

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

CONSUMER FINANCIAL PROTECTION)

BUREAU, *et. al.*,)

Plaintiffs,)

v.)

OCWEN FINANCIAL CORPORATION,)
and OCWEN LOAN SERVICING, LLC,)

Defendants.

Civil Action No. 13-02025 (RMC)

**MONITOR’S INTERIM CONSUMER RELIEF REPORT REGARDING DEFENDANTS
OCWEN FINANCIAL CORPORATION AND OCWEN LOAN SERVICING, LLC**

The undersigned, Joseph A. Smith, Jr., in my capacity as Monitor under the Consent Judgment (Case 1:13-cv-02025-RMC; Document 12) filed in the above-captioned matter on February 26, 2014 (Judgment), respectfully files this Interim Consumer Relief Report (Report) regarding the satisfaction by Ocwen Financial Corporation and Ocwen Loan Servicing, LLC (collectively, Ocwen), as of December 31, 2014, of its Consumer Relief obligations under the Judgment, as such obligations are set forth with more particularity in Exhibits C and D thereto. This Report is filed pursuant to paragraph D.5 of Exhibit D. This Report is not filed under paragraph D.6 of Exhibit D and as such, this Report is not a determination by me that Ocwen has satisfied its obligations under the Judgment relative to Consumer Relief.

I. Definitions

This section defines words or terms that are used throughout this Report. Words and terms used and defined elsewhere in this Report will have the meanings given to them in the Sections of this Report where defined. Any capitalized terms used and not defined in this Report will have the meanings given them in the Judgment or the Exhibits attached thereto, as

applicable. For convenience, a copy of the Judgment, without the signature pages of the Parties and including only Exhibits C and D, is attached to this Report as Attachment 1.

In this Report:

i) *Actual Credit Amount* has the meaning given to the term in Section III.E.2. of this Report;

ii) *April 4, 2012, Judgment* means the Consent Judgment entered on April 4, 2012 in the matter captioned *United States of States of America, et al., Plaintiffs, v. Bank of America Corp., et al.*, Defendants, in which Ocwen Loan Servicing, LLC, as successor by assignment from Residential Capital LLC and Ally Financial Inc., is a defendant.

iii) *Consumer Relief* has the meaning given to the term in Section II.A. of this Report and consists of principal reduction loan modifications on first lien residential mortgage loans, as set out in Exhibit C;

iv) *Consumer Relief Report* means Servicer's formal, written assertion as to the amount of Consumer Relief credit earned, which report is given to the IRG and is the basis on which the IRG performs a Satisfaction Review;

v) *Consumer Relief Requirements* means Servicer's obligations in reference to Consumer Relief as set forth in Exhibit C;

vi) *Court* means the United States District Court for the District of Columbia;

vii) *Exhibit* or *Exhibits* mean any one or more of the exhibits to the Judgment;

viii) *Exhibit C* means Exhibit C to the Judgment;

ix) *Exhibit D* means Exhibit D to the Judgment;

x) *Internal Review Group* or *IRG* means an internal quality control group established by Servicer that is independent from Servicer's mortgage servicing operations, as required by paragraph C.7 of Exhibit D;

xi) *IRG Assertion*, which is more fully defined in Section III.A. of this Report, refers to a certification given to me by the IRG regarding the credit amounts reported in Servicer's Consumer Relief Report;

xii) *Monitor* means and is a reference to the person appointed under the Judgment to oversee, among other obligations, Servicer's satisfaction of the Consumer Relief Requirements, and the Monitor is Joseph A. Smith, Jr., who will be referred to in this Report in the first person;

xiii) *Monitor Report* or *Report* means this report;

xiv) *Monitoring Committee* means the Monitoring Committee referred to in Section B of Exhibit D;

xv) *Non-Creditable Requirements* means Servicer's additional obligations or commitments pertaining to Consumer Relief pursuant to Exhibit C that are not subject to crediting;

xvi) *Primary Professional Firm* or *PPF* means BDO Consulting, a division of BDO USA, LLP, and the Primary Professional Firm will sometimes be referred to as BDO;

xvii) *Professionals* mean the Primary Professional Firm and any other accountants, consultants, attorneys and other professional persons, together with their respective firms, I engage from time to time to represent or assist me in carrying out my duties under the Judgment;

xviii) *Reported Credit Amount* has the meaning given to the term in Section III.E.2. of this Report;

xix) *Satisfaction Review* means a review conducted by the IRG to determine Servicer's satisfaction of the Consumer Relief Requirements, as required in paragraph C.7 of Exhibit D;

xx) *Secondary Professional Firm* or *SPF* means Baker Tilly Virchow Krause, LLP;

xxi) *Servicer* means Ocwen;

xxii) *System of Record* or *SOR* means Servicer's business records pertaining primarily to its mortgage servicing operations and related business operations, which records are primarily electronic but also include non-electronic data and other information storage systems;

xxiii) *Testing Population* has the meaning given to the term in Section III.E.1. of this Report;

xxiv) *Work Papers* mean the documentation of the test work and assessments by the IRG with regard to Servicer's satisfaction of the Consumer Relief Requirements, which documentation is required to be sufficient for the PPF to substantiate and confirm the accuracy and validity of the work and conclusions of the IRG; and

xxv) *Work Plan* means the work plan established by agreement between Servicer and me pursuant to paragraphs C.11 through C.14 of Exhibit D.

II. Introduction

A. Forms of Consumer Relief

Under the terms of the Judgment, Servicer is required to provide mortgage loan relief in the form of principal reduction loan modifications on first lien residential mortgage loans (First Lien Mortgage Modifications) to distressed borrowers, as set out in Exhibit C (Consumer Relief).

B. Consumer Relief – Eligibility Criteria and Earned Credits

1. Criteria/Requirements. As reflected in Exhibit C, creditable Consumer Relief has specific eligibility criteria and modification requirements. In order for Servicer to receive credit with respect to Consumer Relief activities on any mortgage loan, these eligibility criteria and modification requirements, must be satisfied with respect to such mortgage loan and such satisfaction has to be validated by me in accordance with Exhibits C and D. These eligibility criteria and modification requirements are constructed such that Servicer only receives credit for Consumer Relief provided to distressed borrowers and the likelihood that the borrower will remain current on the modified loan is increased.

2. Timing. With respect to the requirements pertaining to timing, Servicer may receive credit against its Consumer Relief Requirements for amounts credited for principal forgiveness in First Lien Mortgage Modifications completed on or after November 3, 2013. If Servicer does not meet all of its Consumer Relief Requirements by February 26, 2017, it shall pay a cash penalty in an amount equal to its unmet Consumer Relief Requirements.¹

3. Credits. Pursuant to the Judgment, Servicer receives one dollar in credit for each dollar of principal forgiven through an eligible First Lien Mortgage Modification.

C. Consumer Relief – Servicer’s Obligations

Under the terms of the Judgment, Servicer is obligated to provide \$2,000,000,000 in Consumer Relief to consumers who meet the eligibility requirements in Exhibit C. In addition to Servicer’s obligations regarding creditable Consumer Relief, Servicer has certain Non-Creditable Requirements, as more fully discussed in Section IV, below.

¹ Exhibit C, ¶11. Under the terms of the Settlement, the parties have committed to engage in good faith discussions regarding an extension or other modification of the terms of the Settlement if there is a material change in market conditions and Servicer can demonstrate that the change makes it unable to meet its Consumer Relief Requirements, notwithstanding its good efforts to do so. Exhibit C, ¶12.

D. Consumer Relief – Monitor’s Obligations

The Judgment requires that I determine whether Servicer has satisfied the Consumer Relief Requirements in accordance with the authorities provided in the Judgment and report my findings to the Court in accordance with the provisions of Sections D.3 through D.5 of Exhibit D.² Under Section D.5 of Exhibit D, I am required to file my report with the Court after each Satisfaction Review and I am required to include in my report the number of borrowers assisted and credited activities conducted by Servicer pursuant to the Consumer Relief Requirements. I am also required to include in my report any material inaccuracies identified in prior State Reports filed by Servicer.³

E. Consumer Relief – Servicer’s Request

Servicer has requested that, in addition to reporting on the IRG Assertion, I review its crediting activity through December 31, 2014, and validate that the amount of credit claimed in the IRG Assertion is accurate and in accordance with Exhibits C.⁴ In other words, Servicer has requested that I perform an interim review of Servicer’s partial satisfaction of its Consumer Relief Requirements.

² Exhibit D, ¶ C.5.

