

# COMPLIANCE SCORECARD:

Chase

The Monitor’s Secondary Professional Firm (SPF) assigned to Chase, Grant Thornton LLP, spent approximately 12,100 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 these 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 4	1.00% 1.00%	PASS PASS
Incorrect modification denial	2 (1.B)	3 4	5.00% 5.00%	PASS PASS
Affidavit of Indebtedness (AOI) preparation	3 (2.A)	3 4	5.00% 5.00%	PASS PASS
Proof of Claim (POC)	4 (2.B)	3 4	5.00% 5.00%	PASS PASS
Motion for Relief from Stay (MRS)	5 (2.C)	3 4	5.00% 5.00%	PASS PASS
Pre-foreclosure initiation	6 (3.A)	3 4	5.00% 5.00%	PASS FAIL - 5.63%
Pre-foreclosure initiation notifications	7 (3.B)	3 4	5.00% 5.00%	PASS PASS
Fee adherence to guidance	8 (4.A)	3 4	5.00% 5.00%	PASS PASS
Adherence to customer payment processing	9 (4.B)	3 4	5.00% 5.00%	PASS PASS
Reconciliation of certain waived fees	10 (4.C)	3 4	5.00% 5.00%	PASS PASS
Late fees adherence to guidance	11 (4.D)	3 4	5.00% 5.00%	PASS PASS
Third party vendor management	12 (5.A)	3 4	N/A N/A	PASS PASS
Customer portal	13 (5.B)	3 4	N/A N/A	PASS PASS
Single Point of Contact (SPOC)	14 (5.C)	3 4	5.00%* 5.00%*	PASS PASS
Workforce management	15 (5.D) **	3 4	N/A N/A	X X
Affidavit of Indebtedness (AOI) integrity	16 (5.E) **	3 4	N/A N/A	X X
Account status activity	17 (5.F) **	3 4	N/A N/A	X X
Complaint response timeliness	18 (6.A)	3 4	5.00% 5.00%	PASS 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 4	5.00% 5.00%	PASS PASS
Loan modification decision/ notification timeline compliance	20 (6.B.ii)	3 4	10.00% X	FAIL - 19.31% X
Loan modification appeal timeline compliance	21 (6.B.iii)	3 4	10.00% 10.00%	PASS PASS
Short sale decision timeline compliance	22 (6.B.iv)	3 4	10.00% 10.00%	PASS PASS
Short sale document collection timeline compliance	23 (6.B.v)	3 4	5.00% 5.00%	PASS PASS
Charge of application fees for loss mitigation	24 (6.B.vi)	3 4	1.00% 1.00%	PASS PASS
Short sale inclusion notice for deficiency	25 (6.B.vii.a)	3 4	5.00% 5.00%	PASS PASS
Dual track referred to foreclosure	26 (6.B.viii.a)	3 4	5.00% 5.00%	PASS PASS
Dual track failure to postpone foreclosure	27 (6.B.viii.b)	3 4	5.00% 5.00%	PASS PASS
Force-placed insurance timeliness of notices	28 (6.C.i)	3 4	5.00% 5.00%	PASS PASS
Force-placed insurance termination	29 (6.C.ii)	3 4	X 5.00%	X 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

# Chase Corrective Action Plan (CAP) for Metric 29

## Chase developed a CAP that outlines steps it is taking to prevent future fails.

### The CAP included:

- Improving communications with its third party service provider
- Implementing a new workflow to make sure force-placed insurance borrowers have the most experienced team possible
- Implementing a daily inventory report for all force-placed insurance activities
- Implementing daily monitoring activities to ensure all communications received from affected borrowers are directed to the proper contact
- Implementing a quality control review of all documents received by the third party servicer provider to ensure correct routing in processing
- Implementing an additional review after a second force-placed insurance letter is sent to make sure borrowers have not provided evidence of insurance before initiating force-placed insurance
- Changing the service level agreement timelines with the third party service provider for sending information to Chase



Chase failed Metric 29 in 2012. As a result, the NMS required Chase to develop a CAP to ensure future compliance with the metric, which evaluates whether the servicer terminates force-placed insurance and refunds premiums to affected borrowers within 15 days of receipt of evidence of insurance.

Chase met with the Monitoring Committee to report its failure of Metric 29.

The Monitor approved the CAP, and Chase began implementing the plan.

- The Monitor determined that the CAP was complete.
- Testing of Metric 29 resumed during test period four which was the cure period.
- Chase reported, and the Monitor confirmed, a "pass" for Metric 29 in test period four (the cure period).

# Chase Corrective Action Plan (CAP) for Metric 20

## Chase developed a CAP that outlines steps it is taking to prevent future fails.

### The CAP included:

- Creating and monitoring three new "Metric 20" reports to:
  - Provide tracking and oversight of timelines based on a revised understanding of the metric testing definitions
  - Address potential delays in each phase of underwriting
  - Identify loans needing escalation as a loan modification request nears its timeline target
- Retraining bank personnel on the use of system notes and system coding
- Performing testing to confirm that root cause issues were resolved



Chase failed Metric 20 in 2013. As a result, the NMS required Chase to develop a CAP to ensure future compliance with the metric, which tests whether the servicer approves or denies a first lien loan modification application within 30 days of receipt of all necessary documentation and whether communication to the borrower of a denial decision occurs within 10 days of the decision.

Chase met with the Monitoring Committee to report its failure of Metric 20.

The Monitor approved the CAP, and Chase began implementing the plan.

- The Monitor determined that the CAP has been completed.
- Testing of Metric 20 is expected to resume as of test period six, which would be the cure period.

# Chase Corrective Action Plan (CAP) for Metric 6

## Chase developed a CAP that outlines steps it is taking to prevent future fails.

The CAP included two phases of implementation: an interim solution and a long-term solution.

- The interim solution includes the following:
  - Suspending production of pre-foreclosure notification letters related to affected populations
  - Implementing an exception path for affected loans so that the correct date field can be used in pre-foreclosure notice letters
  - Implementing quality control procedures for all affected populations and establishing regular calls with leadership to facilitate problem resolution
- The long-term solution includes the following:
  - Correcting how the "Next Interest Rate Change Date" field is populated in the pre-foreclosure notice letter for the affected populations
  - Approving the functional design of the data population solution for this field
  - Approving the business review document
  - Performing additional quality control testing of the implementation of this long-term solution



Chase failed Metric 6 in 2013. As a result, the NMS required Chase 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.

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

The Monitor approved the CAP, and Chase began implementing the plan.

- The Monitor determined that the CAP has been completed.
- Testing of Metric 6 is expected to resume as of test period six, which would be the cure period.