



Independent Foreclosure Review

July 2014

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



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Executive Summary

Between April 2011 and April 2012, the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (“Federal Reserve”), and the Office of Thrift Supervision (OTS) issued formal enforcement actions against 16 mortgage servicing companies to address a pattern of misconduct and negligence related to deficient practices in residential mortgage loan servicing and foreclosure processing identified by examiners during reviews conducted from November 2010 to January 2011. Beginning in January 2013, 15 of the mortgage servicing companies subject to enforcement actions for deficient practices in mortgage loan servicing and foreclosure processing reached agreements with the OCC and the Federal Reserve (collectively, the “regulators”) to provide approximately \$3.9 billion in direct cash payments to borrowers and approximately \$6.1 billion in other foreclosure prevention assistance, such as loan modifications and the forgiveness of deficiency judgments. For participating servicers, fulfillment of these agreements satisfies the foreclosure file review requirements of the enforcement actions issued by the OCC, the Federal Reserve, and the OTS in 2011 and 2012.

This report provides information relating to the conduct of the foreclosure file reviews, including tables with data on the status of findings of the reviews up to the time they were terminated and replaced by the agreements, and tables with data on the status of the payments being made to borrowers and other foreclosure prevention assistance being provided under the agreements. It focuses primarily on servicers regulated by the Federal Reserve. The OCC recently released a public report containing similar data for servicers it regulates (the “OCC Status Report”).¹

Enforcement Actions against Major Residential Mortgage Servicers

The Federal Reserve, the OCC, and the OTS conducted on-site reviews of foreclosure processing at several large residential mortgage servicers from November 2010 to January 2011. The primary objective of the reviews was to evaluate the adequacy of controls and governance over the servicers’ loan servicing and foreclosure processing functions. The reviews found critical weaknesses in servicers’ foreclosure governance processes, foreclosure documentation preparation processes, and oversight and monitoring of third-party vendors that resulted in unsafe and unsound processes and practices in residential mortgage loan servicing and foreclosure processing at a number of supervised institutions.²

In response, in 2011 and 2012, the Federal Reserve, the OCC, and the OTS issued formal enforcement actions (“Consent Orders”) against 16 major residential loan mortgage servicers (the “servicers”) and their parent holding companies (“holding companies”) (collectively, “banking organizations”). Each of the Consent Orders contained substantially the same requirements. The banking organizations covered by the Consent Orders and the regulator for each banking organization’s servicing operations are displayed in table A.1 in the appendix.³

As of May 2014, the Federal Reserve has announced monetary sanctions totaling \$929,700,000 against seven banking organizations for unsafe and unsound processes and practices in residential mortgage loan

¹ U.S. Department of the Treasury, Office of the Comptroller of the Currency (2014), “Foreclosure-Related Consent Orders Status Report: Observations, Payments, and Foreclosure Prevention Assistance,” April, available at www.occ.treas.gov/news-issuances/news-releases/2014/nr-occ-2014-65a.pdf.

² See Board of Governors of the Federal Reserve System (2011), “Interagency Review of Foreclosure Policies and Practices,” press release, April 13, available at www.federalreserve.gov/newsevents/press/enforcement/20110413a.htm.

³ The OCC regulates a majority of the servicers. Of the 16 servicers subject to Consent Orders, 8 are regulated solely by the OCC, 4 are regulated solely by the Federal Reserve, and 2 are jointly regulated by the regulators, resulting in a total of 6 Federal Reserve-regulated servicers.

servicing and foreclosure processing.⁴ These monetary sanctions, announced beginning in February 2012, were based on the same deficiencies that the servicers were required to correct under the 2011 and 2012 enforcement actions. The amount of sanctions takes into account the maximum amount prescribed for unsafe and unsound practices under applicable statutory limits, the comparative severity of each banking organization's misconduct, and the comparative size of each banking organization's foreclosure activities.

In an effort to facilitate a broad settlement of related state and federal claims, and to obtain an agreement that will maximize the effectiveness of assistance provided through an integrated set of remedial programs, the Federal Reserve decided to act in conjunction with comprehensive settlements between various of these seven banking organizations, the U.S. Department of Justice, and state attorneys general for several states. Under the terms of the Federal Reserve's monetary sanctions against these seven banking organizations, each organization must pay to the Federal Reserve, for remittance to the U.S. Treasury, the amount imposed by the Federal Reserve on the organization that the organization has not expended within the prescribed period in providing borrower assistance or remediation in compliance with the federal-state settlement agreement or on a program acceptable to the Federal Reserve. The Federal Reserve believes that monetary sanctions against the other seven institutions that are also subject to enforcement actions for unsafe and unsound practices in their loan servicing and foreclosure processing are appropriate and plans to announce monetary penalties against them.

The Consent Orders against servicers that were thrifts and against the holding companies of those servicers were issued by the OTS, which at the time regulated thrift institutions and their parent holding companies. As a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the OTS was abolished and in July 2011, the Federal Reserve assumed the authority to enforce the Consent Orders against the holding companies of the thrifts, and the OCC assumed the authority to enforce the Consent Orders against the four thrift servicing subsidiaries.

Corrective Actions to Address Deficiencies

The Consent Orders were issued to ensure the banking organizations promptly initiated steps to establish mortgage loan servicing and foreclosure processes that treated customers fairly, were fully compliant with all applicable law, and were safe and sound. The Consent Orders required the banking organizations to address a pattern of misconduct and negligence related to deficient practices in residential mortgage loan servicing and foreclosure processing. These deficiencies represented significant and pervasive compliance failures and unsafe and unsound practices.

The servicers were required to submit acceptable action plans that described, among other things, how they would: strengthen compliance programs; strengthen communications with borrowers by providing each borrower the name of a primary point of contact at the servicer; establish limits on foreclosures where loan modifications have been approved; establish robust, third-party vendor controls; ensure adequate staffing; and improve training of staff. The holding companies were required to submit action plans acceptable to the regulators that described, among other things, how the companies would improve oversight of servicing and foreclosure processing conducted by their bank and nonbank subsidiaries.

The regulators reviewed the action plans and requested various revisions before deeming them acceptable, and the Federal Reserve published each action plan for its banking organizations on its public website.⁵ The OCC issued reports summarizing its servicers' action plans. The Federal Reserve's supervisory teams have closely followed the implementation of the action plans throughout 2012, 2013, and into 2014. The supervisory teams are now in the process of assessing the adequacy of policies, procedures, and practices; conducting process reviews; and performing loan-level transaction testing to confirm whether the deficiencies have been corrected. The regulators remain committed to ensuring that the banking organizations have taken all necessary actions to address the deficiencies in servicing and foreclosure processes.

⁴ These seven banking organizations are Ally Financial, Bank of America, Citigroup, JPMorgan Chase, MetLife, SunTrust, and Wells Fargo.

⁵ The action plans for Federal Reserve-supervised institutions are available at www.federalreserve.gov/consumerinfo/independent-foreclosure-review-payment-agreement.htm.

Actions to Identify and Remediate Potentially Harmed Borrowers

Independent Foreclosure Review

In addition to correcting servicing practices going forward, the Consent Orders required the banking organizations to determine if any borrowers were harmed by the deficient servicing and foreclosure processes and practices. To accomplish this, the banking organizations were required to retain independent consultants to conduct comprehensive reviews of foreclosure activity to identify whether borrowers whose mortgages were serviced by the organizations and whose homes were in the foreclosure process during 2009 or 2010 (“in-scope borrowers”) suffered financial injury because of servicer errors, misrepresentations, or other deficiencies. This review encompassed more than 4.4 million borrower loan files. The number of in-scope borrowers whose mortgages were serviced by each servicer subject to a Consent Order is listed in table A.2 in the appendix. Less than 20 percent of in-scope borrowers had mortgages that were serviced by Federal Reserve-regulated servicers.

The file review initiated by the independent consultants, combined with a significant borrower outreach process, was referred to as the Independent Foreclosure Review (IFR). Before proceeding with the file reviews, the banking organizations submitted proposals outlining the independent consultants they wished to engage, which were subject to the approval of the regulators. The independent consultants’ engagement letters were subject to extensive review and revision prior to acceptance by the regulators.

The servicers also were required to contact all in-scope borrowers and provide them with the opportunity to request a review of their foreclosure action by an independent consultant to determine whether the borrower suffered financial injury because of errors by their servicer and potentially receive compensation (the “borrower outreach process”). Rust Consulting, Inc. (“Rust”) was selected by the servicers to serve as the “IFR administrator,” which required Rust, among other things, to establish a toll-free number that borrowers could call for more information about the review and a website that borrowers could access for information and to submit a

request for review of their foreclosure.⁶ In addition, Rust managed all borrower communications related to the IFR.

The independent consultants were required to evaluate an individual’s foreclosure action to determine if the borrower had experienced financial injury, and, if so, the category of injury identified. Once the reviews of individual borrowers’ foreclosure actions had been completed, the independent consultants were expected to determine the number of injured borrowers who were eligible for compensation. The appropriate amount of compensation to be provided to borrowers was based on financial remediation guidance issued by the regulators for general categories of harm and was not intended to replace the type of specific finding of actual harm or losses that might be determined by a court.⁷ Indeed, the regulators specifically provided that borrowers receiving payments under the IFR would not waive the right to pursue damages in other venues.

Payment Agreement

After nearly two years of reviews, the independent consultants indicated that the file-by-file review of in-scope borrowers would require substantially more time to complete. To speed remediation to borrowers—all of whom were in the foreclosure process more than two years earlier—and considering that the independent consultants’ reports did not reveal the existence of widespread financial injury among borrowers whose files had been reviewed, the regulators determined to stop the IFR. The regulators entered into agreements with the servicers that chose to replace the IFR with direct cash payments to all in-scope borrowers and other assistance (the “Payment Agreement”) in order to provide the greatest benefit to borrowers in a timelier manner than would have occurred under the IFR process.

The Payment Agreement imposed two principal requirements on participating servicers. First, the servicers were required to promptly make cash payments

⁶ The public website maintained by Rust Consulting, Inc. is available at www.independentforeclosurereview.com.

⁷ See Board of Governors of the Federal Reserve System (2012), “Agencies Release Financial Remediation Guidance, Extend Deadline for Requesting a Free Independent Foreclosure Review to September 30, 2012,” press release, June 21, available at www.federalreserve.gov/newsevents/press/bcreg/20120621a.htm.

to all in-scope borrowers under the IFR, regardless of whether or not the independent consultants found that the borrower had suffered financial injury caused by servicer error or requested an independent review (the “cash payments”). Second, the servicers were required to provide, during the next two years, loss mitigation or other foreclosure prevention assistance, such as loan modifications or forgiveness of deficiency judgments, to borrowers facing foreclosure (the “foreclosure prevention assistance”). Borrowers could not be required to waive or release any rights or claims they might have against their servicer in order to receive a cash payment or foreclosure prevention assistance. The servicers’ fulfillment of the cash payment and foreclosure prevention assistance requirements replaced their obligation to complete the IFR under the Consent Orders. The Payment Agreement did not affect the servicers’ continuing obligations under the Consent Orders to take corrective actions to address deficiencies in their mortgage servicing and foreclosure policies and procedures. Nor did the Payment Agreement affect the rights of borrowers to pursue claims for actual damages against the servicers.

Ultimately, 15 of the 16 banking organizations required to conduct an IFR agreed to participate in Payment Agreements, which were implemented by

amendments to the Consent Orders (the “Consent Order Amendments” or “Amendments”) entered into by the regulators with each of the participating servicers.⁸ OneWest, an OCC-regulated servicer, did not enter into a Payment Agreement. The IFR that remains under way at OneWest is addressed in the OCC Status Report, but not in this report. The timing of the servicers’ entry into the Consent Orders and the related Amendments is displayed in table A.1 in the appendix.

Under the Payment Agreement, participating servicers are required to provide a total of approximately \$10 billion in cash payments and foreclosure prevention assistance to help borrowers: approximately \$3.9 billion in cash payments to more than 4.4 million borrowers and approximately \$6.1 billion in foreclosure prevention assistance. The amount of cash payments to in-scope borrowers and foreclosure prevention assistance required by the Consent Order Amendments is displayed in table A.2 in the appendix. The Payment Agreement resulted in the largest total cash payout of any federal banking regulatory foreclosure-related action to date.

⁸ The Consent Order Amendments that implement the Payment Agreement, issued by the Federal Reserve in February and July of 2013, can be found at www.federalreserve.gov/consumerinfo/independent-foreclosure-review.htm.

Background on the Independent Foreclosure Review (IFR)

Consent Order Requirements

With respect to the conduct of the IFR, the Consent Orders required each servicer to review foreclosures involving in-scope borrowers to determine, at a minimum, whether

1. the servicer was a proper party to pursue the foreclosure;
2. the foreclosure complied with applicable federal and state laws, including the Servicemembers Civil Relief Act (SCRA) and the Bankruptcy Code;
3. the foreclosure followed the applicable procedural requirements;
4. a foreclosure sale occurred when the borrower's request for a loan modification or other loss mitigation action was pending;
5. the fees or penalties charged were not permissible or otherwise unreasonable;
6. any loss mitigation activities related to the foreclosed loans were properly handled; and
7. any errors, misrepresentations, or other deficiencies resulted in financial injury.

The Consent Orders required each servicer to submit to the appropriate regulator an acceptable plan to remediate, as appropriate, the errors, misrepresentations, or other deficiencies in any foreclosure proceeding. After the appropriate regulator approved their remediation plan, each servicer was required to provide remediation to injured borrowers and take any other remedial action for each injured borrower as provided for in the approved plan.

Selection of Independent Consultants

The Consent Orders contemplated that the reviews of borrower files would be done by independent consul-

ants paid for by the servicers so that servicers would not be reviewing their own decisions. The regulators required servicers to submit proposals identifying the independent consultant they were most seriously considering for the IFR engagement before making their selection. Those independent consultants were required to submit details on the background and expertise of their management team; availability of resources to staff the engagement; and a list of all previous consulting engagements for the servicer involved, including specific details on any engagements relating to mortgage servicing. For independent consultants proposed by servicers regulated by the Federal Reserve, this information was reviewed by Federal Reserve supervisory teams and staff to ensure the independent consultant would be able to review borrower files without influence by the servicer that retained them, possessed the requisite expertise and staff capacity, and would not be reviewing or assessing their own previous work. For example, an independent consultant would be disqualified from the IFR engagement because of previous engagements designed to develop, enhance, or review mortgage servicing policies, procedures, or processes for that servicer.