³ Exhibit D, ¶ D.5. The Judgment requires, in Exhibit D, ¶ D.2, that the Servicer, following the end of each quarter, “transmit to each state a report (‘State Report’) including general statistical data on Servicer’s servicing performance, such as aggregate and state-specific information regarding the number of borrowers assisted and credited activities conducted pursuant to the Consumer Relief Requirements, as described in Schedule Y.” Exhibit D, ¶ D.2.

⁴ On February 17, 2015, the IRG submitted to me its IRG Assertion with regard to credit Servicer had claimed to have earned for the period extending from November 3, 2013, to December 31, 2014.

III. Review – Partial Satisfaction

A. Overview

The IRG is charged with performing, among other reviews, a Satisfaction Review after the end of each calendar year and at other times during the term of the Judgment. In a Satisfaction Review, the IRG performs test work to assess whether Servicer has reported the correct amount of Consumer Relief credit under the terms of the Judgment for the period covered by the review. Once the IRG completes its test work, the IRG is required to report the results of that work to me through an IRG Assertion. When I receive an IRG Assertion, it is my responsibility to review the IRG Assertion. I undertake this review with the assistance of my PPF. After completing the necessary confirmatory due diligence and validation of Servicer's claimed Consumer Relief credits as reflected in the IRG Assertion, I am required to file with the Court a report regarding my findings. As noted above in Section II.E, this Report pertains to my findings regarding an IRG Assertion covering the period extending from November 3, 2013, to December 31, 2014. Also, as noted above, at Servicer's request, this Report includes an interim review of Servicer's partial satisfaction of its Consumer Relief Requirements as reflected in the IRG Assertion.

B. Consumer Relief Satisfaction Review Process

1. Work Plan. As required by Exhibit D and in order to better accomplish the processes outlined in Section III.A, above, Servicer and I agreed upon, and the Monitoring Committee did not object to, a Work Plan that, among other things, sets out the testing methods, procedures and methodologies that are to be used relative to confirmatory due diligence and validation of Servicer's claimed Consumer Relief under Exhibit C.

2. Testing Definition Templates. As contemplated in, and in furtherance of, the Work Plan, Servicer and I also agreed upon a Testing Definition Template that outlines the testing methods to be utilized to assess whether, and the extent to which, the credits Servicer would be claiming for its Consumer Relief activities were earned credits, that is, credits that could be applied toward satisfaction of Servicer's Consumer Relief Requirements. The testing methods in the Testing Definition Template are complex and complete. They require the examination and testing of significant loan level detail, together with calculations based on the results of those examinations. Specifically, the Testing Definition Template requires that a reviewer who is determining the eligibility for credit and actual credit calculation in relation to a loan for which Servicer is seeking credit to access and input into the Work Papers approximately thirty items of pre- and post-modification loan-level information and to navigate through a process that can include eighteen test steps which are supported by testing routines, formulas for calculations and approximately thirty-three definitions of key terms used throughout the test steps.

3. Test Plan. Based upon the Testing Definition Template, the IRG developed a detailed test plan, tailored to Servicer's System of Record and business practices in the areas of mortgage loan servicing. This test plan offered a step-by-step approach to testing First Lien Mortgage Modifications. The test plan was more complex and detailed than the Testing Definition Template since it was based on the Testing Definition Template and had the added function of setting out "click-by-click" processes and procedures that reviewers had to undertake to access and review a number of both interrelated and separate electronic and other data systems. The test plan was reviewed and commented on by me and other Professionals engaged by me.

4. Additional Preparatory Due Diligence. In addition to assisting in preparing the Work Plan and Testing Definition Template and reviewing the IRG's test plan, as set out in Sections III.B.1, 2 and 3, above, the PPF and some of the other Professionals engaged by me undertook web-based meetings with the IRG during which the IRG explained, and responded to questions relative to, the IRG's testing methodologies to be used in applying the Testing Definition Template and the test plan based on the Testing Definition Template. During its own testing, the PPF had unfettered access to the IRG and the Work Papers the IRG developed in undertaking its confirmatory due diligence and validation of Servicer's assertions relative to its Consumer Relief activities. This access included the ability to make inquiries and request additional supporting information as questions arose, and to resolve those questions on a regular basis in a manner that strengthened the overall review process. It also included access to databases reflecting total populations and loan-level information on loans in these populations, and access to other information the PPF deemed reasonably necessary to properly perform its work, including the IRG's calculations relative to Consumer Relief credits.

C. Servicer's Assertions

1. Consumer Relief Obligations. In Servicer's Consumer Relief Report submitted to the IRG, Servicer claimed that, as of December 31, 2014, it was entitled to claim credit in the amount of \$881,219,183 through 8,861 First Lien Mortgage Modifications pursuant to Exhibit C. Additionally, Servicer's Consumer Relief Report as of December 31, 2014, shows that it has met approximately 44.1% of its Consumer Relief Requirements.

D. Internal Review Group's Satisfaction Review

After submitting its IRG Assertion on February 17, 2015, the IRG reported to me the results of its Satisfaction Review, which report concluded that:

- i) the Consumer Relief asserted by Servicer was based on completed transactions that were correctly reported by Servicer;
- ii) Servicer had correctly credited such Consumer Relief activities, so that the claimed amount of credit is correct; and
- iii) the claimed Consumer Relief correctly reflected the requirements, conditions and limitations, as currently applicable, set forth in Exhibit C.

According to the IRG's report to me, its Satisfaction Review was based on a detailed review of Servicer's relevant records and on statistical sampling to a 99% confidence level.⁵ The report of the IRG with regard to its Satisfaction Review was accompanied by the IRG's Work Papers reflecting its review and analysis.

E. IRG Testing and Confirmation as to Consumer Relief Credit Earned

1. Population Definition/Sampling Approach. The IRG's testing of Servicer's Consumer Relief Report as to the amount of Consumer Relief credit earned first involved the IRG randomly selecting a statistically valid sample from the population of First Lien Mortgage Modifications for which Servicer sought credit as of December 31, 2014, which was treated as the testing population (Testing Population). The sample was selected utilizing Microsoft Excel, which is a well-established and well-known database and data analysis software product. In determining the sample size, the IRG, in accordance with the Work Plan, utilized at least a 99% confidence level (one-tailed), 2.5% estimated error rate and 2% margin of error approach. The total number of loans in the Testing Population was 8,861, for a total reported credit amount of

⁵ Confidence level is a measure of the reliability of the outcome of a sample. A confidence level of 99% in performing a test on a sample means there is a probability of at least 99% that the outcome from the testing of the sample is representative of the outcome that would be obtained if the testing had been performed on the entire population.

\$881,219,183; and the number of loans tested by the IRG was 318, which number was equal to the number the Servicer and I had contemplated when developing the Work Plan, for a total reported credit amount of \$30,660,327.

2. Approach to Testing Loans. For each of the loans in the sample drawn from the Testing Population, the IRG conducted an independent review to determine whether the loan was eligible for credit and the amount of credit reported by Servicer was calculated correctly. The IRG executed this review pursuant to and in accordance with the Testing Definition Template and related test plan by accessing from Servicer's System of Record the various data inputs required to undertake the eligibility determination and credit calculation for each loan. Additionally, the IRG captured and saved in its Work Papers available screenshots from the SOR evidencing the relevant data. For each loan in the sample, the IRG determined whether it was eligible for credit based upon the assembled data for that loan, again following the Testing Definition Template and related test plan. If a loan was determined to be ineligible for credit, the IRG would conclude that Servicer should receive no credit for that loan. For each loan it determined to be eligible for credit, the IRG would recalculate the credit amount.

After verifying the eligibility and recalculating credit for all loans in the sample, the IRG calculated the sum of the recalculated credits for the sample (Actual Credit Amount) and compared that amount against the amount of credit claimed by Servicer for the sample (Reported Credit Amount). According to the Work Plan, if the Actual Credit Amount equals the Reported Credit Amount or if the Reported Credit Amount is not more than 2.0% greater or is less than the Actual Credit Amount for the sample, the Reported Credit Amount will be deemed correct and Servicer's Consumer Relief Report will be deemed to have passed the Satisfaction Review and will be certified by the IRG to the Monitor. If, however, the IRG determined that the Reported

Credit Amount for the sample exceeded the Actual Credit Amount by more than 2.0%, the IRG would inform Servicer, which would then be required to perform an analysis of the data of all loans in the Testing Population from which the sample had been drawn, identify and correct any errors and provide an updated Consumer Relief Report to the IRG. The IRG would then select a new sample and test the applicable Testing Population against the new report in accordance with the process set forth above. If the IRG determined that the Actual Credit Amount was greater by more than 2.0% of the Reported Credit Amount for the sample, Servicer had the option of either (i) taking credit for the amount it initially reported to the IRG or (ii) correcting any underreporting of Consumer Relief credit and resubmitting the entire population of loans to the IRG for further testing in accordance with the process set forth above.

