012
Servicers delivered Quarterly Report to Monitor regarding Q3 2012 performance on Metrics.

November 19, 2012
Monitor released *Continued Progress*.



2013

January 1, 2013
IRG to conduct Satisfaction Review of Consumer Relief requirements.

January 1, 2013
Servicers to begin quarter when they will be evaluated against all 29 Metrics.

Febuary 14, 2013
Servicers to deliver State Reports to states and Monitor.

Febuary 14, 2013
Quarterly Report from Servicer to Monitor regarding Q4 2012 performance on Metrics.

February 19, 2013
Monitor to release next progress report.

Febuary 28, 2013
Servicers to complete Consumer Relief activity eligible for 125% bonus credit.

April 14, 2013
Estimated date when Monitor will issue first Monitor Report to D.C. District Court; will include report on Servicers' satisfaction of Consumer Relief requirements.

April 14, 2013
Estimated date when Monitor will issue first Monitor Report to D.C. District Court; will include findings on Metrics.

May 15, 2013
Servicers to deliver State Reports to states and Monitor.

May 15, 2013
Quarterly Report from Servicer to Monitor regarding Q1 2013 performance on Metrics.

August 14, 2013
Servicers to deliver State Reports to states and Monitor unless Consumer Relief obligations satisfied.

August 14, 2013
Quarterly Report from Servicer to Monitor regarding Q2 2013 performance on Metrics.

October 14, 2013
Estimated date when Monitor will issue second Monitor Report to D.C. District Court; will include report on Servicers' satisfaction of Consumer Relief requirements if IRG conducted.

October 14, 2013
Estimated date when Monitor to issue second Monitor Report to D.C. District Court; will include findings on Metrics.

November 14, 2013
Servicers to deliver State Reports to states and Monitor unless Consumer Relief obligations already satisfied.

November 14, 2013
Quarterly Report from Servicer to Monitor regarding Q3 2013 performance on Metrics.

2014

January 1, 2014
IRG to conduct Satisfaction Review of Consumer Relief requirements unless Servicer previously asserted it had satisfied obligations.

Febuary 14, 2014
Servicers to deliver State Reports to states and Monitor unless Consumer Relief obligations already satisfied.

Febuary 14, 2014
Quarterly Report from Servicer to Monitor regarding Q4 2013 performance on Metrics.

Febuary 28, 2014
Servicers to have completed at least 75% of Consumer Relief activity.

April 14, 2014
Estimated date when Monitor will issue third Monitor Report to D.C. District Court; will include report on Servicers' satisfaction of Consumer Relief requirements unless already satisfied.

April 14, 2014
Estimated date when Monitor to issue third Monitor Report to D.C. District Court; will include findings on Metrics.

May 15, 2014
Servicers to deliver State Reports to states and Monitor unless Consumer Relief obligations already satisfied.

May 15, 2014
Quarterly Report from Servicer to Monitor regarding Q1 2014 performance on Metrics.

August 14, 2014
Servicers to deliver State Reports to states and Monitor unless Consumer Relief obligations already satisfied.

August 14, 2014
Quarterly Report from Servicer to Monitor regarding Q2 2014 performance on Metrics.

November 14, 2014
Servicers to deliver State Reports to states and Monitor unless Consumer Relief obligations already satisfied.

November 14, 2014
Quarterly Report from Servicer to Monitor regarding Q3 2014 performance on Metrics.

2015

January 1, 2015
IRG to conduct Satisfaction Review of Consumer Relief requirements unless Servicer previously asserted it had satisfied obligations.

Febuary 14, 2015
Servicers to deliver State Reports to states and Monitor unless Consumer Relief obligations already satisfied.

Febuary 14, 2015
Quarterly Report from Servicer to Monitor regarding Q4 2014 performance on Metrics.

Febuary 28, 2015
Servicers to have completed 100% of Consumer Relief activity or make payment of at least 125% of unmet obligation.

March 1, 2015
IRG to conduct final Satisfaction Review of Consumer Relief requirements unless Servicer previously asserted it had satisfied obligations.