The engagement letters for independent consultants were also subject to review by the regulators and were required to set forth, among other things, the methodology for conducting the IFR, including the systems and documents to be reviewed, the criteria for evaluating the reasonableness of fees and penalties, and other procedures necessary to make the required determinations, such as through interviews of employees and third parties, and a process for the receipt and review of borrower claims and complaints. The regulators posted on their public websites the approved engagement letters between the servicers and independent consultants retained to review foreclosures.⁹

⁹ See www.federalreserve.gov/consumerinfo/independent-foreclosure-review.htm.

IFR Methodology

The File Review Process

The Consent Orders required the servicers to conduct a file review to identify borrowers covered by the IFR who could be entitled to financial remediation. Under the basic methodology approved by the regulators, the independent consultants were to select and examine specific types of borrower files maintained by the servicers. The Federal Reserve required the independent consultants to review 100 percent of files with high-risk factors, including military borrowers with foreclosure protections under the SCRA, high-risk bankruptcy-protected borrowers, foreclosure-related complaints filed before the borrower outreach process was launched, foreclosure actions where a complete request for a loan modification was pending at the time of foreclosure, and foreclosure actions that occurred when the borrower was not in default on a trial or permanent modification. These types of files were selected for mandatory review because borrowers in these categories were believed to be more likely to have suffered financial injury because of servicer error. Additional files were identified by the independent consultants through an analysis of the borrower population and were reviewed on a sample basis using accepted sampling techniques. If the sample revealed a high level of errors, the scope of the file review would have been expanded to determine whether other files also contained the same error.

The Request for Review Process and Related Data

The regulators required that each servicer implement a process for the receipt and review of borrower claims and complaints. Borrowers who believed they were financially harmed during the foreclosure process by their servicer's errors were able to request an independent review if a foreclosure action was initiated, pending, or completed during 2009 or 2010 on a mortgage loan on their primary residence.

The servicers contracted with Rust to serve as the IFR administrator. This contract required Rust to, among other things: (1) conduct mailings to all in-scope borrowers inviting the borrowers to submit a form, referred to as a "Request for Review," or RFR, which borrowers could return to request that their foreclosure file be reviewed by the independent consultants; (2) operate the [\[surereview.com\]\(http://surereview.com\) website, through which borrowers could confirm whether they were part of the in-scope population, submit RFR forms online, and find answers to frequently asked questions about the IFR; \(3\) manage the IFR call center to answer borrower inquiries related to the IFR; \(4\) serve as the intake administrator for submitted RFRs; and \(5\) manage borrower data transmissions to the servicers and independent consultants.](http://www.independentforeclo-</p>
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To carry out its role as the IFR administrator, Rust worked with the servicers to obtain key borrower data and information for in-scope borrowers, including borrowers' names, loan numbers, property addresses, and current mailing addresses. Broad outreach by mail and mass media was used to raise awareness of the IFR. Outreach efforts to borrowers of 14 of the 16 servicers under Consent Orders were launched on November 1, 2011, when Rust mailed letters about the IFR, including an RFR form, to more than 4.4 million borrowers who were identified as potentially eligible for an independent review. Because Goldman Sachs and Morgan Stanley entered into Consent Orders after the other servicers, these two servicers were still in the process of implementing outreach procedures when they entered into the Payment Agreement.¹⁰

Additionally, the regulators conducted outreach sessions targeted to housing counseling agencies to increase program awareness and promote borrower participation. These sessions included two webinars (on February 29, 2012, and March 6, 2012) moderated by the independent consultants, with participation from the regulators, to provide information on the process for requesting a review and to train counselors on how to help borrowers complete the RFR form. The webinars attracted over 1,100 housing counselors and legal professionals via online streaming and phone conference bridges. Over 80 percent of the webinar survey respondents found that the webinar training presentations were well organized, met their information needs, and improved their understanding of the RFR form. The Federal Reserve posted the webinar video on its public website, and from March 6 through December 31, 2012, the page where the webinar was posted had been visited over 2,200 times. In addition to the webinars, the Federal Reserve produced videos in English and Spanish

¹⁰ Other than Goldman Sachs and Morgan Stanley, all of the other 14 servicers listed in table A.1 in the appendix participated in the initiation of borrower outreach efforts on November 1, 2011.

explaining the IFR and posted them on its public website and on YouTube. A link to these videos was also published on the Federal Reserve's Twitter feed to expand outreach efforts through social media channels. In the first week of the release, there were 4,300 views of the YouTube video. In total, through December 31, 2012, the Federal Reserve video was viewed over 51,000 times in English and over 9,500 times in Spanish, and the same video on YouTube received over 8,600 views in English and over 2,300 views in Spanish. Federal Reserve staff also participated in outreach events held in local Federal Reserve Bank Districts to discuss the IFR process with local housing counseling groups.

The borrower outreach was expanded in 2012 to include more targeted approaches to reaching borrowers during which the regulators made substantial efforts to maximize the likelihood that all affected borrowers would receive an RFR form and understand IFR communications. For example, the regulators initially consulted with the U.S. Department of Justice, which has conducted litigation settlement outreach to large numbers of affected persons, for guidance on enhancing the borrower outreach process and covering a broader spectrum of non-English speakers. In connection with these consultations, the regulators took several significant steps to expand borrowers' understanding of the mailings, such as translating information about the IFR call center into seven non-English languages that the regulators were advised were likely to be spoken by borrowers, including Spanish, Chinese, Korean, Hmong, Tagalog, Vietnamese, and Russian. In addition, the IFR call center, managed by Rust, was capable of providing interpretation services and assistance in over 200 languages.

To facilitate reaching as many borrowers as possible, on August 15, 2012, the regulators convened a meeting of servicers, independent consultants, media firms, and community-based organizations with experience in outreach to diverse borrower populations. With the benefit of the ideas shared during the meeting, the regulators instructed servicers to develop new outreach strategies that included additional borrower mailings, television and radio campaigns, and an expanded print media campaign. At this juncture, as with other developments throughout the IFR process, and when requested, briefings were held with members of Congress and congressional staff.

A third webinar was held on October 16, 2012, to provide more information about the foreclosure file review process. It was mainly attended by local housing nonprofit organizations. In total, over 900 people registered and over 550 phone lines were used. The survey response results revealed that 89 percent of survey respondents thought that the webinar was a good investment of their time.

The deadline for submitting RFRs was extended multiple times from the original deadline of April 30, 2012, to December 31, 2012, the last and final deadline. The deadline extensions provided more time to increase awareness about the IFR, share information about how eligible borrowers could request a review, and encourage the broadest participation possible.

The Federal Reserve released data on the IFR mailings and responses received as of December 31, 2012, by geographic location, on its public website.¹¹ The data reflect the number of borrowers meeting the initial eligibility criteria who were mailed RFRs ("mailings") and those who returned completed RFRs ("responses") by geographic location. The figures for mailings and responses do not represent the total number of financially injured or remediated borrowers; rather, they offer a snapshot of borrower outreach mailings and responses using property addresses. The data were collected by Rust and reflect all RFRs received as of the December 31, 2012, deadline, at which time nearly 500,000 borrowers out of the total eligible population of more than 4.4 million had submitted RFRs.

Further analysis of the RFR forms mailed and received revealed that a majority were concentrated in areas that were hardest hit by the housing crisis. These areas were identified by the U.S. Department of the Treasury as areas that, beginning in February 2010, had unemployment rates at or above the national average or house prices that had fallen more than 20 percent since the housing market downturn. For example, counties in California, Arizona, Nevada, and Florida received and returned a sizable share of the mailings.

Borrowers were not required to provide personal data on race, ethnicity, or income in the RFR form, so

¹¹ See "Independent Foreclosure Review: Borrower Outreach Mailing and Response Data," available at www.federalreserve.gov/consumerinfo/borrower-outreach-mailings-and-response.htm.

that type of data is not available. However, borrower address data were geocoded using 2010 U.S. Census Bureau data, which were used as a proxy for the probable income level and minority representation of borrowers who submitted RFRs compared with those who did not. Response rates within low- or moderate-income census tracts and high minority census tracts revealed that borrowers residing in these census tracts are comparably represented in the population of borrowers that submitted RFR forms.

Financial Injury Guidance

The primary objective of the IFR, as set forth in the Consent Orders, was to identify financial injury or harm to borrowers caused by servicer errors, misrepresentations, or other deficiencies, and to provide a general level of remediation for different classes of deficiencies, as appropriate. In June 2012, the regulators developed and released a financial remediation framework that provided nonexclusive examples of situations where specific compensation amounts or other remedial action were required for direct financial injury due to 13 different categories of servicer errors (the “Financial Remediation Framework”). The nature of the required remediation varied depending on whether the borrower’s foreclosure was in process, completed, or rescinded when the remediation occurred. The regulators also issued extensive guidance in the form of frequently asked questions relating to application of the Financial Remediation Framework, which was periodically updated as additional issues arose.¹² Remediation under this framework was not intended to fully redress all harm suffered by a borrower and did not take into account factors such as emotional distress or other indirect injury that borrowers may have experienced during the foreclosure process, as such factors can be very difficult to quantify.

Under the Consent Orders, the independent consultants were directed to use the Financial Remediation Framework to recommend remediation for servicer errors identified during the IFR, including those errors identified in files of borrowers who submitted RFR forms. The servicers were required to prepare remediation plans based on the independent consultants’ recommendations. The remediation plans

would have been submitted to the regulators for approval prior to implementation.

Regulatory Oversight of Independent Consultants’ Reviews

Federal Reserve supervisory teams developed a supervisory approach to provide consistency in oversight of the independent consultants among the Federal Reserve-regulated servicers. The approach included expectations for both off-site monitoring and on-site reviews performed alongside the independent consultants to evaluate the progress on the independent file reviews.

The supervisory teams’ off-site monitoring was primarily comprised of regular meetings by phone with the independent consultants, which included a review of data reports. The on-site reviews consisted of two main components—process reviews and transaction testing of work performed by the independent consultants. The process reviews included an assessment of the independent consultant’s training materials, written procedures, determination of the in-scope population, completed file review checklists, and quality assurance and quality control processes. The transaction testing included following a file review sampling methodology, which outlined minimum standards that were employed by each supervisory team for the duration of the file reviews. The sampling methodology included a supervisory review of completed files for which both harm and no harm determinations had been made. In those instances where the independent consultant had identified harm, the supervisory teams assessed whether the proposed remediation was consistent with the Financial Remediation Framework.

The regulators also held weekly calls and periodic in-person meetings with the independent consultants to provide and discuss guidance, as well as to address challenges the independent consultants were encountering during the execution of the IFR. The regulators directed the independent consultants to work closely with one another to achieve consistency, to the extent possible.

After the IFR ended, the Federal Reserve instructed Federal Reserve-regulated servicers, the independent consultants that conducted the IFR on their behalf, and Rust, their administrative agent, that the Federal Reserve has no objection to the release of information in their possession that relates solely to a bor-

¹² The Financial Remediation Framework and the Financial Remediation Framework Frequently Asked Questions, both posted on the Federal Reserve’s public website, are available at www.federalreserve.gov/newsevents/press/bcreg/20120621a.htm.

rower who requests information about the IFR review of that borrower's foreclosure file.

Independent Consultants' Processes for Reviewing Foreclosure Files

The basic methodology for conducting the IFR was generally the same for all servicers subject to the Consent Orders. Although the details of the processes for implementing the methodology were left to the specific independent consultants, all of the independent consultants' processes included a review for the relevant state and federal legal and regulatory requirements. The independent consultants, in conjunction with individual law firms that each independent consultant retained ("independent legal counsel"), developed detailed methodologies and testing programs with thousands of questions that were utilized to complete the file reviews.

The independent consultants separated the file review process into segments commonly referred to as workstreams that focused on a specific subject matter. While the workstreams were unique to each independent consultant, they generally can be grouped into categories that corresponded to the various determinations that the independent consultants were required to make under the Consent Orders. Under this approach, the completion of a single file review involved processing it through various workstreams, as applicable, but a file could be simultaneously processed through multiple workstreams. Separating the file review process into workstreams allowed the independent consultants' file reviewers to develop subject matter expertise in a discrete area. For each independent consultant, there were multiple levels of review that generally included a primary review, a secondary manager review, and a quality control review to ensure accuracy and consistency across file reviews.

The servicers were permitted to review the errors identified by the independent consultants, but only in order to determine if the facts and documents upon which the decisions were made were comprehensive. If the servicer could not present any additional documents or records to identify a factual inaccuracy in the independent consultant's conclusion, the file was classified as complete and mapped to the categories of injuries in the Financial Remediation Framework.

During the IFR, the independent consultants provided data estimating the average time required to

complete a full file review, which included the performance of quality assurance and quality control reviews but did not include the time required to assemble each file. Estimates provided by independent consultants conducting the IFR for Federal Reserve-regulated servicers varied from approximately 30 hours per file to approximately 67 hours per file. For the four Federal Reserve-supervised servicers that entered into Consent Orders in April 2011, the independent consultants required an average of 44 hours per file to complete a full file review.¹³

Preliminary Findings of the IFR

Completed Files

Beginning in January 2012, the regulators received weekly reports from the independent consultants about their progress on the file reviews. These reports showed that the IFR was progressing much slower than anticipated, and that the reviews of very few files were complete at the time of the Payment Agreement. As of December 31, 2012, based on data for the 13 servicers that ended the IFR in January 2013, the number of file reviews completed was 103,820 out of an initial group of 738,231 files identified through the file review process or by the submission of an RFR form. This represented a completion rate of about 14 percent. Of the 103,820 completed file reviews, 88,330 were selected for review through the file review process initiated by the independent consultants ("sampled file reviews complete") and 15,490 were selected for review because a borrower submitted an RFR form ("requested file reviews complete").¹⁴

The independent consultants for the three servicers that continued the IFR beyond January 2013—GMAC Mortgage, EverBank, and OneWest—subsequently submitted reports on the progress of the IFR as of year-end 2012. According to these reports, the three independent consultants together, as of December 31, 2012, had selected a total of 72,764 files to review. Of these files, the reviews of 9,955 files

¹³ As noted above, the reviews of foreclosure files at Goldman Sachs and Morgan Stanley were at the early stages when the IFR ended because they entered into Consent Orders after the other servicers, and they are not included in these averages.