3. Results of IRG Testing of Reported Consumer Relief Credit. Utilizing the steps set forth above, the IRG determined that the Actual Credit Amount for the sample drawn from the Testing Population exceeded by more than 2.0% the Reported Credit Amount. The table below summarizes these findings:

Testing Population	Loans Reviewed	Servicer Reported Credit Amount	IRG Calculated Actual Credit Amount	Amount Overstated/ (Understated)	% Difference
First Lien					
Mortgage Modifications	318	\$30,660,327	\$31,785,857	(\$1,125,530) ⁶	(3.54%)

For the tested sample, the difference between the Reported Credit Amount and the credit amount as calculated by the IRG was greater than 2.0% of the Reported Credit Amount. As a result, because the Servicer elected not to correct any underreporting and resubmit the entire

⁶ During its loan-level testing, the IRG determined that seven of the loans in the sample, for which Servicer claimed \$354,112 in credit, were ineligible. The overstatement in credit created by these seven ineligible loans, however, was offset by the fact that Servicer had understated by \$1,479,642 the amount of credit it had earned as a result of the remaining 311 loans in the sample. As a result, the PPF determined that the Actual Credit Amount exceeded the Reported Credit Amount for the sample by \$1,125,530.

population of loans for retesting, the IRG certified that the amount of Consumer Relief credit claimed by Servicer was accurate and conformed to the requirements in Exhibit C. This certification was evidenced in the IRG Assertion attached to this Report as Attachment 2, which assertion is in the form required by the Work Plan.⁷

F. Monitor's Review of the IRG's Qualifications and Performance

The IRG's qualifications and performance are subject to ongoing review by me. I conduct this ongoing review in-person and through the PPF and the SPF, who have interacted with the IRG and have observed and assessed its independence, competence and performance. Contemporaneously with the filing of this Report, I, in my capacity as Monitor under the April 4, 2012, Judgment, am filing a report (Final Compliance Report) regarding compliance by Servicer, as successor by assignment from Residential Capital LLC and GMAC Mortgage LLC, with the mortgage servicing standards contained in Exhibit A to the April 4, 2012, Judgment for the quarters ended March 31, 2014, and June 30, 2014. As discussed in the Final Compliance Report, information had come to my attention that called into question, among other things, the independence, competency and capacity of the IRG. As a result, I undertook an investigation of the IRG. Subsequent to that investigation, Servicer made certain changes, described in the Final Compliance Report, with respect to the organization of the IRG, and McGladrey LLP, at my direction, independently re-tested certain metrics, which I had identified as "at risk," that originally had been tested by the IRG in order to assess Servicer's compliance with the mortgage servicing standards contained in Exhibit A to the April 4, 2012, Judgment. Based upon the

⁷ As described in Section III.E.2, above, because Actual Credit Amount was greater by more than 2.0% of the Reported Credit Amount for the Testing Population, Servicer had the option of either (i) taking credit for the amount it initially reported to the IRG or (ii) correcting any underreporting of Consumer Relief credit and resubmitting the entire population of loans to the IRG for further testing in accordance with the process set forth above. Servicer chose the first option of taking credit for the amount it initially reported to the IRG, as reported in the IRG Assertion.

changes implemented by Servicer and the results of McGladrey's independent re-testing, which were substantially similar to the results originally reported to me by the IRG, as well as other information contained in this Report and the Final Compliance Report, I have determined that the IRG:

i) is now sufficiently independent from the line of business whose performance is being measured by the IRG such that I have a measure of assurance that the IRG does not perform and is apart from any operational work on mortgage servicing and reports to the Chairman of the Compliance Committee of Servicer's Board of Directors, who had no direct operational responsibility for mortgage servicing;⁸ and

ii) has what now appears to be sufficient authority, privileges and knowledge to effectively implement and conduct the Satisfaction Reviews contemplated in the Judgment and under the terms and conditions of the Work Plan.⁹

G. Monitor's Review of the IRG's Assertion on Consumer Relief Credit

1. Preliminary Review. Preliminary to the PPF's review of the IRG's Consumer Relief testing, I, along with the PPF and some of my other Professionals, met with representatives of Servicer to gain an understanding of its mortgage banking operations, SOR and IRG program, and the IRG's proposed approach for Consumer Relief testing, among other things. During those meetings, Servicer provided an overview and walkthrough of its SOR and described its primary servicing system (iSeries) and other technology platforms that are in part integrated and in part stand-alone or segregated, and include: servicing, default/customer relationship management, loss mitigation, bankruptcy and foreclosure platforms. Servicer also

⁸ Exhibit D, ¶ C.7.

⁹ Exhibit D, ¶ C.8.

provided me, together with the PPF and some of my other Professionals, with an overview of the IRG program, the professionals assigned to the IRG, and the IRG's training approach, team management and internal controls designed to ensure the IRG's Work Papers appropriately document and support the conclusions of the IRG's work. Additionally, they described the testing approach the IRG planned to employ to, among other things, evaluate the eligibility of the loans for which credit is claimed and verify the accuracy of the credit calculation.

2. Review. At my direction, the PPF conducted an extensive review of the testing conducted by the IRG relative to Consumer Relief crediting. This review of Consumer Relief crediting began in February 2015, and continued, with only minimal interruption, until the filing of this Report.

The principal focus of the reviews was the PPF's testing of the entire sample of loans tested by the IRG, following the processes and procedures set out in the Testing Definition Template and the IRG's test plan. These reviews also included, among other due diligence: (i) a web-based walkthrough of the IRG's approach to Consumer Relief testing on March 11, 2015; (ii) follow-up correspondence with the IRG; and (iii) numerous email communications between the PPF and the IRG during which the PPF requested additional evidence and made inquiries concerning the IRG's testing methodologies and results.

With respect to the PPF's testing, the PPF was afforded access to a list of, and accompanying detail for, all loans for which credit was claimed by the Servicer, not just those that the IRG tested; and the PPF was provided remote access via an Office 365 Extranet platform¹⁰ during the actual reviews and testing conducted by the PPF. Additionally, for each loan that it had tested, the IRG provided all the data elements necessary for validating credits in

¹⁰ The Office 365 Extranet platform is hosted by the Servicer's legal counsel, Bradley Arant Boult Cummings LLP.

accordance with Exhibit C and the relevant Testing Definition Template. The PPF, using those data elements, went through each of the test steps and related analyses and calculations in the Testing Definition Template for each of the mortgage loans in the sample of loans. In other words, the PPF replicated in full the IRG's testing. During this process, the IRG cooperated fully with the PPF.

3. Results of the PPF's Testing of Reported Consumer Relief Credit. In its review of the IRG's work, as explained above, the PPF conducted detailed re-testing of the entire sample of loans originally tested by the IRG.

As described above, throughout its testing process, the PPF interacted extensively with the IRG to resolve issues that arose during the testing process. These issues included the following, among others: (i) the type of evidence required to demonstrate that the property securing a modified mortgage was occupied; (ii) the type of evidence required to demonstrate a loan was current 90 days after completion of a modification for which Servicer is seeking credit; and (iii) the type of evidence required to demonstrate that claimed principal forgiveness and forbearance amounts are correct.

After completing the loan-level testing, the PPF determined that the IRG had correctly validated the Consumer Relief credit amounts reported by Servicer for the Testing Population. The following table sets forth the results of the PPF's loan-level testing:

Testing Population	Loans Reviewed	Servicer Reported Credit Amount	PPF Calculated Actual Credit Amount	Amount Overstated/ (Understated)	% Difference
First Lien Mortgage Modifications	318	\$30,660,327	\$31,395,589	(\$735,262) ¹¹	(2.34%)

For the tested sample, the difference between the Reported Credit Amount and the credit amount as calculated by the PPF was greater than 2.0% of the Reported Credit Amount. In addition, the PPF's credit calculation of \$31,395,589 and the IRG's credit calculation of \$31,785,857 were substantially the same.

The PPF documented its findings in its work papers and has reported them to me. I then undertook an in-depth review of the IRG's Work Papers with the PPF, as well as the PPF's work papers.