April 14, 2014
Estimated date when Monitor will issue third Monitor Report to D.C. District Court; will include report on Servicers' satisfaction of Consumer Relief requirements unless already satisfied.

April 14, 2015
Estimated date when Monitor will issue fourth Monitor Report to D.C. District Court unless there is a potential violation, in which case Monitor Report will be issued earlier; will include findings on Metrics.

May 15, 2015
Servicers to deliver State Reports to states and Monitor unless Consumer Relief obligations already satisfied.

May 15, 2015
Quarterly Report from Servicer to Monitor regarding Q1 2015 performance on Metrics.

August 14, 2015
Quarterly Report from Servicer to Monitor regarding Q2 2015 performance on Metrics.

November 14, 2015
Quarterly Report from Servicer to Monitor regarding Q3 and part of Q4 2015 performance on Metrics.

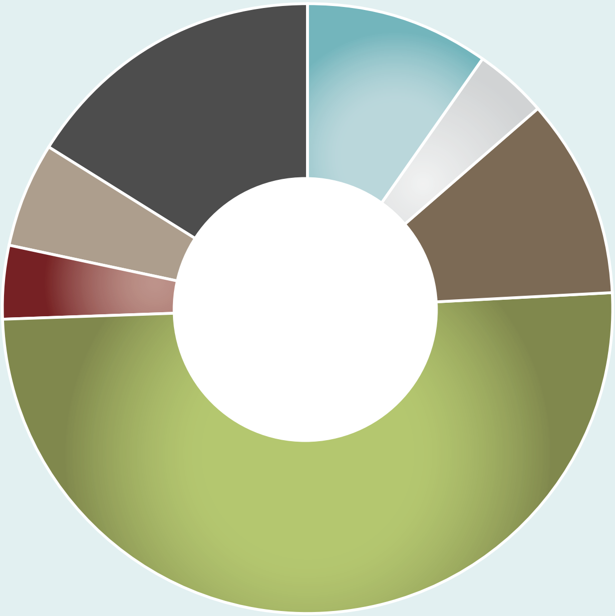
TBD
Monitor to determine and certify Servicer's Consumer Relief activity upon satisfaction of any category of payment obligation at request of Servicer.

2016

April 5, 2016
Date by which Monitor will issue last Monitor Report to D.C. District Court; will include findings on Metrics.

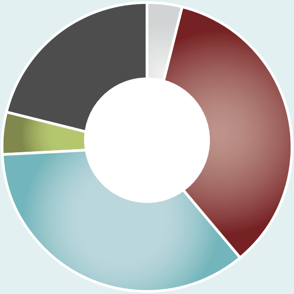
Appendix II: Program to Date Consumer Relief

Total Consumer Relief—Program to Date $26.11B



- Completed First Lien Modification Forgiveness **$2.553B**
- Completed Forgiveness of pre-3/1/12 Forbearance **$1.008B**
- Completed Second Lien Modifications and Extinguishments **$2.778B**
- Short Sales Completed **$13.133B**
- Total Other Program Activity **$1.006B**
- Refinance Consumer Relief **$1.442B**
- Active Trial in Process **$4.187B**

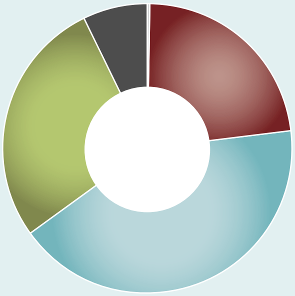
Completed First Lien Modifications* $2.553B



- Ally **$106M**
- Bank of America **$889M**
- Chase **$903M**
- Citi **$122M**
- Wells **$533M**

* Finalized first lien principal reduction permanent modifications (including converted trial modifications).

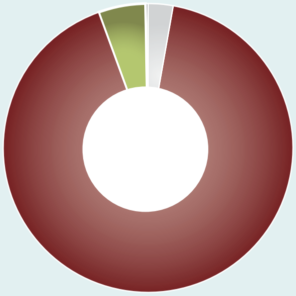
Completed Forgiveness of pre-3/1/12 Forbearance* $1.008B



- Ally **$3M**
- Bank of America **$231M**
- Chase **$423M**
- Citi **$280M**
- Wells **$71M**

* Forgiveness of deferred principal from pre-settlement permanent modification of first lien mortgages.