¹⁴ Under the approved IFR methodology, the regulators expected the independent consultants to conduct reviews of additional files if error rates in various types of sampled files were indicative of systemic errors. The total number of files for review, referenced above, did not include these additional files.

were reported as having been completed, representing a completion rate of about 14 percent.¹⁵

Error Rates

The 103,820 file reviews that were completed by independent consultants as of December 31, 2012, identified some files where errors causing financial injury to borrowers occurred. In particular, 4,670 (or about 4.5 percent of the total number of file reviews completed by the independent consultants) identified servicer errors that caused financial injury. Of the 4,670 complete file reviews that identified financial injury errors, 3,865 were selected for review through the file review process initiated by the independent consultants (or about 4.4 percent of the sampled file reviews complete), and 805 were selected for review because a borrower submitted an RFR form (or about 5.2 percent of the requested file reviews complete). The highest numbers of errors found in file reviews completed when the IFR ended were in three categories of servicer errors: assessment of prohibited or unreasonable fees, violation of SCRA protections, and instances where the servicer made an error when denying a request for a loan modification. Aggregate data on the most common errors with financial injury found by independent consultants for all servicers that entered into a Payment Agreement are displayed in table A.3 in the appendix.

Error rates identified by independent consultants for the six Federal Reserve-regulated servicers—GMAC Mortgage, Goldman Sachs, HSBC, JPMorgan Chase, Morgan Stanley, and SunTrust—varied. Goldman Sachs and Morgan Stanley entered into Consent Orders later than the other servicers, as noted above, and their independent consultants completed very few file reviews without identifying any errors resulting in financial injury. More detail on files completed at Goldman Sachs and Morgan Stanley as of December 31, 2012, can be found in table A.4 in the appendix. For SunTrust, the rate of financial injury errors found by the independent consultant was 3.3 percent. More detail on files com-

pleted and financial injury errors found in the file reviews at SunTrust as of December 31, 2012, can also be found in table A.4 in the appendix. For GMAC Mortgage, which ended the IFR in mid-2013, the rate of financial injury errors found in the file reviews by the independent consultant was 11.4 percent. More detail on files completed and financial injury errors found in the file reviews at GMAC Mortgage as of June 30, 2013, can be found in table A.5 of the appendix. The rates of financial injury errors found by the independent consultant for HSBC and JPMC at the Federal Reserve-regulated servicing subsidiaries were amalgamated with the financial injury error rates found at their affiliated OCC-regulated national bank servicers. The file reviews by the independent consultants for HSBC overall had not found any confirmed errors causing financial injury and, for JPMorgan Chase overall, the rate of financial injury errors found in the file reviews by the independent consultants was 0.6 percent. More detail on files completed and financial injury errors found in the file reviews at HSBC and JPMorgan Chase as of December 31, 2012, can be found in table 4 of the OCC Status Report.¹⁶ Aggregate data on the findings of independent consultants for all 15 servicers that entered into a Payment Agreement are displayed in table A.6 in the appendix of this report.

In interviews of independent consultants conducted by the regulators after the implementation of the Payment Agreement, independent consultants emphasized that the overall error rates based on year-end 2012 data were preliminary and reflected both differences in methodologies for reporting errors and differences in review procedures among the independent consultants that were necessary to address each of the servicers' specific processes and servicing platforms.¹⁷ They emphasized that the differences in reporting and review procedures among the independent consultants could cause the preliminary error rates reported by different independent consultants to be based on different methodologies for classifying errors or different segments of borrower file reviews

¹⁵ Of the three servicers that were continuing with the IFR at year-end 2012, two have since entered into agreements that ended the IFR at those servicers. GMAC Mortgage, a Federal Reserve-regulated servicer, joined the Payment Agreement in July 2013. EverBank, an OCC-regulated servicer, joined the Payment Agreement in August 2013. OneWest, also regulated by the OCC, has not entered into a payment agreement. It is finishing the IFR required by the original Consent Order against it. The status of the file reviews at these two OCC-regulated servicers and remediation for their borrowers is not discussed in this report.

¹⁶ Two OCC-regulated servicers, EverBank and OneWest, continued the IFR beyond January 2013. Data on file reviews completed and errors found in the file reviews for EverBank, which entered into a Payment Agreement in late-2013, and for OneWest, the only servicer continuing the IFR, can be found in the OCC Status Report in tables 5 and 6.

¹⁷ For additional discussion of the concerns that the independent consultants raised about drawing conclusions about the IFR process solely from the preliminary error rates that were reported, see the Independent Consultant Feedback section of this report, which follows below.

that might not be representative of the entire population of in-scope borrowers or comparable across servicers.

However, to the extent that the preliminary error rate data can be relied upon, the data suggest that the independent consultants were not finding errors by servicers resulting in financial injury that were pervasive among in-scope borrowers. In an April 2014 report, the U.S. Government Accountability Office (GAO) noted of the Payment Agreement that, “the negotiated cash payment amount of \$3.9 billion was higher than the payment of \$3.7 billion that we calculated at the highest reported servicer error rate.”¹⁸

IFR Costs

The cost of the IFR was measured by the amounts paid to independent consultants and independent legal counsel to support the consultants, as well as the cost of Rust’s services. These amounts do not include other internal servicer-related costs, such as servicer costs for temporary or permanent staff to support the IFR, office space that was leased for the independent consultants as necessary, or amounts paid by servicers to remediate borrower injury.

The servicers reported the total amounts of fees paid to independent consultants and independent legal counsel and Rust reported the total amounts billed for its role as the IFR administrator. Fees ranged quite significantly and were primarily driven by the number of files projected to be included in the IFR. The fees billed by the independent consultants to the six servicers conducting the IFR that are regulated by the Federal Reserve only or jointly regulated by both regulators—JPMC, GMAC Mortgage, HSBC, Sun-

Trust, Goldman Sachs, and Morgan Stanley—ranged from approximately \$11 million to \$176 million, as of December 31, 2012. Their independent legal counsel, different law firms that supported each of the independent consultants for these six servicers, billed fees ranging between approximately \$2 million to \$11 million, also as of December 31, 2012. In total, through December 31, 2012, these six Federal Reserve-regulated servicers were billed a combined total of nearly \$424 million by independent consultants and \$40 million by independent legal counsel. Rust’s IFR administrator costs for these six servicers as of December 31, 2012, ranged from nearly \$1.3 million for a smaller servicer to over \$10.2 million for a larger servicer, totaling approximately \$16.7 million for all Federal Reserve-regulated servicers as of December 31, 2012.¹⁹ Because Goldman Sachs and Morgan Stanley entered into Consent Orders later than the other servicers, as noted above, the total fees billed by their independent consultants was lower than the other independent consultants and they had not yet initiated a Request for Review process, so they had only paid initial planning and setup costs to Rust related to its role as IFR administrator.

If the IFR had continued, the Federal Reserve-regulated servicers estimated they would pay a combined total of between \$760 million and \$822 million to independent consultants through year-end 2013. Not all of the independent consultants expected their file reviews to be completed by year-end 2013. Consequently, final costs for the completion of the IFR were projected to increase beyond these amounts.

¹⁸ U.S. Government Accountability Office (2014), “Foreclosure Review: Regulators Could Strengthen Oversight and Improve Transparency of the Process,” GAO-14-376, p. 27, available at www.gao.gov/assets/670/662791.pdf.

¹⁹ Reported fees paid to independent consultants for two Federal Reserve-regulated servicers, EMC Mortgage, a subsidiary of JPMorgan Chase & Co., and HSBC Finance Corp., a subsidiary of HSBC North America Holdings, Inc., were separate from and in addition to fees reported by their affiliated national bank servicers, which are regulated by the OCC. However, reported costs paid to Rust as IFR administrator for these two Federal Reserve-regulated servicers were combined with costs paid for their affiliated OCC-regulated national bank servicers.

Transition from the IFR to the Payment Agreement

Rationale

In late-2012, after nearly two years of reviews, the independent consultants indicated that the file-by-file review of in-scope borrowers would require substantially more time to complete. The regulators recognized that the IFR was proceeding much too slowly and was delaying remediation to borrowers affected by foreclosures. The process of carefully reconstructing and reviewing the hundreds of thousands of files for every potential financial injury caused by servicer errors, misrepresentations, or other deficiencies took the servicers and independent consultants substantial time and required significant resources. Based on the best information available to the regulators regarding the time necessary to complete the IFR, which ranged from projection completion dates of year-end 2013 to late-2016, coupled with the estimated amount of potential borrower payments, the regulators determined that this process resulted in unacceptable delays. With the OCC, which regulated most of the largest servicers, taking the lead, the regulators decided to accept the Payment Agreement as a replacement for the IFR. The total amount of remediation to be provided by the participating servicers under the Payment Agreement is approximately \$10 billion.

The Consent Order Amendments that implemented the Payment Agreement were entered into by the regulators in February, July, and October 2013, with each of the 15 participating servicers.²⁰ The specific terms of these Amendments, which were essentially the same for all participating servicers, required direct cash payments totaling approximately \$3.9 billion to all in-scope borrowers whose foreclosure actions were covered by the IFR. As noted above, these are borrowers whose homes were in any stage of the foreclosure process in 2009 or 2010 and whose mortgages were serviced by one of the participating servicers. This amount of cash payments is the large-

est total cash payment of any federal bank regulatory foreclosure-related enforcement action. Servicers were not permitted to require borrowers to execute a waiver of any legal claims they may have against their servicer as a condition for receiving payment, thereby preserving the rights of borrowers to obtain full compensation for any actual injury.

The Consent Order Amendments also required the 15 servicers to provide a total of approximately \$6.1 billion in other foreclosure prevention assistance, such as loan modifications and the forgiveness of deficiency judgments, to borrowers facing foreclosure, within two years from the date of the Payment Agreement. The Amendments stated that well-structured loss mitigation efforts should focus on foreclosure prevention and should reflect the following guiding principles: (1) preference to activities designed to keep borrowers in their homes; (2) emphasis on affordable, sustainable, and meaningful home preservation actions for qualified borrowers; (3) otherwise providing significant and meaningful relief or assistance to qualified borrowers; and (4) not disfavoring a specific geography within or among states or low- and/or moderate-income borrowers, and not discriminating against any protected class.

The Federal Reserve consulted internally and externally regarding an alternate approach to the IFR, and ultimately decided to accept the change in course and transition to the Payment Agreement as the best of the available options. The regulators accepted this approach because it provided for payments to borrowers faster than if the IFR had continued and resulted in the servicers paying to borrowers more than the IFR was expected to have cost. Maximizing the benefit to borrowers has been a primary focus of the regulators and was one of the driving reasons behind the decision to pursue these agreements. The final amount of cash payments and other assistance provided by the agreement was reached through negotiation between the regulators and the servicers. The Federal Reserve believes the total cash payment

²⁰ For more information about the timing of each of the Consent Orders and the Amendments, see table A.1 in the appendix.

obligation alone is more than both the total amount borrowers would likely have received through the IFR process based on data available at the time and the estimated cost the servicers would have incurred if the IFR had continued, measured by fees paid to independent consultants and independent legal counsel to support the consultants as well as the cost of Rust's services. In addition, the total amount of the cash payment obligation of the servicers permitted payments to borrowers of amounts ranging from several hundred dollars up to \$125,000 to each of the more than 4.4 million in-scope borrowers. In their April 2014 report, the GAO stated that, "To evaluate the final cash payment amount, GAO tested regulators' major assumptions and found that the final negotiated amount generally fell within a reasonable range. Regulators generally met their goals for timeliness and amount of the cash payments."²¹

Independent Consultant Feedback

While the IFR was in progress, the independent consultants were focused on conducting file reviews rather than reviewing policies and procedures related to foreclosures. However, some independent consultants also reported observing weaknesses in the servicers' processes. For example, a number of independent consultants noted that certain critical documents were not consistently retained by servicers or their third-party foreclosure attorneys.

After the IFR concluded as a result of the Payment Agreement, the regulators sent a questionnaire to the independent consultants engaged to conduct the IFR at servicers participating in the Payment Agreement seeking written responses specific to each engagement. The purpose of the questionnaire was to learn the independent consultants' perspectives on aspects of the reviews that could have been improved or done differently. The information was collected for the regulators' use in analyzing the conduct of the IFR prior to its termination and in public reporting on IFR activities.

The questionnaire covered topics including, but not limited to, file testing, the consultants' findings, conclusions and recommendations related to the file reviews, error rates, and overall observations about

how the IFR process could have been improved. The regulators convened in-person interviews with the independent consultants, separately for each engagement, to discuss the responses to the questionnaire. The interviews focused on the conduct of the file reviews, including any gaps in the consultants' written responses to the questionnaire, observations made about the servicers' systems when determining the file review universe or the conduct of the reviews, and lessons that could be learned from the IFR generally.

A summary of key discussion items follows.²²

- **File testing procedures**—The independent consultants conducted simultaneous testing among a number of workstreams. While the independent consultants agreed that this approach had advantages, there were challenges encountered in developing the test plans for each workstream for a number of reasons, including the complexity and volume of legal requirements, both federal and state, and guidelines governing the many different loan modification programs, which differed for federal programs as compared with each servicer's proprietary programs. Several independent consultants suggested that it would have been helpful to have a standard test program that each independent consultant could have customized based on the particular servicers' programs and processes.
- **Error rates**—All of the independent consultants raised concerns about drawing conclusions about the IFR process solely from the preliminary error rates that were reported. The independent consultants observed that the methodology used to calculate the reported rates may differ among the independent consultants. For example, some independent consultants reported the number of files with apparent errors, even though those files were awaiting further review. The consultants believed that further review would likely have reduced the number of overall errors, as some of those errors were reported solely as a result of missing documentation, which the servicer may have been able to subsequently provide. Finally, the number of completed files was very small relative to the total number of files to be reviewed, so the independent consultants cautioned against extrapolating the data to the entire population.