IV. Monitor's Review of Non-Creditable Requirements of Exhibit C

As part of my interim review of Servicer's Consumer Relief activities, I undertook an inquiry into whether Servicer complied with certain Non-Creditable Requirements of Exhibit C. Specifically, under Exhibit C, Servicer agreed that:

¹¹ During its loan-level testing, the PPF validated the IRG's determination, discussed in footnote 6, above, that seven loans in the sample for which Servicer was seeking \$354,112 in credit, were ineligible. The PPF also determined that two additional loans, for which Servicer claimed \$296,592 in credit, were also ineligible for credit. The overstatement of \$650,704 in credit created by these nine ineligible loans, however, was offset by the fact that Servicer had understated by \$1,385,966 the amount of credit it had earned as a result of the remaining 309 loans in the sample. As a result, the PPF determined that the Actual Credit Amount exceeded the Reported Credit Amount for the sample by \$735,262.

i) Servicer “will not implement any of the Consumer Relief Requirements described [in Exhibit C to the Judgment] through policies that are intended to (1) disfavor a specific geography within or among states that are a party to the Judgment or (2) discriminate against any protected class of borrowers”;¹²

ii) Servicer “shall not, in the ordinary course, require a borrower to waive or release legal claims and defenses as a condition of approval for loss mitigation activities under these Consumer Relief Requirements”;¹³ or

iii) Servicer will “not receive any credit under the Consumer Relief Requirements for any federal or state incentive payments received by Ocwen for modifications made under federal or proprietary programs.”¹⁴

In order to assess Servicer’s compliance with the Non-Creditable Requirements, the PPF and I interviewed Servicer’s Senior Vice President for Loss Mitigation. The focus of this interview process was an inquiry into the processes and procedures that Servicer utilized to (i) select the borrowers to whom it provided the Consumer Relief for which it now seeks and will in the future seek credit pursuant to the Judgment and (ii) ensure that it is complying with the Non-Creditable Requirements.

¹² Exhibit C, ¶ 13.

¹³ Exhibit C, ¶ 9. The Judgment contains an exception to this requirement that permits Servicer to require a waiver or release of legal claims and defenses with respect to a Consumer Relief activity offered in connection with the resolution of a contested claim, when the borrower would not otherwise have received as favorable terms or when the borrower receives additional consideration.

¹⁴ Exhibit C, ¶ 15.

Based upon our work during my tenure as Monitor, my Professionals and I know that Servicer's Senior Vice President for Loss Mitigation has responsibilities related to Servicer's day-to-day compliance with the Consumer Relief Requirements of the Judgment. As a result, I believe him to possess the requisite knowledge concerning Servicer's compliance with the Non-Creditable Requirements and have concluded that his responses to our inquiries have been credible and consistent with information obtained through the Consumer Relief credit testing and other procedures undertaken by my Professionals and me to ensure Servicer's compliance with the Judgment.

Based upon the interview of the foregoing person, in conjunction with the above-described loan-level testing undertaken by the PPF, I have no reason to believe that Servicer has, as of December 31, 2014:

- i) Implemented any of the Consumer Relief Requirements through policies that are intended to (1) disfavor a specific geography within or among states that are a party to the Judgment or (2) discriminate against any protected class of borrowers;
- ii) Required borrowers to waive or release legal claims and defenses as a condition of approval for loss mitigation activities under these Consumer Relief requirements; or
- iii) Received any credit under the Consumer Relief Requirements for any federal or state incentive payments received by Ocwen for modifications made under federal or proprietary programs.

V. State Reports/Reported Credit Amounts

In order to meet my obligation of identifying any material inaccuracies in prior State Reports filed by Servicer, I conducted a comparison of the information contained in Servicer's Consumer Relief Report regarding Consumer Relief granted to the program-to-date data contained in Servicer's State Report filed for the quarter ending December 31, 2014. This comparison revealed that there were some apparent differences between the aggregate amount of relief reported by the Servicer in its Consumer Relief Report submitted to the IRG and the amount of relief reported by the Servicer in its State Reports filed for the quarter ending December 31, 2014. Specifically, in its State report for the Quarter ending December 31, 2014, Servicer reported that, from November 3, 2013 through December 31, 2014, it had completed 21,257 First Lien Mortgage Modifications through which it had provided \$1,936,367,708 in gross relief to borrowers. In the Consumer Relief Report, however, Servicer reported to the IRG that it was seeking credit for 8,861 First Lien Mortgage Modifications through which it had provided \$881,219,183 in gross relief to borrowers. At my direction, the PPF has made inquiry of Servicer and the IRG regarding these differences. As a result of those inquiries, I have determined that the differences were the result of a decision made by Servicer to not seek credit at this time for certain transactions for which it believes it is entitled to credit. As a result, I have determined that these differences do not constitute material inaccuracies.

VI. Summary and Conclusions

On the basis of the information submitted to me and the work of the IRG, the PPF and other Professionals that is referred to above and otherwise reflected in this Report, I make the following findings, which findings are made pursuant to the provisions of paragraph D.5 of Exhibit D:

i) I find, after a detailed review and testing by the IRG and the PPF, as described in this Report, that the amount of Consumer Relief set out in Servicer's Consumer Relief Report for the period extending from November 3, 2013, to December 31, 2014, is correct and accurate within the tolerances permitted under the Work Plan;

ii) I have no reason to believe that Servicer has failed to comply with all of the requirements of Exhibit C to the Judgment for the period extending from November 3, 2013, to December 31, 2014, including the Non-Creditable Requirements; and

iii) I have not identified any material inaccuracies in the State Reports filed by Servicer for the quarter ending December 31, 2014.

Prior to the filing of this Report, I have conferred with Servicer and the Monitoring Committee about my findings and I have provided each with a copy of my Report. Immediately after filing this Report, I will provide a copy of this Report to Servicer's Board of Directors, or a committee of the Board designated by Servicer.¹⁵

I respectfully submit this Report to the United States District Court for the District of Columbia, this 11th day of August, 2015.

s/ Joseph A. Smith, Jr.
Joseph A. Smith, Jr., Monitor
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¹⁵ Exhibit D, ¶ D.4.

CERTIFICATE OF SERVICE

I hereby certify that on this date I have filed a copy of the foregoing using the Court's CM/ECF system, which will send electronic notice of filing to the persons listed below at their respective email addresses.

This the 11th day of August, 2015.

s/ Joseph A. Smith, Jr.
Joseph A. Smith, Jr.

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ATTACHMENT 1
Judgment and Exhibits C and D

See attached.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

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)
)
)
Plaintiffs,)
)
v.)
)
OCWEN FINANCIAL CORPORATION,)
)
and OCWEN LOAN SERVICING, LLC,)
)
Defendants.)
<hr/>	

CONSENT JUDGMENT

WHEREAS, Plaintiffs, the Consumer Financial Protection Bureau (the “CFPB” or “Bureau”), and the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming, the Commonwealths of Kentucky, Massachusetts, Pennsylvania and Virginia, and the District of Columbia (collectively, “Plaintiff States”) filed their complaint on December 19, 2013, alleging that Ocwen Financial Corporation and Ocwen Loan Servicing, LLC (collectively, “Defendant” or “Ocwen”) violated, among other laws, the Unfair and Deceptive Acts and Practices laws of the Plaintiff States and the Consumer Financial Protection Act of 2010.

WHEREAS, the parties have agreed to resolve their claims without the need for litigation;

WHEREAS, Defendant has consented to entry of this Consent Judgment without trial or adjudication of any issue of fact or law and to waive any appeal if the Consent Judgment is entered as submitted by the parties;

WHEREAS, Defendant, by entering into this Consent Judgment, does not admit the allegations of the Complaint other than those facts deemed necessary to the jurisdiction of this Court;

WHEREAS, the intention of the Consumer Financial Protection Bureau and the States in effecting this settlement is to remediate harms allegedly resulting from the alleged unlawful conduct of the Defendant;

WHEREAS, the State Mortgage Regulators are entering into a Settlement Agreement and Consent Order with Ocwen to resolve the findings identified in the course of multi-state and concurrent independent examinations of Ocwen, as well as examinations of Litton Loan Servicing, LP and Homeward Residential, Inc., which were subsequently acquired by Ocwen.

AND WHEREAS, Defendant has agreed to waive service of the complaint and summons and hereby acknowledges the same;

NOW THEREFORE, without trial or adjudication of issue of fact or law, without this Consent Judgment constituting evidence against Defendant, and upon consent of Defendant, the Court finds that there is good and sufficient cause to enter this Consent Judgment, and that it is therefore ORDERED, ADJUDGED, AND DECREED:

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1345, and 1367, and under 12 U.S.C. § 5565, and over Defendant. The

Complaint states a claim upon which relief may be granted against Defendant. Venue is appropriate in this District pursuant to 28 U.S.C. § 1391(b)(2) and 12 U.S.C. § 5564(f).

