

Office of
Mortgage Settlement
Oversight

First Take:

Progress Report from the Monitor of the National Mortgage Settlement

I am pleased to present my first report as Monitor under the national mortgage servicing settlement. This report is not required by the settlement; the first required reports will be submitted to the Federal District Court for the District of Columbia in the second quarter of 2013. Rather, this report is intended to inform the public about the nature of the settlement, the steps that have been taken to implement it and the results to date. To those ends, the report includes:

- A summary of the material terms of the consent judgments and related agreements that comprise the settlement.
- A review of actions taken to date to implement the settlement, including my retention of professional firms and the development of the work plans under which compliance activities will be conducted.
- Information about the relief that has been extended to consumers under the settlement from March 1, 2012 through June 30, 2012.
- An update on the implementation of the servicing standards set forth in the settlement.

A timeline of future reports under the settlement is attached to this report as Appendix I.

The Consumer Relief activities discussed in this report represents gross dollars that have not been subject to calculation under the crediting formulas in the Settlement Agreement. Therefore, the \$10.56 billion in Consumer Relief reported here cannot be used to evaluate progress toward the \$20 billion obligation in the Settlement. Furthermore, neither I nor the professionals working with me have audited or confirmed these figures.

In this report, I will use the personal pronoun to refer to actions taken or to be taken by me, in my capacity as Monitor, and by the professionals and firms working on my behalf. Use of the personal pronoun is intended to make the report more readable and to affirm my personal responsibility for its content. I would be remiss if I did not say at the outset of this report that the progress that has been made under the settlement could not have been achieved without the tireless and excellent work of a group of professionals who have been with me from the beginning and the firm chosen to be the Primary Professional Firm.

It is my sincere hope that this report will inform the public and Policymakers in a clear and accessible way about the settlement as they discuss the future of the home mortgage finance system.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joseph A. Smith', with a stylized, overlapping loop at the end.

Joseph A. Smith

Introduction

On April 5, 2012, the Settlement¹ went into effect when the United States District Court for the District of Columbia entered five separate consent judgments (the “Consent Judgments”)² that settled claims of alleged improper mortgage servicing practices against five major mortgage servicing organizations. Those claims had been brought by a number of independent agencies.

The governments and government agencies participating in the Settlement (the “government parties”) were:

- The U.S. Department of Housing and Urban Development
- The U.S. Department of Justice
- Attorneys general from 49 states and the District of Columbia
- Various state mortgage regulatory agencies
- Other releasing parties, including the Consumer Financial Protection Bureau and the U.S. Department of Treasury

These claims had been brought against five mortgage servicers as defendants (the “Servicers”):

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

In the Settlement, the government parties released claims against the Servicers in exchange for the Servicers’ agreement to:

- Make direct payments to the federal government, the states, and borrowers whose homes were foreclosed between January 1, 2008 and December 31, 2011.⁴
- Provide relief, including principal forgiveness, refinancing, and other forms of relief (“Consumer Relief”) to distressed borrowers.⁵
- Change the servicing practices that they follow in their dealings with borrowers by the adoption of more than 300 servicing standards (the “Servicing Standards”).⁶
- Implement various protections for military personnel.⁷

The Settlement also created the position of Monitor. Shortly after reaching agreement on the terms of the Settlement, the parties appointed me to serve in that role.⁸ My appointment as Monitor was confirmed when the U.S. District Court for the District of Columbia entered the Consent Judgments on April 5, 2012.

As the Monitor, I am responsible for reviewing and certifying the discharge of the Servicers’ Consumer Relief obligations and overseeing the implementation of the Servicing Standards.⁹ I do not have any authority or responsibilities that relate to the direct payments to governments and borrowers noted above, totaling approximately \$5 billion.

As Monitor, I am subject to oversight by a Monitoring Committee that comprises representatives of the U.S. Department of Housing and Urban Development, the U.S. Department of Justice, and representatives of 15 states.¹⁰ My office operates under a budget I prepare annually in consultation with the Monitoring Committee and Servicers and is paid for by the Servicers out of their corporate funds. My budget for the fiscal year beginning July 1, 2012 was so prepared and is in effect. At the end of this fiscal year, I will make publicly available a report with audited financial statements covering my work.