²¹ See the unnumbered introductory page labeled "GAO Highlights" in the report U.S. Government Accountability Office (2014), "Foreclosure Review: Regulators Could Strengthen Oversight and Improve Transparency of the Process," GAO-14-376, available at www.gao.gov/assets/670/662791.pdf.

²² This section reflects input the Federal Reserve received when it interviewed the independent consultants that were hired by servicers it regulates (GMAC Mortgage, Goldman Sachs, HSBC, JPMC, Morgan Stanley, and SunTrust).

- Suggestions for improving the IFR process—The primary suggestions from the independent consultants included: (1) hiring one independent legal counsel to advise all of the independent consultants, instead of having each independent consultant hire its own legal counsel; (2) having one project manager to oversee and ensure consistency among the independent consultants; (3) conducting a pilot to review files at each servicer in order to develop a consistent file review approach prior to launching the IFR; and (4) developing consistent

guidance at the beginning of the IFR (informed by the pilot review process).

The review process by the consultants proved to be more time consuming and labor intensive than anticipated, which resulted in significant delays in providing remediation to borrowers. In light of these delays and the public criticisms of the IFR process, the independent consultants generally acknowledged that replacing the IFR was the most effective way to provide payments to borrowers.

Payment Agreement Implementation

As noted above, the Consent Order Amendments implementing the Payment Agreement required the 15 participating servicers to pay a total of approximately \$3.9 billion in cash payments to the more than 4.4 million in-scope borrowers and a total of approximately \$6.1 billion in foreclosure prevention assistance to borrowers facing foreclosure.

Cash Payments to Borrowers

Beginning in January 2013, immediately after the agreement in principle regarding the Payment Agreement was finalized, the regulators and the participating servicers began implementing the process for making the cash payments. After the Payment Agreement was announced, the regulators conducted outreach sessions targeted to housing counseling agencies to provide additional details on the Payment Agreement, including a webinar on March 13, 2013.²³

The cash payments were required to be made to all in-scope borrowers at the participating servicers and did not depend on whether the file review had been completed for the particular borrower. Each servicer's share of the total amount of cash payments was based on that servicer's share of the total number of in-scope borrowers at all of the servicers that were conducting an IFR. The servicers were prohibited from requesting or requiring any borrower to execute a waiver of any claims the borrower may have against the servicer in connection with any cash payment.

Under the Consent Order Amendments, each servicer was required to pay the cash to fund the borrower payments into qualified settlement funds administered by a paying agent, Rust, that issued checks to borrowers. Because of timing differences,

three settlement funds were established.²⁴ The primary settlement fund ("Fund 1") contained about \$3.6 billion from 11 servicers: 8 regulated by the OCC, 1 regulated by the Federal Reserve, and 2 jointly regulated by the regulators. The second fund ("Fund 2") contained about \$250 million from Goldman Sachs and Morgan Stanley, which are regulated solely by the Federal Reserve. As mentioned above, the Consent Orders against Goldman Sachs and Morgan Stanley were issued after the Consent Orders against the other servicers. The third fund ("Fund 3") contained about \$230 million paid by GMAC Mortgage, which is also regulated solely by the Federal Reserve. As mentioned above, GMAC Mortgage did not join the Payment Agreement until several months after the other servicers.

Determination of the Cash Payment Amounts

Under the Payment Agreement, the servicers were required to place each in-scope borrower into one of the categories in the payment matrix developed by the regulators, which included 11 categories of potential financial injury to borrowers, based on the categories in the Financial Remediation Framework created for the IFR. Like the Financial Remediation Framework created for the IFR, the payment amounts for each category distinguished among borrowers based on the stage of their foreclosure at the time of remediation: whether the foreclosure was in process, rescinded, or completed. The payment amounts for each category also distinguished between borrowers who had requested a review of their foreclosure under the IFR and those who did not make such a request, as applicable.

In placing an individual borrower into a payment category, each servicer determined if the borrower met

²³ See Federal Reserve Bank of St. Louis (2013), "Independent Foreclosure Review: Important Changes," March 13, available at www.stlouisfed.org/bsr/connectingcommunities/index.cfm?proc=call&act=view&sid=16.

²⁴ In addition, cash payments made in connection with the Payment Agreement for EverBank, an OCC-regulated servicer, are being administered by a separate paying agent. For more information, refer to the OCC Status Report.

the criteria for the first category. If the borrower did not fall into that payment category, the borrower was then tested for inclusion in the next highest payment category. This process continued until the borrower was placed into a final category (i.e., the waterfall approach). The Federal Reserve required the placement of each servicer's in-scope borrowers into payment categories to be validated by an independent audit or compliance function of the servicer or by an independent third party. Federal Reserve supervisory staff then reviewed the validation work.

The payment categories were generally arranged in descending order from largest payment amount to lowest payment amount. A description of the criteria used to place in-scope borrowers into each category (with the approximate percentage of in-scope borrowers in each category) follows.²⁵

- The first category included foreclosed borrowers who were eligible for SCRA protection, which only applied to rescinded and completed foreclosures, but not in-process foreclosures. Under this category, loans must have been originated before the servicemember's military service started and, if applicable, any default judgments must have been filed while the servicemember was on active duty (0.03 percent of borrowers). The first category included a subcategory with a different payout amount for borrowers in foreclosure eligible for SCRA protection whose servicer did not reduce their interest rate as requested in violation of SCRA (0.01 percent of borrowers).
- The second category included foreclosed borrowers who were current on all required payments at the time of referral to foreclosure or at the time of foreclosure sale. Under this category, the definition

of "current" followed the Mortgage Bankers Association method of identifying mortgages that were less than 60 days past due (0.03 percent of borrowers).

- The third category included borrowers in foreclosure who were subject to federal bankruptcy protection when their servicer initiated or completed a foreclosure. Under this category, there were exclusions for: (1) judicial foreclosures where the referral or sale occurred within less than 10 days of the bankruptcy filing; (2) nonjudicial foreclosures where the referral or sale occurred within less than 30 days of the bankruptcy filing; (3) foreclosure sales that occurred after a borrower filed their third bankruptcy filing in a period of three months; and (4) foreclosure referrals or sales that occurred after dismissal, discharge, or relief of the automatic bankruptcy stay (0.68 percent of borrowers).
- The fourth category included borrowers in foreclosure who were meeting all requirements of a documented forbearance or repayment plan when their foreclosure was completed (0.03 percent of borrowers).
- The fifth category included borrowers in foreclosure who made three successful payments under a written trial-period plan and whose servicer failed to convert them to a permanent loan modification. This category contemplated that the borrower was underwritten and approved for a permanent loan modification, made all required trial payments and provided signed final modification documents, but was not converted to a loan modification in the servicer's systems prior to a foreclosure sale (0.11 percent of borrowers).
- The sixth category included borrowers in foreclosure who were performing on all requirements of a written trial-period plan when their foreclosure was completed. This category contemplated that the borrower was approved for a loan modification in a written agreement that required trial payments before conversion to a permanent loan modification and that the servicer completed the foreclosure during the trial period (0.03 percent of borrowers).
- The seventh category included borrowers who were in foreclosure and had a loan modification request approved by their servicer prior to or at the time of foreclosure (29.14 percent of borrowers).
- The eighth category included borrowers in foreclosure who had one or more requests for a loan modification denied by the servicer, for any reason (22.26 percent of borrowers).

²⁵ For borrowers who were potentially entitled to protection under the SCRA (the first category) or borrowers who were potentially not in default at the time of the foreclosure (the second category), a servicer could automatically make the payment prescribed by that category, whether or not those borrowers actually suffered any financial injury from their servicer's practices, or the servicer could elect to have their independent consultant complete the file reviews to identify borrowers for inclusion in those categories if it was determined that an error, misrepresentation, or other deficiency by the servicer had caused financial injury to the borrower. If the file review determined that the servicer had not caused financial injury to the borrower, then the borrower was placed into the next highest payment category for which they were eligible. Thus, payments to borrowers in the first and second categories were generally based on findings of the independent consultants. If the file review identified an SCRA interest rate violation (the sub-category of the first category), the payment amount was no less than the amount of actual financial injury identified by the finding of the independent consultant. The approximate percentages of in-scope borrowers in each category exclude EverBank and OneWest.

- The ninth category included borrowers in foreclosure who had submitted a request for a loan modification to their servicer, but the servicer did not make a decision on the request (10.29 percent of borrowers).
- The 10th category included borrowers in foreclosure whose servicer had never worked with them on any type of loan modification or other loss mitigation activity, such as a short-sale, deed-in-lieu of foreclosure, a forbearance plan, or a repayment plan (22.06 percent of borrowers).
- The last category included borrowers in foreclosure who did not meet the criteria for any of the preceding categories. For example, this category may have included borrowers facing foreclosure who had a request for loss mitigation assistance still pending when the categorization process occurred (15.33 percent of borrowers).

The criteria for determining whether individual borrowers fell within specific payment categories incorporated objective characteristics that were readily identifiable in the servicers' records systems, such as whether a request for a loan modification had been approved. Servicers were required to address any known weaknesses in their records systems to avoid placement of in-scope borrowers into lower paying categories than the objective characteristics of their loan files merited.

The regulators determined the amount of the payment to be made to borrowers in each of the payment categories. The regulators worked together closely to optimize the distribution of payments to borrowers and consulted various interested stakeholders. Each borrower's payment was based upon the dollar amount assigned by the regulators to the payment category into which the borrower was placed. The payment amounts for each category were determined by using the compensation amounts in the Financial Remediation Framework published in June 2012 as a guide and taking into account the total amount of funds available for payments under the payment agreement. The payment amounts ranged from \$300 to \$125,000.²⁶

The Federal Reserve created a separate set of payment amounts for borrowers whose mortgages were serviced by Goldman Sachs and Morgan Stanley because, as noted above, both servicers were still

working toward implementing RFR processes under the IFR when these servicers agreed to participate in the Payment Agreement.²⁷ Payment amounts for these borrowers thus could not distinguish between borrowers who submitted RFRs and those who did not.

The Federal Reserve also created a separate set of payment amounts for borrowers whose mortgages were serviced by GMAC Mortgage.²⁸ GMAC Mortgage, which joined the Payment Agreement after the creation of the first two settlement funds, elected, as permitted by the Consent Order Amendment, to meet its foreclosure prevention assistance requirement by making an additional cash payment to in-scope borrowers to supplement the payments GMAC Mortgage was required to make under the cash payments portion of the Payment Agreement. As a result, many GMAC Mortgage borrowers were able to receive somewhat larger payment amounts than those provided for borrowers of other servicers who were placed into the same payment categories.

Current Status of the Cash Payments

On April 12, 2013, Rust, in its role as the paying agent for the cash payments, began mailing checks totaling about \$3.6 billion to the nearly 4.2 million borrowers whose mortgages were serviced by one of the 13 servicers that entered into the Payment Agreement at the beginning of 2013. These borrowers were customers of Aurora, Bank of America, Citibank, Goldman Sachs, HSBC, JPMC, MetLife, Morgan Stanley, PNC, Sovereign, SunTrust, U.S. Bank, or Wells Fargo.²⁹

As of April 25, 2014, more than 3.4 million checks, totaling over \$3.1 billion had been cashed or deposited by in-scope borrowers of these servicers. Thus, as of that date, approximately 83 percent of these borrowers who were mailed cash payments had received financial remediation under the Payment Agreement. This represents over 85 percent of the total amount of funds these servicers were required to pay to the in-scope borrowers.

²⁷ See Independent Foreclosure Review Payment Agreement Details—Goldman Sachs and Morgan Stanley, available at www.federalreserve.gov/consumerinfo/files/bcreg20130429a1.pdf.

²⁸ See Independent Foreclosure Review Payment Agreement Details—GMAC Mortgage, available at www.federalreserve.gov/consumerinfo/gmac-mortgage-borrowers-payment-agreement-20140127.pdf.

²⁹ For more information about the timing of each of the Consent Orders and the Amendments, see table A.1 in the appendix.

²⁶ See Independent Foreclosure Review Payment Agreement Details, available at www.federalreserve.gov/newsevents/press/bcreg/bcreg20130409a1.pdf.

On January 27, 2014, Rust began mailing checks totaling approximately \$230 million in cash payments to approximately 232,000 in-scope borrowers whose mortgages were serviced by GMAC Mortgage. As of April 25, 2014, more than 164,000 of these checks have been cashed or deposited by borrowers, totaling over \$161 million. Thus, as of that date, approximately 72 percent of the total value of cash payments distributed to GMAC Mortgage borrowers have been cashed or deposited.

Every several weeks, the Federal Reserve publishes on its public website interim data on the current status of the cash payments.³⁰ At the end of the Payment Agreement, the Federal Reserve expects to publish data on the final status of the cash payments.

Interim data on the status of the cash payments as of April 25, 2014, are included in the appendix. Data on the number and value of checks required to be distributed and the number and value that have been cashed or deposited for each state are included in table A.7 for Fund 2 and in table A.8 for Fund 3. Data on the number of in-scope borrowers in each payment category and the number and value of checks that have been cashed or deposited are included in table A.9 for Fund 2 and in table A.10 for Fund 3. For payments made from Fund 1, similar data on the status of the cash payments as of January 24, 2014, were included in tables 8 and 10 of the OCC Status Report.

Under the oversight of the regulators, Rust is continuing to undertake significant efforts to ensure that as many in-scope borrowers as possible actually receive their checks and are able to deposit or cash them. For example, there are a number of checks that have been returned as undeliverable with no forwarding address and a number of checks where there has been no response at all. For these checks, Rust has conducted multiple searches, including commercial database searches and a Social Security Administration deceased search, in an attempt to find a better address for a borrower or a representative of a deceased borrower. When a better address is located, a check is reissued, with all uncashed checks expected to be reissued at least once.