II. APPLICABILITY

2. Defendant's obligations as set forth in this Consent Judgment and the attached Exhibits shall apply equally and fully to Defendant regardless of whether Defendant is servicing residential mortgages as a servicer or subservicer.

III. SERVICING STANDARDS

3. Defendant shall comply with the Servicing Standards, attached hereto as Exhibit A, in accordance with their terms and Section A of Exhibit D, attached hereto.

IV. FINANCIAL TERMS

4. *Payments to Foreclosed Borrowers and Administration Costs.* Ocwen shall pay or cause to be paid the sum of \$127.3 million (the "Borrower Payment Amount") into an interest bearing escrow account established for this purpose by the State members of the Monitoring Committee within 10 days of receiving notice from the State members of the Monitoring Committee that the account is established. The State members of the Monitoring Committee and the Administrator appointed under Exhibit B will use the funds in this account to provide cash payments to borrowers whose homes were sold in a foreclosure sale between and including January 1, 2009, and December 31, 2012, and who otherwise meet criteria set forth by the Monitoring Committee, and to pay the reasonable costs and expenses of the Administrator, including taxes and fees for tax counsel, if any. Ocwen shall also pay or cause to be paid any additional amounts necessary to pay claims, if any, of borrowers whose data is provided to the Administrator by Ocwen after Defendant warrants that the data is complete and accurate pursuant

to Paragraph 3 of Exhibit B. The Borrower Payment Amount shall be administered in accordance with the terms set forth in Exhibit B.

5. *Consumer Relief.* Defendant shall provide \$2 billion of relief to consumers who meet the eligibility criteria in the forms and amounts described in Exhibit C, to remediate harms allegedly caused by the alleged unlawful conduct of Defendant. Defendant shall receive credit towards such obligation as described in Exhibit C.

V. ENFORCEMENT

6. The Servicing Standards and Consumer Relief Requirements, attached as Exhibits A and C, are incorporated herein as the judgment of this Court and shall be enforced in accordance with the authorities provided in the Enforcement Terms, attached hereto as Exhibit D.

7. The Parties agree that Joseph A. Smith, Jr. shall be the Monitor and shall have the authorities and perform the duties described in the Enforcement Terms.

8. Within fifteen (15) days of the Effective Date of this Consent Judgment, the Plaintiffs shall designate an Administration and Monitoring Committee (the "Monitoring Committee") as described in the Enforcement Terms. The Monitoring Committee shall serve as the representative of the Plaintiffs in the administration of all aspects of this Consent Judgment and the monitoring of compliance with it by the Defendant.

VI. RELEASES

9. The CFPB and Defendant have agreed, in consideration for the terms provided herein, for the release of certain claims and remedies as provided in the CFPB Release, attached hereto as Exhibit E. CFPB and Defendant have also agreed that certain claims and remedies are

not released, as provided in Paragraph C of Exhibit E. The releases contained in Exhibit E shall become effective upon payment of the Borrower Payment Amount by Defendant.

10. The Plaintiff States and Defendant have agreed, in consideration for the terms provided herein, for the release of certain claims and remedies as provided in the State Release, attached hereto as Exhibit F. The Plaintiff States and Defendant have also agreed that certain claims and remedies are not released, as provided in Section IV of Exhibit F. The releases contained in Exhibit F shall become effective upon payment of the Borrower Payment Amount by Defendant.

VII. OTHER TERMS

11. The Consumer Financial Protection Bureau and any State Party may withdraw from the Consent Judgment and declare it null and void with respect to that party if Ocwen fails to make any payment required under this Consent Judgment and such non-payment is not cured within thirty (30) days of written notice by the party, except that the Released Parties, as defined in Exhibits E and F, other than Ocwen, are released upon the payment of the Borrower Payment Amount, at which time this nullification provision is only operative against Ocwen.

12. This Court retains jurisdiction for the duration of this Consent Judgment to enforce its terms. The parties may jointly seek to modify the terms of this Consent Judgment, subject to the approval of this Court. This Consent Judgment may be modified only by order of this Court.

13. In addition to the provisions of paragraph 12, and in accordance with the terms set forth in Exhibit D, any Plaintiff State may also bring an action to enforce the terms of this Consent Judgment in the enforcing Plaintiff's state court. Ocwen agrees to submit to the jurisdiction of any such state court for purposes of a Plaintiff State's enforcement action.

14. The Effective Date of this Consent Judgment shall be the date on which the Consent Judgment has been entered by the Court and has become final and non-appealable. An order entering the Consent Judgment shall be deemed final and non-appealable for this purpose if there is no party with a right to appeal the order on the day it is entered.

15. This Consent Judgment shall remain in full force and effect for three years from the date it is entered ("the Term"), at which time Defendant's obligations under the Consent Judgment shall expire, except that pursuant to Exhibit D, Defendant shall submit a final Quarterly Report for the last quarter or portion thereof falling within the Term and cooperate with the Monitor's review of said report, which shall conclude no later than six months after the end of the Term. Defendant shall have no further obligations under this Consent Judgment six months after the expiration of the Term, but the Court shall retain jurisdiction for purposes of enforcing or remedying any outstanding violations that are identified in the final Monitor Report and that have occurred but not been cured during the Term. The expiration of this Consent Judgment shall not affect any Releases.

16. Each party to this litigation will bear its own costs and attorneys' fees.

17. Nothing in this Consent Judgment shall relieve Defendant of its obligation to comply with applicable state and federal law.

18. The sum and substance of the parties' agreement and of this Consent Judgment are reflected herein and in the Exhibits attached hereto. In the event of a conflict between the terms of the Exhibits and paragraphs 1-17 of this summary document, the terms of the Exhibits shall govern.

SO ORDERED this 26 day of February, 2014

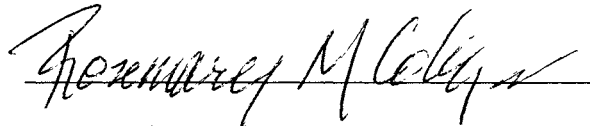

UNITED STATES DISTRICT JUDGE

EXHIBIT C

Consumer Relief Requirements

A. Loan Modification Criteria

Ocwen shall satisfy the \$2 billion Consumer Relief commitment set forth in Section IV.5 of the Consent Judgment through principal reduction loan modifications on first lien residential mortgage loans. Ocwen shall receive credit toward this obligation for every dollar reduction in a borrower's principal that lowers the loan-to-value ratio ("LTV") below 120%, including principal reductions under the Making Home Affordable Program (including the Home Affordable Modification Program ("HAMP") Tier 1 or Tier 2), except to the extent that state or federal funds paid to Ocwen in its capacity as an investor are the source of Ocwen's credit claim, provided that:

1. At the time the modification is offered, the borrower is at least 30 days delinquent or otherwise qualifies as being at imminent risk of default due to his or her financial situation;
2. The borrower's pre-modification LTV is greater than 100%;
3. The borrower's post-modification principal and interest payment is at least 10% lower than the pre-modification payment;
4. The borrower's post-modification payment is at or below a debt-to-income ratio ("DTI") of 31%, (or an affordability measurement consistent with HAMP guidelines), or in the case of a non-owner occupied property, an appropriate measure of affordability;
5. The borrower's payments under the modified terms are current as of 90 days following the implementation of the modification; and
6. The borrower's post-modification LTV is no greater than 120%, which may be determined in accordance with HAMP PRA.

Provided, however, that Ocwen will only receive credit for a principal reduction that is achieved through a deferral of principal instead of immediate forgiveness if the modification meets criteria 1 through 5 above, and:

7. The borrower's post-modification LTV, as calculated at the time of offer, is no greater than 95%; and
8. The modification's terms entitle the borrower to forgiveness of the entire amount of deferred principal over a period of no more than three years, with at least 1/3 of the deferred principal forgiven annually, so long as the borrower remains current in the mortgage.

