

# COMPLIANCE SCORECARD:

# Bank of America

The Monitor’s Secondary Professional Firm (SPF) assigned to Bank of America, Crowe Horwath LLP, spent approximately 17,100 hours over a seven month period performing testing for the 26 metrics tested during periods three and four. The chart below illustrates the results of the SPF's tests. The potential violations reported are now undergoing corrective action plans.

Office of  
**Mortgage Settlement**  
Oversight

| Metric Name                                 | Metric Number | Test Period | Threshold Error Rate | Result (Error Rate if failed) |
|---|---------------|-------------|----------------------|-------------------------------|
| Foreclosure sale in error                   | 1 (1.A)       | 3<br>4      | 1.00%<br>1.00%       | PASS<br>PASS                  |
| Incorrect modification denial               | 2 (1.B)       | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Affidavit of Indebtedness (AOI) preparation | 3 (2.A)       | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Proof of Claim (POC)                        | 4 (2.B)       | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Motion for Relief from Stay (MRS)           | 5 (2.C)       | 3<br>4      | 5.00%<br>X           | FAIL - 8.40%<br>X             |
| Pre-foreclosure initiation                  | 6 (3.A)       | 3<br>4      | 5.00%<br>X           | FAIL - 17.76%<br>X            |
| Pre-foreclosure initiation notifications    | 7 (3.B)       | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Fee adherence to guidance                   | 8 (4.A)       | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Adherence to customer payment processing    | 9 (4.B)       | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Reconciliation of certain waived fees       | 10 (4.C)      | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Late fees adherence to guidance             | 11 (4.D)      | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Third party vendor management               | 12 (5.A)      | 3<br>4      | N/A<br>N/A           | PASS<br>PASS                  |
| Customer portal                             | 13 (5.B)      | 3<br>4      | N/A<br>N/A           | PASS<br>PASS                  |
| Single Point of Contact (SPOC)              | 14 (5.C)      | 3<br>4      | 5.00%*<br>5.00%*     | PASS<br>PASS                  |
| Workforce management                        | 15 (5.D) **   | 3<br>4      | N/A<br>N/A           | X<br>X                        |
| Affidavit of Indebtedness (AOI) integrity   | 16 (5.E) **   | 3<br>4      | N/A<br>N/A           | X<br>X                        |
| Account status activity                     | 17 (5.F) **   | 3<br>4      | N/A<br>N/A           | X<br>X                        |
| Complaint response timeliness               | 18 (6.A)      | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |

| Metric Name  | Metric Number   | Test Period | Threshold Error Rate | Result (Error Rate if failed) |
|--|-----------------|-------------|----------------------|-------------------------------|
| Loan modification document collection timeline compliance    | 19 (6.B.i)      | 3<br>4      | 5.00%<br>X           | FAIL - 10.16%<br>X            |
| Loan modification decision/ notification timeline compliance | 20 (6.B.ii)     | 3<br>4      | 10.00%<br>10.00%     | PASS<br>PASS                  |
| Loan modification appeal timeline compliance                 | 21 (6.B.iii)    | 3<br>4      | 10.00%<br>10.00%     | PASS<br>PASS                  |
| Short sale decision timeline compliance                      | 22 (6.B.iv)     | 3<br>4      | 10.00%<br>10.00%     | PASS<br>PASS                  |
| Short sale document collection timeline compliance           | 23 (6.B.v)      | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Charge of application fees for loss mitigation               | 24 (6.B.vi)     | 3<br>4      | 1.00%<br>1.00%       | PASS<br>PASS                  |
| Short sale inclusion notice for deficiency                   | 25 (6.B.vii.a)  | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Dual track referred to foreclosure                           | 26 (6.B.viii.a) | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Dual track failure to postpone foreclosure                   | 27 (6.B.viii.b) | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Force-placed insurance timeliness of notices                 | 28 (6.C.i)      | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |
| Force-placed insurance termination                           | 29 (6.C.ii)     | 3<br>4      | 5.00%<br>5.00%       | PASS<br>PASS                  |

\* Test question 4 only  
\*\* Policy and procedure metric that is tested once a year  
N/A Threshold error rate not applicable  
X Metric was not tested in that specific test period

# Bank of America Corrective Action Plan (CAP) for Metric 6

## Bank of America developed a CAP that outlines steps it is taking to prevent future fails.

### The CAP included:

- Placing temporary holds on referrals to foreclosure of all potentially affected loans
- Implementing corrections to extract data from archived files for the pre-foreclosure notification letters when the last payment date is not available from active system files
- Implementing corrections to ensure that data fields in the SOR with missing information are left blank in the corresponding borrower pre-foreclosure notification letter
- Placing a hold on mailing all letters with blank fields
- For certain loans for which the servicer has no last payment date information, adding an explanation of the blank field in the pre-foreclosure notification letter to borrowers



Bank of America failed Metric 6 in 2013. As a result, the NMS required Bank of America to develop a CAP to ensure future compliance with the metric, which tests whether loans were delinquent at the time foreclosure was initiated and whether the servicer provided the borrower with accurate information in a pre-foreclosure letter required by the Settlement.

Bank of America met with the Monitoring Committee to report its failure of Metric 6.

The Monitor approved the CAP, and Bank of America began implementing the plan.

- The Monitor is in the process of determining whether the CAP is complete.
- Testing of Metric 6 is expected to resume as of test period five, which would be the cure period.

# Bank of America Corrective Action Plan (CAP) for Metric 19

**Bank of America developed a CAP that outlines steps it is taking to prevent future fails.**

The CAP included:

- Streamlining and shortening the process of sending letters to borrowers notifying them of any missing documents within five days by eliminating a one business day file hold step in its review process



Bank of America failed Metric 19 in 2013. As a result, the NMS required Bank of America to develop a CAP to ensure future compliance with the metric, which measures whether the servicer is complying with the requirement to notify the borrower of any missing documents in the borrower's loan modification application within five days of receipt.

Bank of America met with the Monitoring Committee to report its failure of Metric 19.

The Monitor approved the CAP, and Bank of America began implementing the plan.

- The Monitor is in the process of determining whether the CAP is complete.
- Testing of Metric 19 is expected to resume as of test period five, which would be the cure period.

# Bank of America Corrective Action Plan (CAP) for Metric 5



Bank of America failed Metric 5 in 2013. As a result, the NMS required Bank of America to develop a CAP to ensure future compliance with the metric, which evaluates the accuracy of amounts due from borrowers reported in affidavits filed in support of motions for relief from stay in bankruptcy proceedings.

Bank of America met with the Monitoring Committee to report its failure of Metric 5.

Bank of America recently submitted a CAP that outlines steps the servicer is taking to ensure compliance with Metric 5.

The Monitor is evaluating the CAP.

The Monitor will provide further detail on the Metric 5 potential violation in his next report.