Payment Agreement checks continue to be cashed and deposited. Information about the period to cash or deposit checks and the process to request a re-

sued check is available online at www.independent-foreclosurereview.com or by contacting Rust at 1-888-952-9105. Borrowers whose payment amounts were based on their SCRA status, as indicated in the letter enclosed with their payments, have two years from the date of their initial check to have their check reissued. The regulators anticipate that, despite the outreach efforts to increase the number of in-scope borrowers who have received their cash payments, not all borrowers will cash or deposit their checks within the time allowed for that purpose. Under the Consent Order Amendments, the Federal Reserve and the OCC, not the servicers, are responsible for the disposition of any residual funds not distributed in cash payments to borrowers. The regulators have not at this time made any final decision with respect to the distribution of the residual funds.

Foreclosure Prevention Assistance

Apart from the cash payments to borrowers discussed above, servicers were required to satisfy their foreclosure prevention assistance obligations under the Consent Order Amendments within two years from the date they agreed in principle to enter into the Payment Agreement. As stated in the Amendments, the regulators expected servicers to undertake well-structured loss mitigation efforts focused on foreclosure prevention, with preference given to activities designed to keep borrowers in their homes through affordable, sustainable, and meaningful home preservation actions. Foreclosure prevention actions should otherwise provide significant and meaningful relief or assistance to qualified borrowers and should not disfavor a specific geography within or among states, nor disfavor low- and/or moderate-income borrowers, and not discriminate against any protected class.

Overview of Foreclosure Prevention Assistance Requirements

Under the Payment Agreement, servicers may fulfill their obligations by taking a variety of actions designed to assist borrowers in danger of foreclosure. Servicers may receive credit toward their obligations by providing three specific types of consumer relief activities that would be eligible for credit under the similar foreclosure assistance requirements in the National Mortgage Settlement (NMS) entered into in early 2012 by certain large residential mortgage servicers, on one hand, and the United States, acting through the U.S. Department of Justice, with the

³⁰ See www.federalreserve.gov/consumerinfo/independent-foreclosure-review-payment-agreement.htm.

state attorneys general for several states, on the other hand: first-lien loan modifications, second-lien loan modifications, and short sales, or deeds-in-lieu of foreclosure.

In order to obtain credit for short sales and deeds-in-lieu of foreclosure, servicers are expected to have extinguished all remaining unpaid principal balance, interest, fees, deficiencies, and any other claims the servicer owns associated with the property. For example, if the servicer submitting a short-sale transaction for credit owns both the first and second liens, all deficiencies against the borrower must be waived in connection with the short sale for the servicer to receive credit under the Payment Agreement.

Servicers will receive credit for purposes of their foreclosure prevention assistance requirements for NMS-eligible first- and second-lien modifications, short sales, and deeds-in-lieu of foreclosure based on the unpaid principal balance of the loans involved with no maximum or minimum restrictions on the amount of any particular activity that is creditable. Loan modification actions, short sales, and deeds-in-lieu of foreclosure that do not meet NMS eligibility standards or other types of programs require preapproval from the regulators in order to be considered as satisfying the servicers' foreclosure prevention assistance requirements. Subject to the non-objection of the appropriate regulator, the servicers may also fulfill their requirements by providing other types of foreclosure prevention assistance, including interest rate modifications and deficiency waivers. However, servicers that are part of the NMS and the Payment Agreement must separately meet the obligations of the NMS and the Payment Agreement. Servicers cannot count actions taken to fulfill their NMS obligations toward their foreclosure prevention assistance obligations under the Consent Order Amendments.

As noted above, servicers were not permitted to request or require waivers or releases of claims against the servicers from borrowers who receive foreclosure prevention assistance. In the event that a release was required from a borrower, the activity would be ineligible for credit under the Consent Order Amendments.

Cash Payments in Lieu of Foreclosure Prevention Assistance

Subject to non-objection from their regulator, servicers also were given the option to meet their fore-

closure prevention assistance requirements by paying additional cash to be used to fund the cash payments for the servicer's in-scope borrowers or by providing cash or other resource commitments to borrower counseling or education. Based on the decision of the regulators, the servicer would receive \$7 to \$10 of credit toward their foreclosure prevention assistance commitment for each \$1 of cash contribution made to the cash payment funds or paid for borrower counseling or education. To date, three Federal Reserve-regulated servicers have met their foreclosure prevention assistance requirements in this manner. Morgan Stanley contributed over \$16.5 million for supplemental cash payments and provided an additional \$2 million for borrower counseling or education. GMAC Mortgage made approximately \$31.7 million in supplemental cash payments. Finally, SunTrust made \$14.3 million in payments to non-profit organizations to support housing counseling, borrower education, and neighborhood stabilization efforts.

Current Status of Foreclosure Prevention Assistance

As required by the Consent Order Amendments, the servicers that have not already satisfied their foreclosure prevention assistance requirements by making supplemental cash payments have submitted periodic reports detailing their actions taken during that period aimed at borrowers facing foreclosure in order to satisfy these requirements. The foreclosure prevention assistance actions reported include loan modifications, short sales, and deeds-in-lieu of foreclosure.

Interim data on the status of the foreclosure prevention assistance are included in the appendix for Goldman Sachs, which is the only servicer regulated solely by the Federal Reserve that has not elected to meet its foreclosure prevention assistance requirement by paying additional cash to fund the cash payments for their in-scope borrowers or by providing cash or other resource commitments to borrower counseling or education. Under its Consent Order Amendment, Goldman Sachs must provide a total of \$195,000,000 in foreclosure prevention assistance by January 2015. As of April 30, 2014, Goldman Sachs reported providing first-lien modifications or debt cancellation and the extinguishment of first or second liens in connection with 1,977 loans representing approximately \$118,475,000 toward satisfaction of its foreclosure prevention assistance obligation. These reports have not yet been validated.

Aggregate data on the value of consumer relief activities that Goldman Sachs reported taking as of April 30, 2014, are displayed in table 11. State-level data on the type and value of consumer relief activities that Goldman Sachs reported taking as of April 30, 2014, are displayed in table 12. For servicers regulated by the OCC or jointly regulated by the regulators, similar data on the status of the foreclosure prevention assistance as of January 24, 2014, were included in table 2 and appendix 5 of the OCC Status Report.

In order to receive credit toward the servicer's total foreclosure prevention assistance obligation, the foreclosure prevention assistance actions submitted by servicers must be validated by the regulators. A pro-

cess is being established for a third party to conduct this validation and ensure that the foreclosure prevention assistance amounts meet the requirements of the Amendments. At the conclusion of the implementation of the Payment Agreement, the Federal Reserve expects to publish data on the final status of the foreclosure prevention assistance. The regulators will continue to monitor each servicer's foreclosure prevention assistance, as well as compliance with the original Consent Orders, which require effective loss mitigation and foreclosure prevention activities beyond those required by the Amendments, including a review of how the servicers' foreclosure prevention activities generally meet the regulators' expectations for well-structured programs.

Ongoing Supervision

Supervisory Response to Issues Identified in the IFR

In February 2012, the regulators issued regulatory guidance to banking organizations subject to Consent Orders for deficient practices in mortgage loan servicing and foreclosure processing, establishing minimum standards for the handling and prioritization of files with an imminent foreclosure sale. In March 2013, the regulators expanded the applicability of this guidance to all institutions under their respective jurisdiction that service residential mortgages.³¹ The minimum standards set forth in the guidance include detailed pre-foreclosure sale review standards and reflect sound business practices that should be part of a mortgage servicer's ongoing collections, loss mitigation, and foreclosure processing functions. The regulators expected the standards set forth in the guidance to be part of a mortgage servicer's ongoing collections, loss mitigation, and foreclosure processing functions. A servicer's failure to comply with the guidance may result in additional agency enforcement actions for noncompliance with foreclosure-related Consent Orders, new actions for unsafe and unsound banking practices, and/or other remedial actions, including rescission of completed foreclosures.

The regulators have been conducting targeted reviews to monitor adherence to these standards for those banking organizations subject to enforcement actions. The reviews conducted to date for banking organizations subject to enforcement actions have revealed that additional, minor enhancements to the servicers' processes remain necessary; however, no evidence of improper foreclosures has been uncovered.

³¹ See Board of Governors of the Federal Reserve System, Division of Banking Supervision and Regulation (2013), "Minimum Standards for Prioritization and Handling Borrower Files with Imminent Scheduled Foreclosure Sale," Supervision and Regulation Letter/Consumer Affairs Letter, SR 13-9/CA 13-6, April 23, available at www.federalreserve.gov/bankinforeg/srletters/sr1309.htm.

Ongoing Supervision of Corrective Actions Required by Consent Orders

Compensating borrowers for deficient foreclosure processes was just one goal of the Consent Orders. The Payment Agreement with the participating servicers does not eliminate the other existing provisions of the Consent Orders, which remain in full force and effect. Those provisions required servicers to correct the unsafe and unsound practices to ensure a fair and orderly mortgage servicing process going forward.

Federal Reserve supervisory teams and staff have been monitoring, and continue to closely monitor, the mortgage servicers' compliance with the action plan provisions of the Consent Orders. As mentioned above, the Consent Orders required servicers and their parent holding companies to submit acceptable written plans to address various mortgage loan servicing and foreclosure processing deficiencies, and deficiencies in the oversight of servicing operations, as applicable.

In the time since the Consent Orders were issued, the servicers and their parent holding companies have been implementing the plans required by the enforcement actions, including enhanced controls, and improving systems and processes. Federal Reserve supervisory teams performed off-site monitoring and on-site reviews to evaluate the servicers' implementation progress. The off-site monitoring activities generally included a review of management reporting and routine meetings by phone with the banking organizations' management teams. The on-site reviews generally included process walkthroughs and transaction testing of the enhancements to assess adherence to the action plans.

Federal Reserve-regulated servicers were required to engage a third-party consultant to perform an independent validation to evaluate the design and effectiveness of the programs, policies, and procedures described in the action plans developed in response

to the Consent Orders.³² The testing methodology included interviews and process walkthroughs with staff and management, review of documentation and reporting, and transactional testing of the mortgage servicing risk management and governance processes and practices. These reviews were completed at two of the Federal Reserve-regulated servicers and are under way at the remaining two servicers. Each completed independent validation review identified items for the banking organizations to correct or enhance. Federal Reserve supervisory teams continue to monitor the implementation of these enhancements and perform testing to confirm completion, as applicable.

The regulators have developed a supervisory work program that outlines minimum standards and test steps to assess compliance with each provision of the Consent Orders and ensures that the banking organizations have taken all necessary actions to address the deficiencies found in servicing and foreclosure processes. The supervisory teams are in the process of assessing the adequacy of policies, procedures, and practices; conducting process reviews; and performing loan-level transaction testing to confirm whether the deficiencies have been corrected. The Federal

³² The independent validation of the action plans of one Federal Reserve-supervised servicer, GMAC Mortgage, became unnecessary when GMAC Mortgage's servicing operations were sold to institutions that were not supervised by the Federal Reserve.

Reserve supervisory teams are leveraging the work performed during the independent validation and during previous supervisory reviews, where relevant, to expand upon the minimum standards contained in the work program. To date, the initial supervisory review of the servicer and holding company action plans has shown that the banking organizations under Consent Orders have implemented significant corrective actions with regard to their mortgage servicing and foreclosure processes, but that some additional actions need to be taken.

While the Consent Orders issued against the servicers do not forestall or prevent foreclosure actions from continuing, efforts to prevent dual tracking of borrowers who are being foreclosed on at the same time that they are seeking assistance aimed at preventing foreclosure, which has been a central concern of the regulators, are addressed in the Consent Orders. In addition, various federal banking regulators coordinated very closely with the Consumer Financial Protection Bureau on the development of national standards that are designed to improve mortgage servicing across the industry, including those that limit a servicer's ability to dual track borrowers. The standards were issued in February 2013 and became effective in January 2014. The regulators are committed to the enforcement of our Consent Orders and of these standards.

Conclusion

In 2011 and 2012, the OCC, the Federal Reserve, and the OTS issued Consent Orders in response to on-site reviews conducted in 2010 and 2011 that found deficiencies and unsafe and unsound practices in mortgage servicing and foreclosure processing at several large residential mortgage servicers. The independent file reviews required by the Consent Orders progressed more slowly than anticipated and were replaced at 15 of 16 servicers by a Payment Agreement that provided approximately \$10 billion in cash payments and other assistance to borrowers. This approach provided for payments to borrowers faster than if the IFR had continued, and it resulted in the servicers paying to borrowers more than the total amount borrowers would likely have received through the IFR process. To date, borrowers have cashed or deposited over 85 percent of the total amount of cash payments that servicers were required to pay under the Payment Agreement.

For servicers where the IFR ended under the Payment Agreement in January 2013, the independent consultants engaged to perform the IFR reported completing approximately 14 percent of the files slated for review and finding preliminary financial

injury errors in approximately 4.5 percent of the file reviews they completed as of year-end 2012. A discussion of the concerns and issues that the independent consultants may have identified during the review process before it came to a close provided additional information to the supervisory teams such that they could address any concerns or issues through their routine supervisory processes. The regulators plan to ensure that all banking organizations subject to Consent Orders have taken all necessary actions to address the deficiencies found in servicing and foreclosure processes.

After the Payment Agreement has been fully implemented, the Federal Reserve expects to publish data on the final status of the cash payments and the foreclosure prevention assistance. In addition, the Federal Reserve has instructed Federal Reserve-regulated servicers, the independent consultants that conducted the IFR on their behalf, and Rust, their administrative agent, that the Federal Reserve has no objection to the release of information in their possession that relates solely to a borrower who requests information about the IFR review of that borrower's foreclosure file.