B. Other Requirements

9. Ocwen shall not, in the ordinary course, require a borrower to waive or release legal claims and defenses as a condition of approval for a loan modification under these Consumer Relief Requirements. However, nothing herein shall preclude Ocwen from requiring a waiver or release of legal claims and defenses with respect to a loan modification offered in connection with the resolution of a contested claim, when the borrower would not otherwise have qualified for that loan modification under existing Servicer programs.
10. Ocwen shall be entitled to receive credits towards its \$2 billion Consumer Relief commitment for modifications it undertakes pursuant to the Consumer Relief Requirements described above on or after November 3, 2013.
11. If Ocwen fails to meet the \$2 billion Consumer Relief commitment as set forth in these Consumer Relief Requirements within three years of the date the Consent Judgment is entered, Ocwen shall pay a cash penalty in an amount equal to the unmet commitment amount, subject to the requirements in Paragraph 12.
12. In the event there is a material change in market conditions that Ocwen can demonstrate makes it unable to meet the \$2 billion Consumer Relief commitment notwithstanding its good faith efforts to do so, the parties commit to engage in good faith discussions regarding an extension or other modification of the terms of this commitment.
13. Ocwen agrees that it will not implement any of the Consumer Relief Requirements described herein through policies that are intended to (a) disfavor a specific geography within or among states that are a party to the Consent Judgment or (b) discriminate against any protected class of borrowers. This provision shall not preclude the implementation of pilot programs in particular geographic areas.
14. Satisfaction of the Consumer Relief Requirements by Ocwen in accordance with this Agreement in connection with any residential mortgage loan is expressly subject to, and shall be interpreted in accordance with, as applicable, the terms and provisions of the Servicer Participation Agreement with the U.S. Department of Treasury, any servicing agreement, subservicing agreement under which Ocwen services for others, special servicing agreement, mortgage or bond insurance policy or related agreement or requirements to which Ocwen is a party and by which it or its servicing affiliates are bound pertaining to the servicing or ownership of the mortgage loans, including without limitation the requirements, binding directions, or investor guidelines of the applicable investor (such as Fannie Mae or Freddie

Mac), mortgage or bond insurer, or credit enhancer, provided, however, that the inability of Ocwen to offer a type, form or feature of the consumer relief payments by virtue of an Applicable Requirement as defined in Section IX.A.1 of Exhibit A shall not relieve Ocwen of its aggregate consumer relief obligations imposed by this Agreement, *i.e.*, Ocwen must satisfy such obligations through the offer of other types, forms or features of consumer relief payments that are not limited by such Applicable Requirement.

15. Ocwen shall not receive any credit under the Consumer Relief Requirements for any federal or state incentive payments received by Ocwen for modifications made under federal or proprietary programs.

EXHIBIT D

Enforcement Terms

- A. **Implementation Timeline.** Ocwen (hereinafter “Servicer”) anticipates that it will phase in the implementation of the Servicing Standards, using a grid approach that prioritizes implementation based upon: (i) the importance of the Servicing Standard to the borrower; and (ii) the difficulty of implementing the Servicing Standard. In addition to the Servicing Standards that have been implemented upon entry of this Consent Judgment, the period for implementation will be within 60 days of entry of this Consent Judgment. For Metrics 6.D.i, 30, and 31 in Schedule D-1 hereto, the period for implementation will be within 180 days of entry of this Consent Judgment. For Metrics 32 and 33 in schedule D-1 hereto, the period for implementation will be within 90 days of entry of this Consent Judgment. In the event that Servicer, using reasonable efforts, is unable to implement certain standards on the specified timetable, Servicer may apply to the Monitor for a reasonable extension of time to implement those standards or requirements.
- B. **Monitoring Committee.** A committee comprising of representatives of the state Attorneys General, State Mortgage Regulators and the Consumer Financial Protection Bureau (“CFPB”) shall monitor Servicer’s compliance with this Consent Judgment (the “Monitoring Committee”). The Monitoring Committee may substitute representation, as necessary. Subject to Section F, the Monitoring Committee may share all Monitor Reports, as that term is defined in Section D.3 below, with any releasing party.
- C. **Monitor**

Retention and Qualifications and Standard of Conduct

1. Pursuant to an agreement of the parties, Joseph A. Smith Jr. is appointed to the position of Monitor under the Consent Judgment. If the Monitor is at any time unable to complete his or her duties under the Consent Judgment, Servicer and the Monitoring Committee shall mutually agree upon a replacement in accordance with the process and standards set forth in this Section C and Paragraph V.7 of the Consent Judgment.
2. Such Monitor shall be highly competent and highly respected, with a reputation that will garner public confidence in his or her ability to perform the tasks required under this Consent Judgment. The Monitor shall have the right to employ an accounting firm or firms or other firm(s) with similar capabilities to support the Monitor in carrying out his or her duties under the Consent Judgment. Monitor and Servicer shall agree on the selection of a “Primary Professional Firm,” which must have adequate capacity and resources to perform the work required under this agreement. The Monitor shall also have the right to engage one or more attorneys or other professional persons to represent or assist the Monitor in carrying

out the Monitor's duties under the Consent Judgment (each such individual, along with each individual deployed to the engagement by the Primary Professional Firm, shall be defined as a "Professional"). The Monitor and Professionals will collectively possess expertise in the areas of mortgage servicing, loss mitigation, business operations, compliance, internal controls, accounting, and foreclosure and bankruptcy law and practice. The Monitor and Professionals shall at all times act in good faith and with integrity and fairness towards all the Parties.

3. The Monitor and Professionals shall not have any prior relationships with the Parties that would undermine public confidence in the objectivity of their work and, subject to Section C.3(e), below, shall not have any conflicts of interest with any Party.
 - (a) The Monitor and Professionals will disclose, and will make a reasonable inquiry to discover, any known current or prior relationships to, or conflicts with, any Party, any Party's holding company, any subsidiaries of the Party or its holding company, directors, officers, and law firms.
 - (b) The Monitor and Professionals shall make a reasonable inquiry to determine whether there are any facts that a reasonable individual would consider likely to create a conflict of interest for the Monitor or Professionals. The Monitor and Professionals shall disclose any conflict of interest with respect to any Party.
 - (c) The duty to disclose a conflict of interest or relationship pursuant to this Section C.3 shall remain ongoing throughout the course of the Monitor's and Professionals' work in connection with this Consent Judgment.
 - (d) All Professionals shall comply with all applicable standards of professional conduct, including ethics rules and rules pertaining to conflicts of interest.
 - (e) To the extent permitted under prevailing professional standards, a Professional's conflict of interest may be waived by written agreement of the Monitor and Servicer.
 - (f) Servicer or the Monitoring Committee may move the Court for an order disqualifying any Professionals on the grounds that such Professional has a conflict of interest that has inhibited or could inhibit the Professional's ability to act in good faith and with integrity and fairness towards all Parties.
4. The Monitor must agree not to be retained by any Party, or its successors or assigns, for a period of two years after the conclusion of the terms of the engagement. Any Professionals who work on the engagement must

agree not to work on behalf of Servicer, or its successor or assigns, for a period of one year after the conclusion of the term of the engagement (the “Professional Exclusion Period”). Any Firm that performs work with respect to Servicer on the engagement must agree not to perform work on behalf of Servicer, or its successor or assigns, that consists of advising Servicer on a response to the Monitor’s review during the engagement and for a period of six months after the conclusion of the term of the engagement (the “Firm Exclusion Period”). The Professional Exclusion Period, Firm Exclusion Period, and terms of exclusion may be altered on a case-by-case basis upon written agreement of Servicer and the Monitor. The Monitor shall organize the work of any Firms so as to minimize the potential for any appearance of, or actual, conflicts.

Monitor’s Responsibilities

5. It shall be the responsibility of the Monitor to determine whether Servicer is in compliance with the Servicing Standards and whether Servicer has satisfied the Consumer Relief Requirements, in accordance with the authorities provided herein, and to report his or her findings as provided in Section D.3, below.
6. The manner in which the Monitor will carry out his or her compliance responsibilities under this Consent Judgment and, where applicable, the methodologies to be utilized shall be set forth in a work plan agreed upon by Servicer and the Monitor, and not objected to by the Monitoring Committee (the “Work Plan”).

Internal Review Group

7. Servicer will designate an internal quality control group that is independent from the line of business whose performance is being measured (the “Internal Review Group”) to perform compliance reviews each calendar quarter (“Quarter”) in accordance with the terms and conditions of the Work Plan (the “Compliance Reviews”) and in satisfaction of the Consumer Relief Requirements after the (A) end of each calendar year (and, in the discretion of the Servicer, any Quarter) and (B) earlier of the Servicer’s assertion that it has satisfied its obligations thereunder and the third anniversary of the Start Date (the “Satisfaction Review”). For the purposes of this provision, a group that is independent from the line of business shall be one that does not perform operational work on mortgage servicing, and ultimately reports to a Chief Risk Officer, Chief Audit Executive, Chief Compliance Officer, or another employee or manager who has no direct operational responsibility for mortgage servicing.