Under the Settlement, I am to carry out my responsibilities by negotiating and then implementing Work Plans that describe in detail the performance to be measured and the procedures by which such measurement will be undertaken. The Servicers and I have agreed upon these Work Plans and have submitted them to the Monitoring Committee for review. They will take effect if the Monitoring Committee does not object to them.¹¹ As we move forward through the Settlement process, the Servicers and I can jointly amend the Work Plans if the Monitoring Committee does not object.¹²

¹ As used in this report, the term “Settlement” will refer to the consent judgments described herein, including the Exhibits attached thereto, entered in the District Court for the District of Columbia effective April 5, 2012. Unless expressly stated to be otherwise, the Settlement terms referenced in this report apply to each of the Servicers.

² Docket No. 1:12-cv-00361-RMC

³ Appendix II lists the Parties

⁴ Exhibit B to the Consent Judgments

⁵ Exhibit D to the Consent Judgments

⁶ Exhibit A to the Consent Judgments

⁷ Exhibit H to the Consent Judgments

⁸ Enforcement Term C.1. of Exhibit E

⁹ Appendix III contains a summary of the duties of the Monitor under the Settlement.

¹⁰ Appendix IV lists the members of the Monitoring Committee.

¹¹ Enforcement Term C.13. of Exhibit E

¹² Enforcement Term C.14. of Exhibit E

Organizational Structure

To assist me in enforcing the Settlement, I am authorized to employ a primary professional firm (“PPF”) agreed to by the Servicers.¹³ In selecting the PPF, my goal was to find a firm that not only had the organizational capacity and subject matter expertise to do the work well, but also was independent of all five Servicers. I conducted a thorough selection process during which I invited 46 firms to submit a proposal and reviewed 23 proposals. At the end of this process, I retained BDO Consulting, a division of BDO USA, LLP (“BDO”). BDO has substantial financial services industry experience, yet has no meaningful conflicts with any of the Servicers.

As the PPF, BDO is responsible for ensuring quality control and making sure that the review of the Servicers is done in a consistent way. For instance, BDO has already assisted me in negotiating the Work Plans and the definitions of the metrics that will be applied to all Servicers and in selecting Secondary Professional Firms (“SPFs”). BDO will also be responsible for reviewing and confirming the Consumer Relief that Servicers extend to borrowers under the terms of the Settlement.

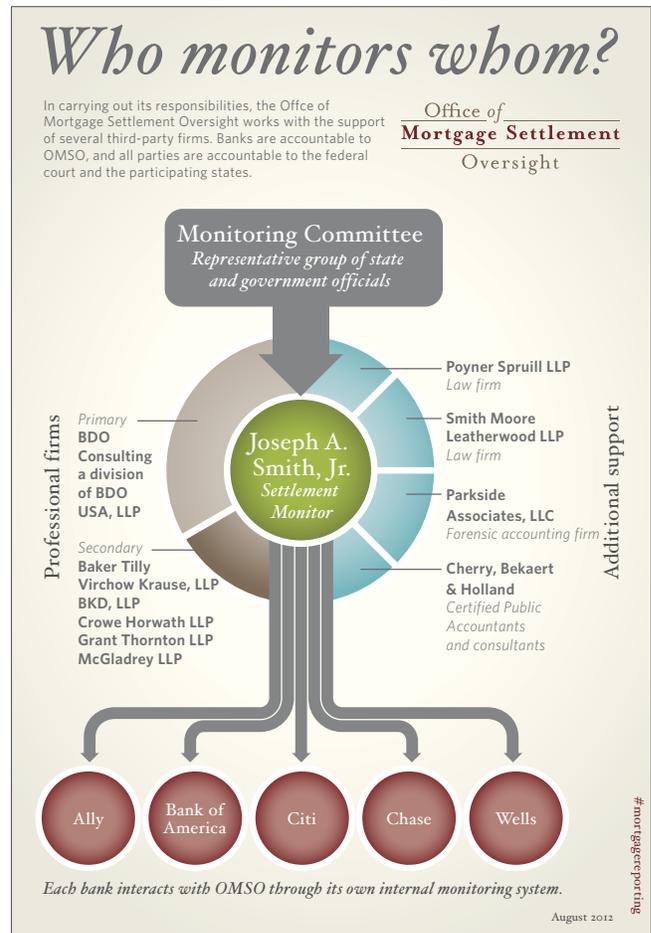
To assist in the review of Servicer performance, I have also retained five separate SPFs — one to be assigned to each Servicer. They are:

Baker Tilly Virchow Krause, LLP — Assigned to Ally
 BKD, LLP — Assigned to Citi
 Crowe Horwath LLP — Assigned to Bank of America
 Grant Thornton LLP — Assigned to Chase
 McGladrey LLP — Assigned to Wells

Each Servicer agreed to the retention of the SPF assigned to it.