Appendix

Table A.1. Banking organizations subject to Consent Orders issued in 2011 and 2012

Banking organization	Regulator of servicing operation	Consent Order date	Consent Order Amendment date
Aurora —Aurora Bank FSB; Aurora Loan Services	OCC	4/13/2011	2/28/2013
Bank of America —Bank of America Corporation; Bank of America, N.A.; BAC Home Loans Servicing	OCC	4/13/2011	2/28/2013
Citi —Citigroup Inc.; Citibank, N.A.; Citi Financial Credit Co.; CitiMortgage	OCC	4/13/2011	2/28/2013
EverBank —EverBank/EverHome Mortgage Company	OCC	4/13/2011	10/16/2013
GMAC Mortgage —Ally Financial Inc.; Ally Bank; Residential Capital, LLC; GMAC Mortgage, LLC	Federal Reserve	4/13/2011	7/26/2013
Goldman Sachs —The Goldman Sachs Group, Inc.; Goldman Sachs Bank USA; Litton Loan Servicing LP	Federal Reserve	9/1/2011	2/28/2013
HSBC —HSBC North America Holdings, Inc.; HSBC Bank USA, N.A.; HSBC Finance Corporation	OCC and Federal Reserve	4/13/2011	2/28/2013
JPMC —JPMorgan Chase & Co.; JPMorgan Chase Bank, N.A.; EMC Mortgage Corporation	OCC and Federal Reserve	4/13/2011	2/28/2013
MetLife —MetLife, Inc.; MetLife Bank, N.A.	OCC	4/13/2011	2/28/2013
Morgan Stanley —Morgan Stanley; Saxon Mortgage Services, Inc.	Federal Reserve	4/2/2012	2/28/2013
OneWest —OneWest Bank, FSB; IMB HoldCo	OCC	4/13/2011	None ¹
PNC —PNC Financial Services Group, Inc.; PNC Bank, N.A.; PNC Mortgage	OCC	4/13/2011	2/28/2013
Sovereign —Sovereign Bank (now Santander Bank)	OCC	4/13/2011	2/28/2013
SunTrust —SunTrust Banks, Inc.; SunTrust Bank; SunTrust Mortgage, Inc.	Federal Reserve	4/13/2011	2/28/2013
U.S. Bank —U.S. Bancorp; U.S. Bank National Association; U.S. Bank National Association ND	OCC	4/13/2011	2/28/2013
Wells Fargo —Wells Fargo & Company; Wells Fargo Bank, N.A.	OCC	4/13/2011	2/28/2013

Note: The data provide a summary of the banking organizations subject to the Consent Orders, the primary regulator of their servicing operations, and the timing of their entry into the Consent Orders and Consent Order Amendments, as applicable. Two banking organizations, HSBC and JPMC, had residential mortgage servicing operations that were supervised by the Federal Reserve in addition to separate servicing operations supervised by the OCC. For that reason, separate Consent Orders and Amendments were issued by the Federal Reserve and the OCC against HSBC and JPMC.

¹ OneWest has not entered into a payment agreement. It is finishing the IFR required by the original Consent Order against it.

Table A.2. Independent Foreclosure Review agreement amounts

Banking organization	In-scope borrowers	Required amount to be paid into the qualified settlement funds ¹	Required amount of other foreclosure prevention assistance	Total
Aurora	109,482	\$93,000,000	\$149,000,000 ²	\$242,000,000
Bank of America	1,293,583	1,128,000,000	1,759,000,000	2,887,000,000
Citibank	357,064	307,000,000	487,000,000	794,000,000
EverBank	32,574 ³	40,000,000 ³	44,000,000 ²	84,000,000
GMAC Mortgage	232,014	198,000,000	317,000,000 ²	515,000,000
Goldman Sachs	128,827	135,000,000	195,000,000	330,000,000
HSBC	113,081	97,000,000	153,000,000	250,000,000
JPMorgan Chase	879,636	753,000,000	1,205,000,000	1,962,000,000
MetLife	43,229	30,000,000	48,000,000 ²	78,000,000
Morgan Stanley	94,932	97,000,000	130,000,000 ²	227,000,000
PNC	81,476	69,000,000	111,000,000 ²	180,000,000
Sovereign	7,262	6,000,000	10,000,000	16,000,000
SunTrust	73,424	63,000,000	100,000,000 ²	163,000,000
U.S. Bank	93,874	80,000,000	128,000,000	208,000,000
Wells Fargo	897,787	766,000,000	1,225,000,000	1,991,000,000
Totals	4,438,245	\$3,866,000,000	\$6,061,000,000	\$9,927,000,000

Note: The data provide a summary of the amounts of cash payments to in-scope borrowers and foreclosure prevention assistance that the OCC and Federal Reserve Consent Order Amendments require from each participating servicer. Servicers have satisfied the amount to be paid to in-scope borrowers by depositing the requisite amount into qualified settlement funds. Servicer activities to satisfy the required amount of additional foreclosure prevention assistance are under way. The numbers of in-scope borrowers are based on data from Rust as of May 2014 and may vary from other published numbers because of timing. All dollar amounts are rounded to the nearest million.

¹ These numbers are based on the cash payment requirement in the Consent Order Amendments. Some servicers paid additional amounts into the qualified settlement funds, including to satisfy their foreclosure prevention assistance requirement, as explained in the section of the report titled "Foreclosure Prevention Assistance."

² Satisfied by payment of a lesser amount to the qualified settlement funds or a HUD-certified organization.

³ Based on table 7 of the OCC Status Report.

Table A.3. Most common errors with financial injury found by independent consultants

Category	Percent of total financial harm errors found
General error	50.5
SCRA-related errors	9.3
Modification denied in error	9.1
Bankruptcy	8.9
Servicer failed to provide legally sufficient notice	8.5

Note: The data list the most common types of financial injury errors found by independent consultants in completed file reviews when the IFR ended and the percentage of all financial injury error findings accounted for by each type of financial injury error listed in the June 2012 Financial Remediation Framework. They include data regarding GMAC Mortgage in addition to data published by the OCC in table 3 of the OCC Status Report regarding 13 servicers where the IFR ended in January 2013.

Table A.4. Completion and financial injury error rates (percent) at Federal Reserve-regulated servicers entering IFR Payment Agreement in January 2013 (data as of December 31, 2012)

Servicer	Foreclosure in progress				Foreclosure complete				Total	
	Sampled file reviews		Requested file reviews		Sampled file reviews		Requested file reviews			
	Reviews complete	Error rate	Reviews complete	Error rate	Reviews complete	Error rate	Reviews complete	Error rate	Reviews complete	Error rate
Goldman Sachs	0.9	0.0	...	...	0.5	0.0	...	...	0.7	0.0
Morgan Stanley ¹	0.0	...	...	...	0.0	...	...	...	0.0	...
SunTrust	52.0	0.5	4.3	0.0	65.9	4.7	7.9	5.2	26.1	3.3

... Not applicable.

¹ Morgan Stanley reported no completed files and would not speculate on results.**Table A.5. Completion and financial injury error rates (percent) at Federal Reserve-regulated servicer entering IFR Payment Agreement in July 2013 (data as of June 30, 2013)**

Servicer	Foreclosure in progress				Foreclosure complete				Total	
	Sampled file reviews		Requested file reviews		Sampled file reviews		Requested file reviews			
	Reviews complete	Error rate	Reviews complete	Error rate	Reviews complete	Error rate	Reviews complete	Error rate	Reviews complete	Error rate
GMAC Mortgage	10.0	6.9	0.5	7.4	5.7	20.3	1.3	9.8	2.6	11.4

Table A.6. Aggregate findings of independent consultants as of the end of the IFR

File type	Total slated for review	Files—initial or final review complete	Files with no errors	Files with nonfinancial injury errors ¹	Files with financial injury errors	Financial injury framework category counts					
						1	2	3a	3b	4	5
Foreclosure in process											
Look back files ²	169,095	106,630									
Files—Initial IC work complete ³		46,181		915	39,892	3	-	89	1	1	2,002
Files—Review complete ⁴		60,449	56,004	2,438	2,007	89	1	45	2	-	211
Outreach files ⁵	262,425	27,934									
Files—Initial IC work complete ³		18,537		331	14,606	4	-	51	-	3	920
Files—Review complete ⁴		9,397	8,730	105	562	-	-	53	1	1	75
Foreclosure complete											
Look back files ²	155,637	108,582									
Files—Initial IC work complete ³		79,832		829	67,829	21	-	22	5	19	546
Files—Review complete ⁴		28,750	24,811	2,002	1,937	447	-	12	-	4	192
Outreach Files ⁵	190,564	19,695									
Files—Initial IC work complete ³		13,584		422	8,848	13	-	77	9	25	1,023
Files—Review complete ⁴		6,111	5,700	122	265	8	1	10	1	-	54
Aggregate files											
Look back files ²	324,732	215,212									
Files—Initial IC work complete ³		126,013		1,744	107,721	24	-	111	6	20	2,548
Files—Review complete ⁴		89,199	80,815	4,440	3,944	536	1	57	2	4	403
Outreach files ⁵	452,989	47,629									
Files—Initial IC work complete ³		32,121		753	23,454	17	-	128	9	28	1,943
Files—Review complete ⁴		15,508	14,430	227	827	8	1	63	2	1	129

Note: Includes data regarding GMAC Mortgage in addition to data published by the OCC in table 9 of the OCC Status Report regarding 13 servicers where the IFR ended in January 2013.

¹ Includes only those files with errors not resulting in financial injury. This count is mutually exclusive from the Files with Financial Injury errors count.

² Total sample, which includes internal and referred complaints subject to 100 percent review.

³ Includes only those files where the independent consultant (IC) completed an initial review, but final decision of financial injury/no injury was pending receipt of additional documents from the servicer or for IC's quality control review.

⁴ Includes only those files where the IC rendered the final decision of financial injury/no injury.

⁵ Outreach file totals do not include 271 RFRs received as of 12/31/2012 that were out of scope.

Table A.6. —continued

File type	Financial injury framework category counts—continued										Completion rate	Error rate
	6	7	8	9	10	11	12	13	Duplicate	Net total		
Foreclosure in process												
Look back files											63.1%	
Files—Initial IC work complete	4,044	1,615	1,106	53	13,997	1,835	18,522	23,059	27,289	39,038	27.3	86.4%
Files—Review complete	47	86	12	26	51	49	162	1,716	490	2,007	35.7	3.3
Outreach files											10.6	
Files—Initial IC work complete	4,299	1,192	1,455	29	372	238	2,956	12,228	10,292	13,455	7.1	78.8
Files—Review complete	43	55	-	-	3	-	2	574	245	562	3.6	6.0
Final review complete											16.2	3.7
Foreclosure complete												
Look back files											69.8	
Files—Initial IC work complete	922	1,291	188	7	58,395	1,219	6,533	8,745	10,383	67,530	51.3	85.0
Files—Review complete	56	137	7	1	470	78	319	523	309	1,937	18.5	6.7
Outreach files											10.3	
Files—Initial IC work complete	1,456	1,837	276	20	251	173	1,917	6,738	5,263	8,552	7.1	65.1
Files—Review complete	19	63	-	1	1	1	14	156	64	265	3.2	4.3
Final review complete											10.1	6.3
Aggregate files												
Look back files											66.3	
Files—Initial IC work complete	4,966	2,906	1,294	60	72,392	3,054	25,055	31,804	37,672	106,568	38.8	85.5
Files—Review complete	103	223	19	27	521	127	481	2,239	799	3,944	27.5	4.4
Outreach files											10.5	
Files—Initial IC work complete	5,755	3,029	1,731	49	623	411	4,873	18,966	15,555	22,007	7.1	73.0
Files—Review complete	62	118	-	1	4	1	16	730	309	827	3.4	5.3
Final review complete											13.5%	4.6%

Table A.7. State-level payment data for Fund 2 (as of April 25, 2014)

State	Total dollars	Total quantity	Paid dollars (satisfied accounts) ¹	Paid quantity (satisfied accounts) ¹
Alabama	\$2,304,093	1,571	\$1,874,634	1,342
Alaska	116,160	120	98,400	95
Arizona	11,267,903	8,472	9,327,152	7,011
Arkansas	1,003,095	920	838,275	768
California	48,983,843	36,460	41,469,929	31,010
Colorado	4,116,532	3,663	3,566,828	3,106
Connecticut	2,541,075	2,810	2,140,781	2,359
Delaware	749,918	698	481,520	573
District of Columbia	416,210	394	338,402	316
Florida	41,899,117	44,129	34,767,625	36,078
Georgia	9,672,313	7,766	8,324,084	6,656
Hawaii	804,030	814	670,390	647
Idaho	1,670,965	1,094	1,340,427	935
Illinois	8,608,174	8,999	7,247,416	7,559
Indiana	3,323,085	3,682	2,956,015	3,193
Iowa	831,510	891	744,274	764
Kansas	1,373,410	1,155	1,201,738	982
Kentucky	1,575,991	1,662	1,378,749	1,447
Louisiana	2,123,036	2,066	1,738,760	1,679
Maine	523,423	650	446,553	551
Maryland	5,270,110	4,786	4,441,948	3,907
Massachusetts	2,695,922	2,797	2,224,210	2,252
Michigan	7,347,801	6,904	6,518,880	6,025
Minnesota	2,749,856	2,377	2,484,512	2,145
Mississippi	1,677,500	1,444	1,451,932	1,230
Missouri	3,503,899	3,120	3,050,649	2,669
Montana	203,810	200	170,230	171
Nebraska	628,950	599	546,496	524
Nevada	6,821,697	5,028	5,926,786	4,246
New Hampshire	643,963	694	557,563	590
New Jersey	5,200,812	5,994	4,163,934	4,608
New Mexico	788,480	720	654,692	604
New York	7,372,964	8,830	5,923,466	6,845
North Carolina	4,822,319	4,137	4,155,750	3,547
North Dakota	44,820	57	40,580	51
Ohio	7,825,799	8,380	6,785,828	7,177
Oklahoma	1,382,214	1,291	1,151,000	1,033
Oregon	3,053,651	2,258	2,652,303	1,942
Pennsylvania	5,142,684	5,398	4,145,180	4,431
Puerto Rico	6,220	10	2,172	3
Rhode Island	867,974	806	705,608	672
South Carolina	2,769,834	3,021	2,234,199	2,552
South Dakota	200,990	207	181,610	188
Tennessee	5,247,979	3,865	4,379,237	3,275
Texas	11,296,322	10,278	9,329,030	8,365
Utah	1,689,570	1,358	1,438,895	1,164
Virginia	5,228,310	4,354	4,450,202	3,658
Virgin Islands	300	1	300	1
Vermont	118,270	132	104,050	111
Washington	5,016,933	3,730	4,225,987	3,114
Wisconsin	2,576,547	2,407	2,310,937	2,156
West Virginia	448,570	407	389,930	344
Wyoming	185,440	153	165,760	128
Totals	\$246,734,391	223,759	\$207,915,807	186,799

Note: Data are presented on the number and value of checks required to be distributed and on the number and value that have been cashed or deposited for each state for Fund 2, which includes in-scope borrowers whose mortgages were serviced by Goldman Sachs and Morgan Stanley.