8. The Internal Review Group shall have the appropriate authority, privileges, and knowledge to effectively implement and conduct the reviews and metric assessments contemplated herein and under the terms and conditions of the Work Plan.
9. The Internal Review Group shall have personnel skilled at evaluating and validating processes, decisions, and documentation utilized through the implementation of the Servicing Standards. The Internal Review Group may include non-employee consultants or contractors working at Servicer's direction.
10. The qualifications and performance of the Internal Review Group will be subject to ongoing review by the Monitor. Servicer will appropriately remediate the reasonable concerns of the Monitor as to the qualifications or performance of the Internal Review Group.

Work Plan

11. Servicer's compliance with the Servicing Standards shall be assessed via metrics identified and defined in Schedule D-1 hereto, as supplemented by and consistent with the metrics provided in the National Mortgage Settlement 2012 Consent Judgment and any additional metrics that may be developed in accordance with Section C.22 below ("the "Metrics"). The threshold error rates for the Metrics are set forth in Schedule D-1 (as supplemented from time to time in accordance with Section C.22, below, the "Threshold Error Rates"). The Internal Review Group shall perform test work to compute the Metrics each Quarter, and report the results of that analysis via the Compliance Reviews. The Internal Review Group shall perform test work to assess the satisfaction of the Consumer Relief Requirements within 45 days after the (A) end of each calendar year (and, in the discretion of the Servicer, any Quarter) and (B) earlier of (i) the end of the Quarter in which Servicer asserts that it has satisfied its obligations under the Consumer Relief Provisions and (ii) the Quarter during which the third anniversary of the Start Date occurs, and report that analysis via the Satisfaction Review.
12. Servicer and the Monitor shall reach agreement on the terms of the Work Plan within 90 days of the entry of the Consent Judgment, which time can be extended for good cause by agreement of Servicer and the Monitor. If such Work Plan is not objected to by the Monitoring Committee within 20 days, the Monitor shall proceed to implement the Work Plan. In the event that Servicer and the Monitor cannot agree on the terms of the Work Plan within 90 days or the agreed upon terms are not acceptable to the Monitoring Committee, Servicer and Monitoring Committee or the Monitor shall jointly petition the Court to resolve any disputes. If the Court does not resolve such disputes, then the Parties shall submit all

remaining disputes to binding arbitration before a panel of three arbitrators. The Servicer and the Monitoring Committee shall each appoint one arbitrator, and those two arbitrators shall appoint a third. The Servicer may submit a Work Plan that will satisfy the terms of this Consent Judgment and the terms of the National Mortgage Settlement 2012 Consent Judgment.

13. The Work Plan may be modified from time to time by agreement of the Monitor and Servicer. If such amendment to the Work Plan is not objected to by the Monitoring Committee within 20 days, the Monitor shall proceed to implement the amendment to the Work Plan. To the extent possible, the Monitor shall endeavor to apply the Servicing Standards uniformly across all Servicers.
14. The following general principles shall provide a framework for the formulation of the Work Plan:
 - (a) The Work Plan will set forth the testing methods and agreed procedures that will be used by the Internal Review Group to perform the test work and compute the Metrics for each Quarter.
 - (b) The Work Plan will set forth the testing methods and agreed procedures that will be used by Servicer to report on its compliance with the Consumer Relief Requirements of this Consent Judgment, including, incidental to any other testing, confirmation of state-identifying information used by Servicer to compile state-level Consumer Relief information as required by Section D.2.
 - (c) The Work Plan will set forth the testing methods and procedures that the Monitor will use to assess Servicer's reporting on its compliance with the Consumer Relief Requirements of this Consent Judgment.
 - (d) The Work Plan will set forth the methodology and procedures the Monitor will utilize to review the testing work performed by the Internal Review Group.
 - (e) The Compliance Reviews and the Satisfaction Review may include a variety of audit techniques that are based on an appropriate sampling process and random and risk-based selection criteria, as appropriate and as set forth in the Work Plan.
 - (f) In formulating, implementing, and amending the Work Plan, Servicer and the Monitor may consider any relevant information relating to patterns in complaints by borrowers, issues or

deficiencies reported to the Monitor with respect to the Servicing Standards, and the results of prior Compliance Reviews.

- (g) The Work Plan should ensure that Compliance Reviews are commensurate with the size, complexity, and risk associated with the Servicing Standard being evaluated by the Metric.
- (h) Following implementation of the Work Plan, Servicer shall be required to compile each Metric beginning in the first full Quarter after the period for implementing the Servicing Standards associated with the Metric, or any extension approved by the Monitor in accordance with Section A, has run.

Monitor's Access to Information

- 15. So that the Monitor may determine whether Servicer is in compliance with the Servicing Standards, Servicer shall provide the Monitor with its regularly prepared business reports analyzing Executive Office servicing complaints (or the equivalent); access to all Executive Office servicing complaints (or the equivalent) (with appropriate redactions of borrower information other than borrower name and contact information to comply with privacy requirements); and, if Servicer tracks additional servicing complaints, quarterly information identifying the three most common servicing complaints received outside of the Executive Office complaint process (or the equivalent). In the event that Servicer substantially changes its escalation standards or process for receiving Executive Office servicing complaints (or the equivalent), Servicer shall ensure that the Monitor has access to comparable information.
- 16. So that the Monitor may determine whether Servicer is in compliance with the Servicing Standards, Servicer shall notify the Monitor promptly if Servicer becomes aware of reliable information indicating Servicer is engaged in a significant pattern or practice of noncompliance with a material aspect of the Servicing Standards.
- 17. Servicer shall provide the Monitor with access to all work papers prepared by the Internal Review Group in connection with determining compliance with the Metrics or satisfaction of the Consumer Relief Requirements in accordance with the Work Plan.
- 18. If the Monitor becomes aware of facts or information that lead the Monitor to reasonably conclude that Servicer may be engaged in a pattern of noncompliance with a material term of the Servicing Standards that is reasonably likely to cause harm to borrowers or with any of the Consumer Relief Requirements, the Monitor shall engage Servicer in a review to determine if the facts are accurate or the information is correct.

19. Where reasonably necessary in fulfilling the Monitor's responsibilities under the Work Plan to assess compliance with the Metrics or the satisfaction of the Consumer Relief Requirements, the Monitor may request information from Servicer in addition to that provided under Sections C.16-19. Servicer shall provide the requested information in a format agreed upon between Servicer and the Monitor.
20. Where reasonably necessary in fulfilling the Monitor's responsibilities under the Work Plan to assess compliance with the Metrics or the satisfaction of the Consumer Relief Requirements, the Monitor may interview Servicer's employees and agents, provided that the interviews shall be limited to matters related to Servicer's compliance with the Metrics or the Consumer Relief Requirements, and that Servicer shall be given reasonable notice of such interviews.

Monitor's Powers

21. Where the Monitor reasonably determines that the Internal Review Group's work cannot be relied upon or that the Internal Review Group did not correctly implement the Work Plan in some material respect, the Monitor may direct that the work on the Metrics (or parts thereof) be reviewed by Professionals or a third party other than the Internal Review Group, and that supplemental work be performed as necessary.
22. If the Monitor becomes aware of facts or information that lead the Monitor to reasonably conclude that Servicer may be engaged in a pattern of noncompliance with a material term of the Servicing Standards that is reasonably likely to cause harm to borrowers or tenants residing in foreclosed properties, the Monitor shall engage Servicer in a review to determine if the facts are accurate or the information is correct. If after that review, the Monitor reasonably concludes that such a pattern exists and is reasonably likely to cause material harm to borrowers or tenants residing in foreclosed properties, the Monitor may propose an additional Metric and associated Threshold Error Rate relating to Servicer's compliance with the associated term or requirement. Any additional Metrics and associated Threshold Error Rates (a) must be similar to the Metrics and associated Threshold Error Rates contained in Schedule D-1, (b) must relate to material terms of the Servicing Standards, (c) must either (i) be outcomes-based (but no outcome-based Metric shall be added with respect to any Mandatory Relief Requirement) or (ii) require the existence of policies and procedures required by the Servicing Standards, in a manner similar to Metrics 5.B-E, and (d) must be distinct from, and not overlap with, any other Metric or Metrics. Notwithstanding the foregoing, the Monitor may add a Metric that satisfies (a)-(c) but does not

satisfy (d) of the preceding sentence if the Monitor first asks the Servicer to propose, and then implement, a Corrective Action Plan, as defined below, for the material term of the Servicing Standards with which there is a pattern of noncompliance and that is reasonably likely to cause material harm to borrowers or tenants residing in foreclosed properties, and the Servicer fails to implement the Corrective Action Plan according to the timeline agreed to with the Monitor.