As required by the Settlement, I placed great emphasis on the independence of each SPF with respect to its assigned Servicer — making certain that it was free of any relationship to such Servicer that would undermine public confidence in its work. My office and its associated professional firms will also review the qualifications and resources of each Servicer’s Internal Review Group (“IRG”) to ensure it has the capacity and independence to do a credible job. The IRG is a group comprised of employees and/or independent contractors and consultants of the Servicer that is responsible for performing reviews of the Servicer’s compliance with the Settlement and whose members are required to be separate and independent from the line of business being reviewed.

¹³ Enforcement Term C.2. of Exhibit E



As Monitor, assisted by the PPF and the relevant SPF, I will review the performance by each Servicer of its compliance with the Settlement each quarter. The SPFs will be responsible for reviewing the work and work papers of each Servicer’s IRG to determine whether the Servicer is appropriately testing its compliance with the metrics established in the Settlement. BDO will be responsible for reviewing the work of each SPF.

In addition to the PPF and SPFs, the Settlement authorizes me to retain attorneys and other professionals to help me carry out my duties. Accordingly, I have engaged the law firms of Poyner Spruill LLP and Smith Moore Leatherwood LLP; the forensic accounting firm of Parkside Associates, LLC; the accounting firm Cherry, Bekaert & Holland; and the communications firm Capstrat. These firms worked with me to select the PPF and negotiate the Work Plans. As required by the Settlement, each firm is independent of the Servicers.

Though it was not required by the Settlement, I have sponsored the creation of the Office of Mortgage Settlement Oversight, Inc. (“OMSO”), a not-for-profit organization that will provide administrative support for my work. OMSO will enable me to carry out my duties transparently and independently with administrative oversight from an independent Board of Directors. OMSO’s main function is assistance to the Monitor, including acceptance and payment of money and the maintenance of books and records.

Consumer Relief

Under the Settlement, the Servicers have agreed to provide specific dollar amounts of relief to distressed borrowers within a three-year period.¹⁴ This relief will take a variety of forms, including:

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

Within limits, the Servicers have flexibility to apply these different kinds of relief as they see fit to meet their overall obligations. The Settlement specifies that certain types of relief must make up a certain percentage of each Servicer's commitment. It also specifies that certain types of relief must not make up more than a certain percentage of each Servicer's commitment.

Under the Consumer Relief terms of the Settlement, the Servicers have two sets of reporting obligations. First, they are required to make quarterly reports to the states (with copies to me) of relief during that quarter in each state and in the nation as a whole. The first of these state reports is due no later than November 14, 2012, and, for each quarter thereafter, no later than the 45th day after the end of the calendar quarter.¹⁵

Second, the Servicers will provide me quarterly with information regarding Consumer Relief as part of their quarterly reports on performance under the Settlement ("Quarterly Reports"). The information will include each Servicer's progress toward meeting its payment obligations and general statistical data on each Servicer's overall servicing performance.

The kinds of Consumer Relief for which a Servicer can receive credit under the Settlement are set out in detail in the Consent Judgments.¹⁶ Credit ranges from "dollar for dollar" credit for principal forgiveness on loans both owned and serviced by a Servicer to "five cents on the dollar" for certain forbearance activities.

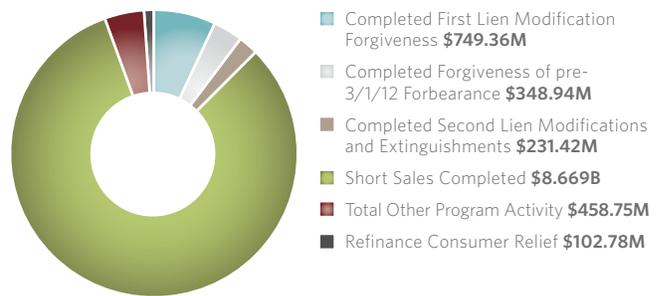
For each amount of relief it provides to borrowers on or after March 1, 2012, a Servicer will receive credit against the commitments it made when it agreed to the Settlement.¹⁷ To encourage the Servicers to make substantial progress in the first year of the Settlement, the Settlement gives them an additional 25 percent credit for any first or second lien principal reductions or credited refinancing activities that take place within the first 12 months

after March 1, 2012.¹⁸ If a Servicer's total commitment is not fully satisfied within three years, it will be required to pay a penalty of no less than 125 percent of its unmet commitment amount.¹⁹

The Servicers can choose to seek a review by me of their Consumer Relief activities whenever any of them believes it has satisfied any category of payment obligation for Consumer Relief. Upon such a request, I will perform a review to ensure that the Consumer Relief requirements have been satisfied, and if they have been satisfied, I will issue a certification of compliance.