¹ Some borrowers whose mortgages were serviced by Goldman Sachs or Morgan Stanley were sent more than one check because the initial check was for less than the amount that the Federal Reserve directed the paying agent to pay those borrowers. The number of borrowers paid and the dollar amount of checks cashed reflect only borrowers who cashed both their original check and supplemental check (satisfied accounts).

Table A.8. State-level payment data for Fund 3 (as of April 25, 2014)

State	Total dollars	Total quantity	Paid dollars (satisfied accounts)	Paid quantity (satisfied accounts)
Alabama	\$3,387,000	2,992	\$2,360,650	2,116
Alaska	347,600	225	301,200	160
Arizona	14,472,486	13,195	10,399,236	9,498
Arkansas	920,100	932	613,200	662
California	37,722,730	38,977	27,771,250	28,416
Colorado	5,797,750	5,598	4,146,250	3,990
Connecticut	2,636,150	2,612	1,953,850	1,947
Delaware	835,400	781	525,400	536
District of Columbia	251,400	323	141,150	197
Florida	28,907,600	33,156	19,667,400	22,456
Georgia	8,448,700	7,548	5,941,600	5,240
Hawaii	641,717	549	361,650	376
Idaho	1,202,100	1,343	923,250	1,021
Illinois	7,978,600	8,518	5,588,150	5,995
Indiana	4,984,044	5,397	3,707,544	3,984
Iowa	1,026,050	979	874,650	767
Kansas	1,408,051	1,107	1,132,601	797
Kentucky	1,947,819	1,739	1,373,200	1,258
Louisiana	2,348,550	2,396	1,504,400	1,605
Maine	547,400	759	407,100	557
Maryland	3,637,700	4,489	2,485,350	3,049
Massachusetts	3,456,250	3,744	2,452,000	2,687
Michigan	10,790,250	10,589	8,323,900	8,105
Minnesota	3,836,750	3,883	2,952,800	2,983
Mississippi	1,446,050	1,289	974,600	883
Missouri	3,529,150	2,995	2,352,200	2,147
Montana	372,750	364	284,950	275
Nebraska	373,000	457	298,400	341
Nevada	5,654,100	5,433	4,166,800	3,951
New Hampshire	1,094,432	930	728,400	698
New Jersey	5,332,586	7,836	3,530,050	5,196
New Mexico	825,155	779	608,505	535
New York	3,502,000	5,219	2,345,500	3,444
North Carolina	4,871,850	4,608	3,406,300	3,339
North Dakota	54,150	73	38,200	52
Ohio	6,457,357	6,688	4,759,762	4,923
Oklahoma	2,018,931	1,698	1,441,481	1,093
Oregon	2,948,300	2,947	2,090,250	2,109
Pennsylvania	4,992,131	5,285	3,443,800	3,747
Rhode Island	456,700	506	325,650	374
South Carolina	4,113,654	3,682	3,072,812	2,677
South Dakota	241,504	116	224,554	87
Tennessee	3,267,350	3,288	2,277,150	2,314
Texas	10,192,657	9,563	6,650,607	6,096
Utah	2,130,100	2,278	1,586,400	1,650
Vermont	303,450	250	132,200	184
Virginia	4,919,550	4,742	3,611,050	3,370
Washington	5,624,600	5,163	3,933,600	3,657
Wisconsin	3,149,550	3,309	2,388,450	2,535
West Virginia	337,850	435	258,050	312
Wyoming	385,700	250	296,000	175
Totals	\$226,126,803	232,014	\$161,133,502	164,566

Note: Data are presented on the number and value of checks required to be distributed and on the number and value that have been cashed or deposited for each state for Fund 3, which includes in-scope borrowers whose mortgages were serviced by GMAC Mortgage.

Table A.9. Payments in qualified settlement Fund 2 by payment category (as of April 25, 2014)

Category	Foreclosure stage	Number of borrowers in category (accounts)	Payment (dollars)	Number of borrowers paid (satisfied accounts) ¹	Dollar amount of checks cashed (satisfied accounts) ¹
Servicer foreclosed on borrower eligible for Servicemembers Civil Relief Act (SCRA) protection (applies only to rescinded or completed foreclosures) ²	Rescinded	14	\$15,000	13	\$224,204
	Completed	49	125,000	40	5,146,826
Servicer charged servicemembers interest rates that exceed SCRA Section 527 limits ³	In process	101	≥300	95	184,979
	Completed	0	≥300	0	0
Servicer initiated or completed foreclosure on borrower who was not in default ²	In process	55	5,000	50	250,000
	Rescinded	10	15,000	8	128,284
	Completed	3	125,000	2	279,853
Servicer initiated or completed foreclosure on borrower who was protected by federal bankruptcy law	In process	1,069	4,650	950	4,398,621
	Rescinded	67	4,650	57	258,866
	Completed	108	38,750	87	3,371,250
Servicer completed foreclosure on borrower who was meeting all requirements of documented forbearance plan (applies only to rescinded or completed foreclosures)	Rescinded	45	3,900	36	140,400
	Completed	48	15,600	41	639,600
Servicer failed to convert borrower to permanent modification after three successful payments under a written trial-period plan	In process	312	3,900	284	1,106,508
	Rescinded	44	3,900	38	146,835
	Completed	150	32,500	132	4,280,900
Servicer completed foreclosure on borrower who was performing all requirements of the written trial-period plan	Rescinded	77	3,900	67	261,300
	Completed	337	32,500	287	9,266,725
Modification request approved	In process	62,927	300	54,696	16,408,800
	Rescinded	869	300	735	220,500
	Completed	15,987	300	13,271	3,981,900
Modification request denied	In process	41,913	1,300	36,086	46,691,671
	Rescinded	1,016	1,300	854	1,102,738
	Completed	26,642	3,900	22,669	87,805,848
Modification request received but no underwriting decision made	In process	13,090	520	10,407	5,411,640
	Rescinded	324	520	250	130,000
	Completed	14,006	520	10,838	5,635,760
Servicer did not engage with borrower in a loan modification or other loss mitigation action	In process	5,825	300	4,420	1,326,000
	Rescinded	96	300	71	21,300
	Completed	9,536	300	7,328	2,198,400
All other loans	In process	13,780	300	10,948	3,284,400
	Rescinded	304	300	239	71,700
	Completed	14,955	300	11,800	3,540,000
Totals		223,759		186,799	\$207,915,807

Note: Data presented on the number of in-scope borrowers and payment amounts in each category for borrowers covered by the IFR Payment Agreement whose mortgages were serviced by Goldman Sachs or Morgan Stanley and on the number and value of these checks that have been cashed or deposited. The table contains only standard payout amounts; it does not include amounts for lost equity, which borrowers in the first and third categories may receive in addition to the standard payout amounts, the payments calculated on a case-by-case basis in the second category, or any tax withholding (if applicable).

¹ Some borrowers whose mortgages were serviced by Goldman Sachs or Morgan Stanley were sent more than one check because the initial check was for less than the amount that the Federal Reserve directed the paying agent to pay those borrowers. The number of borrowers paid and the dollar amount of checks cashed reflect only borrowers who cashed both their original check and supplemental check (satisfied accounts).

² Total amount received by borrower in the first and third categories listed here may differ from amount shown because of offsets resulting from other legal settlements.

³ Servicemembers who were charged interest rates higher than limits allowed by the SCRA Section 527 will receive payments of \$300 or the amount overcharged and paid by the borrower, whichever is greater.

Table A.10. Payments in qualified settlement Fund 3 by payment category (as of April 25, 2014)

Category	Borrowers who requested a review					All other borrowers					Total borrowers paid (satisfied accounts) ¹
	Foreclosure stage	Number of borrowers in category	Payment (dollars)	Number of borrowers paid (satisfied accounts) ¹	Dollar amount of checks cashed (satisfied accounts) ¹	Number of borrowers in category	Payment (dollars)	Number of borrowers paid (satisfied accounts) ¹	Dollar amount of checks cashed (satisfied accounts) ¹	Total borrowers in category	
Servicer foreclosed on borrower eligible for Servicemembers Civil Relief Act (SCRA) protection (applies only to rescinded or completed foreclosures) ²	Rescinded	1	\$15,000	1	\$15,000	3	\$15,000	1	\$15,000	4	2
	Completed	16	125,000	10	1,291,965	89	125,000	60	7,777,086	105	70
Servicer charged servicemembers interest rates that exceed SCRA Section 527 limits ³	In process	0	≥400	0	0	0	≥400	0	0	-	-
	Completed	0	≥400	0	0	0	≥400	0	0	-	-
Servicer initiated or completed foreclosure on borrower who was not in default ²	In process	61	5,000	48	240,000	544	5,000	387	1,935,000	605	435
	Rescinded	3	15,000	1	15,000	7	15,000	4	60,000	10	5
	Completed	0	125,000	0	0	1	125,000	0	0	1	0
Servicer initiated or completed foreclosure on borrower who was protected by federal bankruptcy law	In process	41	9,000	35	315,000	255	4,500	187	841,500	296	222
	Rescinded	0	9,000	0	0	13	4,500	12	54,000	13	12
	Completed	21	75,000	17	1,275,000	91	37,500	52	1,950,000	112	69
Servicer completed foreclosure on borrower who was meeting all requirements of documented forbearance plan (applies only to rescinded or completed foreclosures)	Rescinded	3	7,500	2	15,000	20	3,750	13	48,750	23	15
	Completed	15	30,000	13	390,000	45	15,000	27	405,000	60	40
Servicer failed to convert borrower to permanent modification after three successful payments under a written trial-period plan	In process	9	7,500	8	60,000	119	3,750	81	303,750	128	89
	Rescinded	2	7,500	1	7,500	2	3,750	2	7,500	4	3
	Completed	30	62,500	22	1,375,000	149	31,250	83	2,593,750	179	105
Servicer completed foreclosure on borrower who was performing all requirements of the written trial-period plan	Rescinded	1	7,500	1	7,500	7	3,750	7	26,250	8	8
	Completed	4	62,500	2	125,000	11	31,250	7	218,750	15	9
Modification request approved	In process	8,374	500	6,922	3,461,000	54,807	400	40,837	16,334,800	63,181	47,759
	Rescinded	288	500	226	113,000	1,234	400	862	344,800	1,522	1,088
	Completed	4,293	500	3,398	1,699,000	23,268	400	15,285	6,114,000	27,561	18,683
Modification request denied	In process	1,992	2,500	1,618	4,045,000	16,453	1,250	11,839	14,798,750	18,445	13,457
	Rescinded	140	2,500	116	290,000	650	1,250	445	556,250	790	561
	Completed	3,531	7,500	2,814	21,105,000	16,004	3,750	11,150	41,812,500	19,535	13,964
Modification request received but no underwriting decision made	In process	141	1,000	127	127,000	1,321	500	970	485,000	1,462	1,097
	Rescinded	18	10,000	12	12,000	70	500	54	27,000	88	66
	Completed	418	10,000	333	333,000	2,155	500	1,473	736,500	2,573	1,806

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Table A.10.—continued

Category	Borrowers who requested a review					All other borrowers					Total borrowers paid (satisfied accounts) ¹
	Foreclosure stage	Number of borrowers in category	Payment (dollars)	Number of borrowers paid (satisfied accounts) ¹	Dollar amount of checks cashed (satisfied accounts) ¹	Number of borrowers in category	Payment (dollars)	Number of borrowers paid (satisfied accounts) ¹	Dollar amount of checks cashed (satisfied accounts) ¹	Total borrowers in category	
Servicer did not engage with borrower in a loan modification or other loss mitigation action	In process	663	800	548	438,400	11,208	400	7,198	2,879,200	11,871	7,746
	Rescinded	59	800	47	37,600	751	400	456	182,400	810	503
	Completed	2,634	800	2,086	1,668,800	37,996	400	24,900	9,960,000	40,630	26,986
All other loans	In process	1,400	500	1,180	590,000	20,933	400	15,047	6,018,800	22,333	16,227
	Rescinded	52	500	40	20,000	463	400	297	118,800	515	337
	Completed	2,178	500	1,758	879,000	16,957	400	11,444	4,577,600	19,135	13,202
Totals		26,388		21,386	\$39,950,766	205,626		143,180	\$121,182,737	232,014	164,566

Note: Data presented on the number of in-scope borrowers and payment amounts in each category for borrowers covered by the IFR Payment Agreement whose mortgages were serviced by GMAC Mortgage and on the number and value of these checks that have been cashed or deposited. The table contains only standard payout amounts; it does not include amounts for lost equity, which borrowers in the first and third categories may receive in addition to the standard payout amounts, the payments calculated on a case-by-case basis in the second category, or any tax withholding (if applicable).

¹ If multiple checks were issued to a borrower, which generally was not the case for borrowers whose mortgages were serviced by GMAC Mortgage, the number of borrowers paid and the dollar amount of checks cashed reflect only borrowers who cashed all of their checks (satisfied accounts).

² Total amount received by borrower in the first and third categories listed here may differ from amount shown because of offsets resulting from other legal settlements.

