

Fails: What's Next?

Corrective Action Plan:

Servicer implements Corrective Action Plan (CAP) to address root causes of fail

Borrower Remediation:

If potential violation, servicer remediates all borrowers experiencing material harm

Retesting:

Testing recommences by IRG and Monitor's team beginning the quarter after the CAP is completed by servicer

Penalties:

If servicer fails metric again in either of next two quarters, Monitoring Committee and Monitor may file enforcement action

Penalties include:

- A court order to stop specific behaviors
- Up to \$1 million civil penalty
- Up to \$5 million fine for failing particular metrics multiple times