In addition to the reports described above, the Servicers have voluntarily provided me with information on their granting of Consumer Relief from March 1, 2012 to June 30, 2012. Appendices IX and X to this report contain this information, which has not been confirmed by me or the professional firms working with me.²⁰

Total Consumer Relief \$10.561B



From March 1, 2012 to June 30, 2012, the Servicers report that they have performed the Consumer Relief activity listed below. These represent gross amounts that have not been scored under the crediting formulas in Exhibit D-1 and therefore cannot be used to estimate the extent of the Servicers' satisfaction of their \$20 billion Consumer Relief obligations under the Settlement.

- Overall, 137,846 borrowers received some type of consumer relief during this period totaling \$10.56 billion, which, on average, represents about \$76,615 per borrower.
- 7,093 borrowers successfully completed a first lien modification²¹ and received \$749.4 million in loan principal forgiveness, averaging approximately \$105,650 per borrower.
- An additional 5,500 borrowers received forgiveness of pre-March 1, 2012 forbearance²² of approximately \$348.9

¹⁸ Consumer Relief Requirement 10.b. of Exhibit D

¹⁹ Consumer Relief Requirement 10.d. of Exhibit D

²⁰ Because the Interim Reports are self-reported, I make no representation as to their accuracy. I will review/certify the Consumer Relief activity by the Servicers when the IRGs complete their Satisfaction Reviews.

²¹ Finalized first lien principal reduction permanent modifications (including converted trial modifications).

²² Forgiveness of deferred principal from pre-settlement permanent modification of first lien mortgages.

¹⁴ See Appendix V for the specific Consumer Relief Requirements of the Servicers.

¹⁵ See Appendix I to this report for a timeline of future reports.

¹⁶ See Exhibits D and D-1.

¹⁷ Consumer Relief Requirement 10.a. of Exhibit D

million, representing an average of about \$63,445 in forgiveness per borrower.

- First lien modification trials were offered and approved²³ to 32,104 borrowers (totaling \$3.9 billion of potential relief), and 28,047 borrowers were in an active trial modification plan or made a first payment in a trial modification during this period (totaling \$3 billion of potential relief).
- Second lien modifications²⁴ and extinguishments²⁵ were provided to 4,213 borrowers, representing approximately \$231.4 million in total relief. The average amount of relief for borrowers whose second liens were modified or extinguished was approximately \$54,930.
- Servicers refinanced²⁶ 22,073 home loans with a total value (unpaid principal balance) of \$4.9 billion. The estimated annual relief provided to borrowers is approximately \$102.8 million resulting from an average annual interest rate reduction of about 2.1 percent. On average, the estimated annual interest savings to each borrower will be approximately \$4,655, or \$388 monthly.
- In addition, 74,614 borrowers had either a short sale²⁷ completed during this period, in which the Servicer agreed to a sale of a home for an amount less than the principal balance on the mortgage, or the lender agreed to accept a deed in lieu of foreclosure,²⁸ waiving any unpaid principal balance in either case. The total amount of this type of relief approximated \$8.67 billion, averaging about \$116,200 per borrower.
- Through the various other consumer relief programs pursuant to the Consent Judgments,²⁹ the Servicers provided \$458.8 million in relief to 24,353 borrowers. The average amount of relief of these other programs was \$18,840 per borrower.

²³ All first lien mortgages where firm modification offers were made to the borrower.

²⁴ Finalized second lien principal reduction permanent modifications.

²⁵ Finalized second lien mortgage extinguishments (forgiveness of the entire balance and release of lien).

²⁶ Eligible loans refinanced with reduced rates.

²⁷ The forgiveness of first or second lien mortgage remaining balances to facilitate short sale transactions.

²⁸ Forgiveness of first or second lien mortgage remaining balances to facilitate transactions in which borrower deeds the residence to Servicer/investor in lieu of foreclosure.

²⁹ Other consumer relief programs include: (a) Enhanced Borrower Transitional Funds Paid by Servicer (transitional funds in an amount greater than \$1,500 provided to homeowners to facilitate completion of short sales or deeds in lieu of foreclosure), (b) Servicer Payments to Unrelated 2nd Lien Holder for Release of 2nd Lien (payments to unrelated second lien holders for release of second lien mortgages in connection with short sale or deeds-in-lieu transactions), (c) Forbearance for Unemployed Borrowers (forgiveness of payment arrearages on behalf of unemployed borrowers or traditional forbearance programs for unemployed borrowers to keep them in their homes until they can resume payments), (d) Deficiency Waivers (waiver of valid claims on borrower deficiency balances on first or second lien mortgages), (e) Forgiveness of Principal Associated with a Property When No Foreclosure (forgiveness of principal associated with a property in connection with a decision not to pursue foreclosure), (f) Cash Costs Paid by Servicer for Demolition of Property (payments to demolish properties to prevent blight), and (g) REO Properties Donated (properties owned by Servicers/investors that are donated to municipalities, nonprofits, disabled servicemembers, or families of deceased servicemembers).