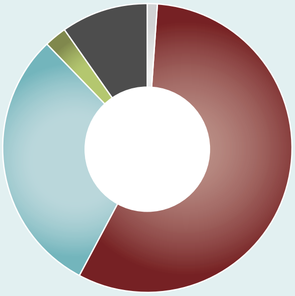
Completed Second Lien Modifications* and Extinguishments** $2.778B



- Ally **$86M**
- Bank of America **$2.533B**
- Chase **$4M**
- Citi **$149M**
- Wells **$5M**

* Finalized second lien principal reduction permanent modifications.
** Finalized second lien mortgage extinguishments (forgiveness of the entire balance and release of lien).

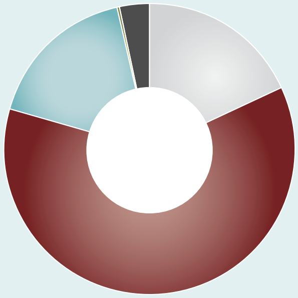
Short Sales Completed* $13.133B



- Ally **$168M**
- Bank of America **$7.435B**
- Chase **$3.961B**
- Citi **$317M**
- Wells **$1.252B**

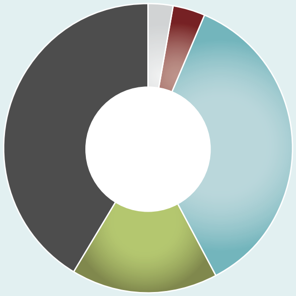
* The forgiveness of first or second lien mortgage remaining balances to facilitate short sale transactions and release of liens.. Also includes forgiveness of first or second lien mortgage remaining balances to facilitate transactions in which borrower deeds the residence to Servicer/investor in lieu of foreclosure and release of liens.

Other Programs* $1.006B



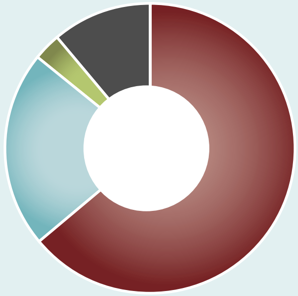
* Other consumer relief programs include: (a) Enhanced Borrower Transitional Funds Paid by Servicer (transitional funds in an amount greater than $1,500 provided to homeowners to facilitate completion of short sales or deeds in lieu of foreclosure), (b) Servicer Payments to Unrelated 2nd Lien Holder for Release of 2nd Lien (payments to unrelated second lien holders for release of second lien mortgages in connection with short sale or deeds-in-lieu transactions), (c) Forbearance for Unemployed Borrowers (forgiveness of payment arrearages on behalf of unemployed borrowers or traditional forbearance programs for unemployed borrowers to keep them in their homes until they can resume payments), (d) Deficiency Waivers (waiver of valid claims on borrower deficiency balances on first or second lien mortgages and release of liens), (e) Forgiveness of Principal Associated with a Property When No Foreclosure (forgiveness of principal associated with a property and release of liens in connection with a decision not to pursue foreclosure), (f) Cash Costs Paid by Servicer for Demolition of Property (payments to demolish properties to prevent blight), and (g) REO Properties Donated (properties owned by Servicers/investors that are donated to municipalities, nonprofits, disabled servicemembers, or families of deceased servicemembers).

Refinance Consumer Relief* $1.442B



* The estimated benefit to borrowers from refinancing is the estimated annual benefit multiplied by 7.85, which represents the Servicers' weighted multiplier under the Settlement per Exhibit D ¶ 9.e.ii.1, and is consistent with what some of the Servicers are reporting in their filings with the U.S. Securities and Exchange Commission. The estimated annual benefit to borrowers is the product of the average annual interest rate reduction, the average unpaid principal loan balance, and the number of borrowers.

Active Trial in Process* $4.187B



* This information was provided separately by the Servicers at the Monitor's request detailing first lien trial modifications in process as of Sept. 30, 2012.