³ Servicemembers who were charged interest rates higher than limits allowed by the SCRA Section 527 will receive payments of \$400 or the amount overcharged and paid by the borrower, whichever is greater.

Table A.11. Foreclosure prevention assistance activity submitted by Goldman Sachs

Action	Total
# of loans	1,977
Unpaid balance (UPB) before action	\$118,474,583
Average UPB before action	\$59,926
Average sales price (short sales)	...
Deficiency waived	...
Average deficiency waived	...
Transition assistance provided	...
Average interest rate before action	6.36%
Average interest rate after action	3.75%
Average debt-to-income (DTI) before action	41
Average DTI after action	27
Average payment reduction (if applicable)	\$542

Note: Aggregate data presented on the gross value of foreclosure prevention assistance activities that Goldman Sachs reported taking as of April 30, 2014, including first-lien modifications, debt cancellation, and the extinguishment of first and second liens. These activities have not yet been validated as eligible to receive credit toward Goldman Sachs's foreclosure prevention assistance obligation.

... Not applicable.

Table A.12. Foreclosure prevention assistance activity reported by state for Goldman Sachs

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
Alabama	# of loans	-	2	5
	Unpaid balance (UPB) before action	-	\$48,506	\$98,891
	Average UPB before action	-	\$24,253	\$19,778
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Arizona	# of loans	-	-	26
	Unpaid balance (UPB) before action	-	-	\$1,425,165
	Average UPB before action	-	-	\$54,814
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Arkansas	# of loans	1	-	6
	Unpaid balance (UPB) before action	\$289,735	-	\$101,101
	Average UPB before action	\$289,735	-	\$16,850
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	9.1%	-	-
	Average interest rate after action	3.9%	-	-
	Average debt-to-income (DTI) before action	54	-	-
	Average DTI after action	32	-	-
	Average payment reduction (if applicable)	\$1,429	-	-
California	# of loans	7	-	222
	Unpaid balance (UPB) before action	\$2,326,670	-	\$17,685,060
	Average UPB before action	\$332,381	-	\$79,662
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	6.5%	-	-
	Average interest rate after action	3.7%	-	-
	Average debt-to-income (DTI) before action	41	-	-
	Average DTI after action	29	-	-
	Average payment reduction (if applicable)	\$488	-	-

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Table A.12.—*continued*

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
Colorado	# of loans	-	2	29
	Unpaid balance (UPB) before action	-	\$151,409	\$1,112,601
	Average UPB before action	-	\$75,704	\$38,366
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Connecticut	# of loans	1	-	47
	Unpaid balance (UPB) before action	\$95,609	-	\$2,576,571
	Average UPB before action	\$95,609	-	\$54,821
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	6.0%	-	-
	Average interest rate after action	2.0%	-	-
	Average debt-to-income (DTI) before action	58	-	-
	Average DTI after action	31	-	-
	Average payment reduction (if applicable)	\$470	-	-
Delaware	# of loans	-	1	12
	Unpaid balance (UPB) before action	-	\$123,829	\$450,846
	Average UPB before action	-	\$123,829	\$37,571
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
District of Columbia	# of loans	-	-	1
	Unpaid balance (UPB) before action	-	-	\$45,185
	Average UPB before action	-	-	\$45,185
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-

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Table A.12.—*continued*

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
Florida	# of loans	4	4	243
	Unpaid balance (UPB) before action	\$863,630	\$464,564	\$12,036,756
	Average UPB before action	\$215,908	\$116,141	\$49,534
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	5.2%	-	-
	Average interest rate after action	4.7%	-	-
	Average debt-to-income (DTI) before action	48	-	-
	Average DTI after action	27	-	-
	Average payment reduction (if applicable)	\$463	-	-
Georgia	# of loans	4	1	93
	Unpaid balance (UPB) before action	\$589,218	\$2,998	\$3,417,913
	Average UPB before action	\$147,305	\$2,998	\$36,752
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	5.0%	-	-
	Average interest rate after action	4.0%	-	-
	Average debt-to-income (DTI) before action	37	-	-
	Average DTI after action	29	-	-
	Average payment reduction (if applicable)	\$179	-	-
Hawaii	# of loans	-	-	29
	Unpaid balance (UPB) before action	-	-	\$2,721,734
	Average UPB before action	-	-	\$93,853
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Idaho	# of loans	-	-	4
	Unpaid balance (UPB) before action	-	-	\$148,256
	Average UPB before action	-	-	\$37,064
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-

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Table A.12.—*continued*

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
Illinois	# of loans	7	2	115
	Unpaid balance (UPB) before action	\$1,625,505	\$192,284	\$5,374,296
	Average UPB before action	\$232,215	\$96,142	\$46,733
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	5.8%	-	-
	Average interest rate after action	3.3%	-	-
	Average debt-to-income (DTI) before action	42	-	-
	Average DTI after action	29	-	-
	Average payment reduction (if applicable)	\$674	-	-
Indiana	# of loans	-	2	18
	Unpaid balance (UPB) before action	-	\$82,118	\$435,266
	Average UPB before action	-	\$41,059	\$24,181
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Iowa	# of loans	-	1	4
	Unpaid balance (UPB) before action	-	\$63,531	\$94,855
	Average UPB before action	-	\$63,531	\$23,714
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Kansas	# of loans	1	1	4
	Unpaid balance (UPB) before action	\$252,725	\$31,233	\$105,101
	Average UPB before action	\$252,725	\$31,233	\$26,275
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	7.3%	-	-
	Average interest rate after action	4.1%	-	-
	Average debt-to-income (DTI) before action	36	-	-
	Average DTI after action	19	-	-
	Average payment reduction (if applicable)	\$713	-	-

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Table A.12.—continued

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
Kentucky	# of loans	-	5	9
	Unpaid balance (UPB) before action	-	\$233,796	\$211,497
	Average UPB before action	-	\$46,759	\$23,500
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Louisiana	# of loans	-	-	2
	Unpaid balance (UPB) before action	-	-	\$88,434
	Average UPB before action	-	-	\$44,217
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Maine	# of loans	-	-	14
	Unpaid balance (UPB) before action	-	-	\$538,323
	Average UPB before action	-	-	\$38,452
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Maryland	# of loans	5	1	82
	Unpaid balance (UPB) before action	\$1,102,651	\$40,896	\$4,924,567
	Average UPB before action	\$220,530	\$40,896	\$60,056
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	7.4%	-	-
	Average interest rate after action	4.3%	-	-
	Average debt-to-income (DTI) before action	38	-	-
	Average DTI after action	25	-	-
	Average payment reduction (if applicable)	\$660	-	-

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Table A.12.—*continued*

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
Massachusetts	# of loans	-	-	42
	Unpaid balance (UPB) before action	-	-	\$2,403,552
	Average UPB before action	-	-	\$57,227
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Michigan	# of loans	-	8	32
	Unpaid balance (UPB) before action	-	\$713,150	\$860,038
	Average UPB before action	-	\$89,144	\$26,876
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Minnesota	# of loans	-	-	20
	Unpaid balance (UPB) before action	-	-	\$849,905
	Average UPB before action	-	-	\$42,495
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Mississippi	# of loans	-	-	6
	Unpaid balance (UPB) before action	-	-	\$296,566
	Average UPB before action	-	-	\$49,428
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-

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Table A.12.—continued

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
Missouri	# of loans	-	3	17
	Unpaid balance (UPB) before action	-	\$168,816	\$526,312
	Average UPB before action	-	\$56,272	\$30,960
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Nebraska	# of loans	-	-	3
	Unpaid balance (UPB) before action	-	-	\$89,742
	Average UPB before action	-	-	\$29,914
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Nevada	# of loans	-	-	35
	Unpaid balance (UPB) before action	-	-	\$2,078,495
	Average UPB before action	-	-	\$59,386
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
New Hampshire	# of loans	-	-	5
	Unpaid balance (UPB) before action	-	-	\$212,077
	Average UPB before action	-	-	\$42,415
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-

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Table A.12.—*continued*

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
New Jersey	# of loans	-	1	126
	Unpaid balance (UPB) before action	-	\$70,549	\$8,295,247
	Average UPB before action	-	\$70,549	\$65,835
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
New Mexico	# of loans	1	-	12
	Unpaid balance (UPB) before action	\$104,591	-	\$358,306
	Average UPB before action	\$104,591	-	\$29,859
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	7.8%	-	-
	Average interest rate after action	2.0%	-	-
	Average debt-to-income (DTI) before action	57	-	-
	Average DTI after action	31	-	-
	Average payment reduction (if applicable)	\$433	-	-
New York	# of loans	3	2	268
	Unpaid balance (UPB) before action	\$966,842	\$735,030	\$22,792,247
	Average UPB before action	\$322,281	\$367,515	\$85,046
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	6.8%	-	-
	Average interest rate after action	3.6%	-	-
	Average debt-to-income (DTI) before action	43	-	-
	Average DTI after action	31	-	-
	Average payment reduction (if applicable)	\$755	-	-
North Carolina	# of loans	3	5	33
	Unpaid balance (UPB) before action	\$544,976	\$283,680	\$829,835
	Average UPB before action	\$181,659	\$56,736	\$25,147
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	7.0%	-	-
	Average interest rate after action	3.5%	-	-
	Average debt-to-income (DTI) before action	35	-	-
	Average DTI after action	26	-	-
	Average payment reduction (if applicable)	\$413	-	-

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Table A.12.—continued

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
North Dakota	# of loans	-	-	2
	Unpaid balance (UPB) before action	-	-	\$43,708
	Average UPB before action	-	-	\$21,854
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Ohio	# of loans	1	8	43
	Unpaid balance (UPB) before action	\$176,769	\$608,565	\$1,036,448
	Average UPB before action	\$176,769	\$76,071	\$24,103
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	4.0%	-	-
	Average interest rate after action	4.0%	-	-
	Average debt-to-income (DTI) before action	34	-	-
	Average DTI after action	31	-	-
	Average payment reduction (if applicable)	\$123	-	-
Oklahoma	# of loans	-	1	5
	Unpaid balance (UPB) before action	-	\$26,141	\$176,500
	Average UPB before action	-	\$26,141	\$35,300
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Oregon	# of loans	-	-	16
	Unpaid balance (UPB) before action	-	-	\$657,343
	Average UPB before action	-	-	\$41,084
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-

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Table A.12.—continued

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
Pennsylvania	# of loans	2	8	29
	Unpaid balance (UPB) before action	\$218,565	\$340,401	\$1,017,903
	Average UPB before action	\$109,283	\$42,550	\$35,100
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	7.4%	-	-
	Average interest rate after action	4.2%	-	-
	Average debt-to-income (DTI) before action	35	-	-
	Average DTI after action	25	-	-
	Average payment reduction (if applicable)	\$288	-	-
Rhode Island	# of loans	-	-	11
	Unpaid balance (UPB) before action	-	-	\$559,553
	Average UPB before action	-	-	\$50,868
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
South Carolina	# of loans	-	6	21
	Unpaid balance (UPB) before action	-	\$267,252	\$671,945
	Average UPB before action	-	\$44,542	\$31,997
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
South Dakota	# of loans	-	-	4
	Unpaid balance (UPB) before action	-	-	\$144,179
	Average UPB before action	-	-	\$36,045
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-

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Table A.12.—continued

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
Tennessee	# of loans	-	-	15
	Unpaid balance (UPB) before action	-	-	\$396,671
	Average UPB before action	-	-	\$26,445
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Texas	# of loans	2	-	75
	Unpaid balance (UPB) before action	\$296,871	-	\$2,047,405
	Average UPB before action	\$148,436	-	\$27,299
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	7.9%	-	-
	Average interest rate after action	4.1%	-	-
	Average debt-to-income (DTI) before action	33	-	-
	Average DTI after action	22	-	-
	Average payment reduction (if applicable)	\$587	-	-
Utah	# of loans	-	-	7
	Unpaid balance (UPB) before action	-	-	\$240,995
	Average UPB before action	-	-	\$34,428
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Vermont	# of loans	-	-	1
	Unpaid balance (UPB) before action	-	-	\$88,235
	Average UPB before action	-	-	\$88,235
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-

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Table A.12.—continued

State	Action	HAMP/HFA first-lien modifications	Debt cancellation and lien extinguishment first liens	Debt cancellation and lien extinguishment junior liens
Virginia	# of loans	1	-	32
	Unpaid balance (UPB) before action	\$381,075	-	\$1,640,859
	Average UPB before action	\$381,075	-	\$51,277
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	4.8%	-	-
	Average interest rate after action	2.0%	-	-
	Average debt-to-income (DTI) before action	47	-	-
	Average DTI after action	31	-	-
	Average payment reduction (if applicable)	\$839	-	-
Washington	# of loans	1	-	30
	Unpaid balance (UPB) before action	\$174,131	-	\$1,254,222
	Average UPB before action	\$174,131	-	\$41,807
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	5.1%	-	-
	Average interest rate after action	4.1%	-	-
	Average debt-to-income (DTI) before action	29	-	-
	Average DTI after action	17	-	-
	Average payment reduction (if applicable)	\$573	-	-
West Virginia	# of loans	-	-	4
	Unpaid balance (UPB) before action	-	-	\$175,691
	Average UPB before action	-	-	\$43,923
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-
Wisconsin	# of loans	-	2	8
	Unpaid balance (UPB) before action	-	\$209,409	\$270,464
	Average UPB before action	-	\$104,705	\$33,808
	Average sales price (short sales)	-	-	-
	Deficiency waived	-	-	-
	Average deficiency waived	-	-	-
	Transition assistance provided	-	-	-
	Average interest rate before action	-	-	-
	Average interest rate after action	-	-	-
	Average debt-to-income (DTI) before action	-	-	-
	Average DTI after action	-	-	-
	Average payment reduction (if applicable)	-	-	-

Note: State-by-state data presented on the gross value of foreclosure prevention assistance activities that Goldman Sachs reported taking as of April 30, 2014, including first-lien modifications and debt cancellation and the extinguishment of first and second liens. These activities have not yet been validated as eligible to receive credit toward Goldman Sachs's foreclosure prevention assistance obligation.

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