Servicing Standards

The Settlement establishes a series of approved practices (“Servicing Standards”) that apply to loans secured by owner-occupied primary residences.³⁰ These Servicing Standards are intended to redress the practices in mortgage servicing that led to the claims that resulted in the Settlement. It is important to note that the Servicing Standards apply to all loans serviced by the Servicers.

The Settlement contains 304 actionable Servicing Standards. Each Servicer has agreed to a timeline by which it will phase in the implementation of these Servicing Standards. That timeline sets milestones at 60 days, 90 days, and 180 days from the entry of the Consent Judgments. Those periods end on the following dates: June 4, 2012, July 5, 2012, and October 2, 2012.

By July 5, each of the Servicers had implemented between 35 and 72 percent of the Servicing Standards. Four of the five Servicers had implemented more than half of the standards. There were 56 Servicing Standards that all five Servicers indicated they had implemented³¹ and put into operation.³² According to information the Servicers have provided to me, the following Servicing Standards are among those in place as of the date of this report:

Integrity of Documents — Servicers state the following about documents (affidavits, sworn statements, and Declarations) filed in bankruptcy and foreclosure proceedings. Such documents:

- are based on the affiant’s personal knowledge;³³
- fully comply with all applicable state law requirements;³⁴
- are complete with required information at time of execution;³⁵
- are signed by hand of affiant (except for permitted electronic filings)³⁶ and dated;³⁷ and
- shall not contain false or unsubstantiated information.³⁸

³⁰ Exhibit A

³¹ See Appendix VI for Servicing Standards Implemented by All Five Servicers.

³² Because the implementation schedules are self-reported, I make no representation as to their accuracy. I will describe my findings related to the Servicers’ compliance with the Servicing Standards and their associated Metrics when I issue my formal Monitor Reports.

³³ Servicing Standard I.A.2

³⁴ Servicing Standard I.A.7

³⁵ Servicing Standard I.A.12

³⁶ Servicing Standard I.A.11

³⁷ Servicing Standard I.A.13

³⁸ Servicing Standard I.A.8

Single Point of Contact — Servicers report that an easily accessible and reliable Single Point of Contact (“SPOC”) is established for each potentially eligible borrower³⁹ (those at least 30 days delinquent or at imminent risk of default due to financial situation).⁴⁰ The SPOC:

- contacts borrower and explains programs and their requirements for which the borrower is eligible;⁴¹
- obtains information throughout the loss mitigation, loan modification, and foreclosure processes;⁴²
- coordinates receipt of documents associated with loan modification or loss mitigation;⁴³
- notifies borrower of missing documents and provides an address or electronic means for document submission;⁴⁴
- is knowledgeable and provides information about the borrower’s status;⁴⁵
- helps the borrower to clear any internal processing requirements;⁴⁶ and
- communicates in writing Servicer’s decision regarding loan modification application and other loss mitigation activity.⁴⁷

Customer Service — Servicers state that various other customer service standards are in place. Servicers:

- are communicating with borrowers’ authorized representatives upon written request;⁴⁸
- are communicating with representatives from state attorneys general and financial regulatory agencies who act upon a written complaint filed by borrower, including copying the applicable state attorney general on all correspondence with the borrower regarding the complaint;⁴⁹
- have adequate staffing and systems to track borrower documentation and information and are making periodic assessments to ensure adequacy;⁵⁰
- have established reasonable minimum experience, educational and training requirements for loss mitigation staff;⁵¹
- ensure that employees who are regularly engaged in servicing mortgage loans as to which the borrower is in bankruptcy receive training specifically addressing bankruptcy issues;⁵²
- have no compensation arrangements that encourage foreclosure over loss mitigation alternatives;⁵³

- are participating in the development and implementation of a nationwide loan portal to enhance communications with housing counselors;⁵⁴ and
- are not discouraging borrowers from working or communicating with legitimate non-profit housing counseling services.⁵⁵

Loss Mitigation — Servicers report that they:

- have designed proprietary first lien loan modification programs to provide affordable payments for borrowers needing longer term or permanent assistance;⁵⁶
- are not levying application or processing fees for first and second lien modification applications;⁵⁷ and
- are performing an independent evaluation of initial denial of an eligible borrower’s complete application for a first lien loan modification.⁵⁸

Servicemember Protection — Servicers state that they:

- are complying with the Servicemembers Civil Relief Act (“SCRA”) and any applicable state law offering protections for service members;⁵⁹ and
- have engaged independent consultants to review all foreclosures in which an SCRA-eligible service member is known to have been a mortgagor and to sample to determine whether foreclosures were in compliance with SCRA.⁶⁰

Anti-Blight — Servicers report that they have developed and implemented policies to ensure that REOs (real estate owned by the Servicer) do not become blighted.⁶¹

Tenant Rights — Servicers state that they are complying with all applicable state and federal laws governing the rights of tenants living in foreclosed residential properties⁶² and that they have developed and implemented policies and procedures to ensure such compliance.⁶³

Any borrowers, as well as the counselors, attorneys, or other professionals who assist them, who have experiences with their Servicers that appear to violate these new standards should share that information with OMSO through its website.⁶⁴

³⁹ Servicing Standard IV.C.1

⁴⁰ Consumer Relief Requirement 1.c. of Exhibit D

⁴¹ Servicing Standards IV.C.4.a., IV.C.4.b. and IV.C.4.c

⁴² Servicing Standard IV.C.1

⁴³ Servicing Standard IV.C.3.b

⁴⁴ Servicing Standard IV.C.4.f

⁴⁵ Servicing Standards IV.C.3.c. and IV.C.4.e

⁴⁶ Servicing Standard IV.C.4.k

⁴⁷ Servicing Standard IV.C.4.g

⁴⁸ Servicing Standard IV.D.3

⁴⁹ Servicing Standard IV.D.3

⁵⁰ Servicing Standard IV.H.1

⁵¹ Servicing Standard IV.H.3

⁵² Servicing Standard III.A.2

⁵³ Servicing Standard IV. H.5

⁵⁴ Servicing Standard IV.E.3

⁵⁵ Servicing Standard IV.H.9

⁵⁶ Servicing Standard IV.I.2

⁵⁷ Servicing Standards IV.I.4. and IV.J.3

⁵⁸ Servicing Standard IV.G.1

⁵⁹ Servicing Standard V.A

⁶⁰ Servicing Standard V.A

⁶¹ Servicing Standard VIII.A.1

⁶² Servicing Standard VIII.B.1

⁶³ Servicing Standard VIII.B.2

⁶⁴ For borrowers: <https://www.mortgageoversight.com/where-can-i-find-help/>.

For professionals: <https://www.mortgageoversight.com/report-client-issues/>.

Metrics

In assessing how well the Servicers are adhering to the Servicing Standards, the Settlement directs me to use a series of defined metrics.⁶⁵

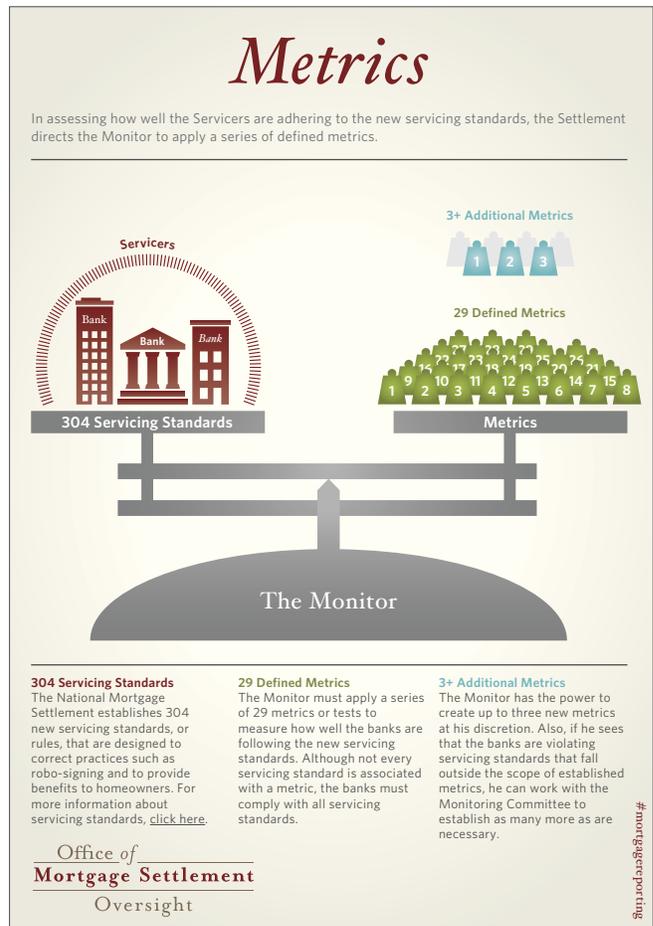
There are 29 metrics⁶⁶ that relate to the following areas, among others:

- Foreclosure sale in error
- Incorrect modification denial
- Integrity of sworn documents
- Accuracy of account information pre-foreclosure
- 14 day pre-foreclosure notification letter
- Accuracy and timeliness of payment application
- Appropriateness of fees
- Third party vendor management
- Implementation of customer portal
- Implementation of a single point of contact
- Training and staffing adequacy
- Compliance with timelines in loss mitigation review
- Violations of dual tracking provisions
- Timeliness of force-placed insurance notices and termination

The metrics contained in the Settlement do not relate back to each and every one of the 304 Servicing Standards.⁶⁷ Accordingly, there are some Servicing Standards that are not associated with a particular metric. Whether a particular standard has a metric associated with it or not, the Servicers are required to comply. Under the Settlement, I may add metrics to cover standards that do not otherwise map to metrics and may measure compliance with such standards through the new metrics.

The Settlement authorizes me to create up to three new metrics at my own discretion. I am also authorized to create as many new metrics as may be necessary for measuring Servicer compliance if I perceive a pattern of noncompliance with the Servicing Standards that is reasonably likely to cause harm to consumers.⁶⁸ For this reason, it is worth repeating how important it is for consumers and their advocates to share their experiences with me through the OMSO website.⁶⁹

Each Servicer has a schedule for implementing the Servicing Standards that, in turn, affects the schedule by which the Servicer's performance may be measured through an associated metric. Under the Settlement, whenever a Servicer implements the standards that map to a metric, it will be evaluated against that corresponding metric during the next full quarter.



Beginning in the first quarter of 2013, I will evaluate the performance of each Servicer against all 29 metrics.⁷⁰ My first official report will be based on the performance of the Servicers in the third and fourth quarters of 2012. The Servicers collectively will be evaluated under nine metrics in the third quarter. The performance of three Servicers will be measured against seven metrics; one Servicer against eight metrics, and another against nine. In the fourth quarter of 2012, an additional 11 metrics will be used to assess the performance of the Servicers, with between 11 and 20 metrics being measured depending on the Servicer.

⁶⁵ Enforcement Term C.II. of Exhibit E

⁶⁶ Exhibit E-1 of Consent Judgments

⁶⁷ See Appendix VII for Map of Servicing Standards to Metrics.

⁶⁸ Enforcement Term C.23 of Exhibit E.

⁶⁹ For consumers: <https://www.mortgageoversight.com/where-can-i-find-help/>.

For advocates: <https://www.mortgageoversight.com/report-client-issues>.

⁷⁰ See Appendix VIII for Metrics Implementation Schedule.

From the Market Place

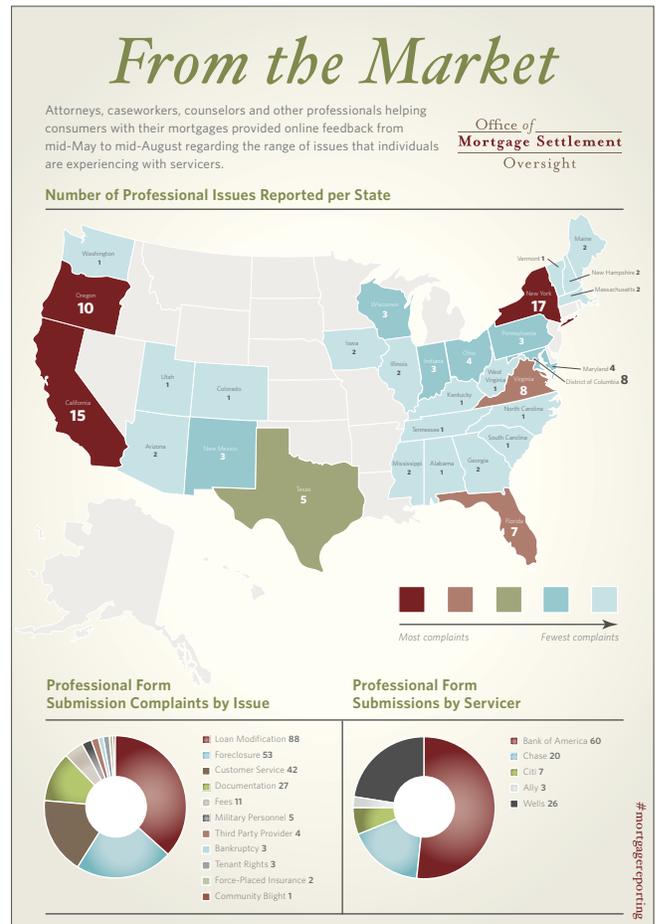
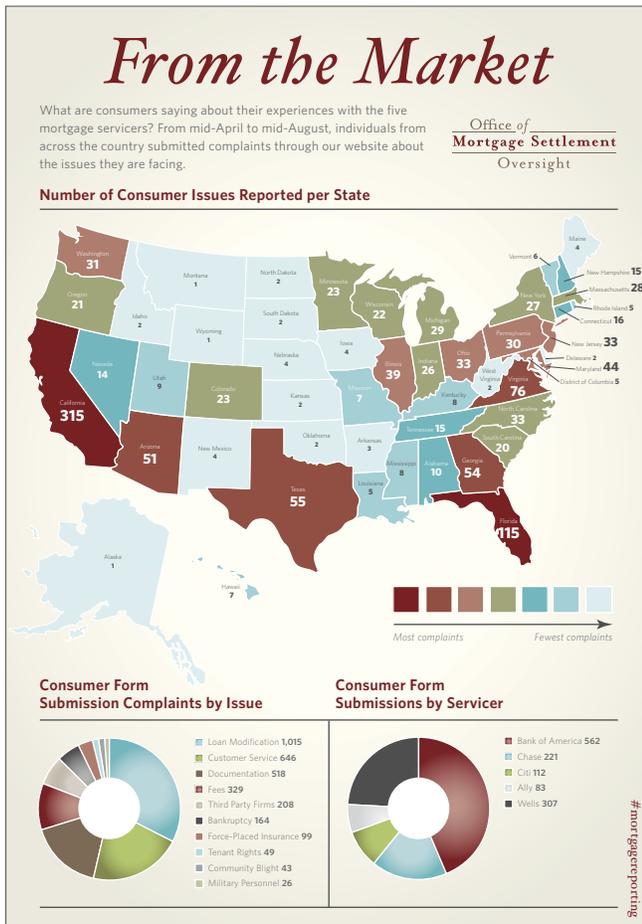
It is my intention to use information from borrowers and the professionals who represent them to supplement the work that I am doing. To that end, I have developed a website at www.mortgageoversight.com to inform the public about the Settlement and my role in it. To date, the site has received over 20,000 visitors and close to 80,000 page views since its launch in April 2012. The website not only disseminates information, but also collects it. Through easy-to-use online forms, consumers and their advocates can share their real-world servicing experiences with me.

Since the May 2012 addition of the online forms to the website, I have received almost 1,300 distinct submissions from consumers in 49 states and the District of Columbia whose loans are serviced by one or more of the Servicers, many with explanatory narrative

that adds a richness and depth to the statistical data gathered. Of these reports, almost three-fourths identify consumer problems with the loan modification process, customer service (including Single Points of Contact), and foreclosure documentation.

Through a separate "portal" on the website, we have also received 118 submissions from professionals representing or assisting homeowners, such as legal aid attorneys and attorneys in private practice, bankruptcy attorneys and trustees, housing and credit counselors, non-profit advocates, realtors, Attorneys General offices, and state banking regulatory agencies. These submissions typically include statistical data regarding potential violations of the Servicing Standards, as well as related explanatory narrative, and, like the consumer reporting, add a significant level of detail and critical insight about ongoing consumer experiences with the Servicers.

Both the consumer and professional reporting will be regularly reviewed, maintained in a database, and evaluated on an ongoing basis for trends that may illuminate where there may be gaps in the metrics or potential shortcomings in the performance of the Servicers under the terms of the Settlement. This reporting will be a key window my office will use through which to view performance of the Servicers and by extension the success of the Settlement.



Conclusion

The Settlement is a bipartisan and collaborative effort by the States and the Federal Government to address a serious issue with both local and national implications: reform of mortgage servicing. Properly implemented and enforced, the Settlement can contribute to reconstruction of our country's system of mortgage finance and restoration of the mortgage market to health. This report reflects the hard work by the Settlement parties toward those goals. I believe we have made a good first step; more hard work remains. My colleagues and I look forward to that work and to keeping policymakers and the public informed of our progress.