23. If Monitor proposes an additional Metric and associated Threshold Error Rate pursuant to Section C.22, above, Monitor, the Monitoring Committee, and Servicer shall agree on amendments to Schedule D-1 to include the additional Metrics and Threshold Error Rates provided for in Section C.22, above, and an appropriate timeline for implementation of the Metric. If Servicer does not timely agree to such additions, any associated amendments to the Work Plan, or the implementation schedule, the Monitor may petition the court for such additions.
24. Any additional Metric proposed by the Monitor pursuant to the processes in Sections C.22 or C.23 and relating to provision VIII.B.1 of the Servicing Standards shall be limited to Servicer's performance of its obligations to comply with (1) the federal Protecting Tenants at Foreclosure Act and state laws that provide comparable protections to tenants of foreclosed properties; (2) state laws that govern relocation assistance payments to tenants ("cash for keys"); and (3) state laws that govern the return of security deposits to tenants.

D. Reporting

Quarterly Reports

1. Following the end of each Quarter, Servicer will report the results of its Compliance Reviews for that Quarter (the "Quarterly Report"). The Quarterly Report shall include: (i) the Metrics for that Quarter; (ii) Servicer's progress toward meeting its payment obligations under this Consent Judgment; and (iii) general statistical data on Servicer's overall servicing performance described in Schedule Y. Except where an extension is granted by the Monitor, Quarterly Reports shall be due no later than 45 days following the end of the Quarter and shall be provided to: (1) the Monitor, and (2) the Board of Servicer or a committee of the Board designated by Servicer. The first Quarterly Report shall cover the first full Quarter after this Consent Judgment is entered.
2. Following the end of each Quarter, Servicer will transmit to each state a report (the "State Report") including general statistical data on Servicer's servicing performance, such as aggregate and state-specific information regarding the number of borrowers assisted and credited activities

conducted pursuant to the Consumer Relief Requirements as set forth in Schedule Y. The State Report will be delivered simultaneous with the submission of the Quarterly Report to the Monitor. Servicer shall provide copies of such State Reports to the Monitor and Monitoring Committee.

Monitor Reports

3. The Monitor shall report on Servicer's compliance with this Consent Judgment in periodic reports setting forth his or her findings (the "Monitor Reports"). The first three Monitor Reports will each cover two Quarterly Reports. If the first three Monitor Reports do not find Potential Violations (as defined in Section E.1, below), each successive Monitor Report will cover four Quarterly Reports, unless and until a Quarterly Report reveals a Potential Violation (as defined in Section E.1, below). In the case of a Potential Violation, the Monitor may (but retains the discretion not to) submit a Monitor Report after the filing of each of the next two Quarterly Reports, provided, however, that such additional Monitor Report(s) shall be limited in scope to the Metric or Metrics as to which a Potential Violation has occurred.
4. Prior to issuing any Monitor Report, the Monitor shall confer with Servicer and the Monitoring Committee regarding its preliminary findings and the reasons for those findings. Servicer shall have the right to submit written comments to the Monitor, which shall be appended to the final version of the Monitor Report. Final versions of each Monitor Report shall be provided simultaneously to the Monitoring Committee and Servicers within a reasonable time after conferring regarding the Monitor's findings. The Monitor Reports shall be filed with the Court overseeing this Consent Judgment and shall also be provided to the Board of Servicer or a committee of the Board designated by Servicer.
5. The Monitor Report shall: (i) describe the work performed by the Monitor and any findings made by the Monitor during the relevant period, (ii) list the Metrics and Threshold Error Rates, (iii) list the Metrics, if any, where the Threshold Error Rates have been exceeded, (iv) state whether a Potential Violation has occurred and explain the nature of the Potential Violation, (v) state whether any Potential Violation has been cured, and (vi) state whether the Servicer has complied with the Other Requirements set forth in Sections B.9 and 12 of Exhibit C of this Consent Judgment. In addition, following each Satisfaction Review, the Monitor Report shall report on the Servicer's satisfaction of the Consumer Relief Requirements, including regarding the number of borrowers assisted and number and dollar amount of credited loan modifications conducted pursuant to the Consumer Relief Requirements, and identify any material inaccuracies identified in prior State Reports. Except as otherwise provided herein, the

Monitor Report may be used in any court hearing, trial, or other proceeding brought pursuant to the Consent Judgment pursuant to Section J, below, and shall be admissible in evidence in a proceeding brought under the Consent Judgment pursuant to Section I, below. Such admissibility shall not prejudice Servicer's right and ability to challenge the findings and/or the statements in the Monitor Report as flawed, lacking in probative value, or otherwise. The Monitor Report with respect to a particular Potential Violation shall not be admissible or used for any purpose if Servicer cures the Potential Violation pursuant to Section E, below.

Satisfaction of Payment Obligations

6. Upon the satisfaction of any category of payment obligation under this Consent Judgment, Servicer, at its discretion, may request that the Monitor certify that Servicer has discharged such obligation. Provided that the Monitor is satisfied that Servicer has met the obligation, the Monitor may not withhold and must provide the requested certification. Any subsequent Monitor Report shall not include a review of Servicer's compliance with that category of payment obligation.

Compensation

7. Within 120 days of entry of this Consent Judgment, the Monitor shall, in consultation with the Monitoring Committee and Servicer, prepare and present to Monitoring Committee and Servicer an annual budget providing its reasonable best estimate of all fees and expenses of the Monitor to be incurred during the first year of the term of this Consent Judgment, including the fees and expenses of Professionals and support staff (the "Monitoring Budget"). On a yearly basis thereafter, the Monitor shall prepare an updated Monitoring Budget providing its reasonable best estimate of all fees and expenses to be incurred by Ocwen during that year. Absent an objection within 20 days, a Monitoring Budget or updated Monitoring Budget shall be implemented. Consistent with the Monitoring Budget, Servicer shall pay all fees and expenses of the Monitor, including the fees and expenses of Professionals and support staff. The fees, expenses, and costs of the Monitor, Professionals, and support staff shall be reasonable. Servicer may apply to the Court to reduce or disallow fees, expenses, or costs that are unreasonable.

E. Potential Violations and Right to Cure

1. A "Potential Violation" of this Consent Judgment occurs if the Servicer has exceeded the Threshold Error Rate set for a Metric in a given Quarter. In the event of a Potential Violation, Servicer shall meet and confer with

the Monitoring Committee within 15 days of the Quarterly Report or Monitor Report indicating such Potential Violation.

2. Servicer shall have a right to cure any Potential Violation.
3. Subject to Section E.4, a Potential Violation is cured if (a) a corrective action plan approved by the Monitor (the “Corrective Action Plan”) is determined by the Monitor to have been satisfactorily completed in accordance with the terms thereof; and (b) a Quarterly Report covering the Cure Period reflects that the Threshold Error Rate has not been exceeded with respect to the same Metric and the Monitor confirms the accuracy of said report using his or her ordinary testing procedures. The “Cure Period” shall be the first full quarter after completion of the Corrective Action Plan or, if the completion of the Corrective Action Plan occurs within the first month of a Quarter and if the Monitor determines that there is sufficient time remaining, the period between completion of the Corrective Action Plan and the end of that Quarter.
4. If after Servicer cures a Potential Violation pursuant to the previous section, another violation occurs with respect to the same Metric, then the second Potential Violation shall immediately constitute an uncured violation for purposes of Section I.3, provided, however, that such second Potential Violation occurs in either the Cure Period or the Quarter immediately following the Cure Period.
5. In addition to the Servicer’s obligation to cure a Potential Violation through the Corrective Action Plan, Servicer must remediate any material harm to particular borrowers identified through work conducted under the Work Plan. In the event that a Servicer has a Potential Violation that so far exceeds the Threshold Error Rate for a metric that the Monitor concludes that the error is widespread, Servicer shall, under the supervision of the Monitor, identify other borrowers who may have been harmed by such noncompliance and remediate all such harms to the extent that the harm has not been otherwise remediated.
6. In the event a Potential Violation is cured as provided in Sections E.3, above, then no Party shall have any remedy under the Consent Judgment (other than the remedies in Section E.5) with respect to such Potential Violation.

F. Confidentiality

1. These provisions shall govern the use and disclosure of any and all information designated as “CONFIDENTIAL,” as set forth below, in documents (including email), magnetic media, or other tangible things provided by the Servicer to the Monitor in this case, including the subsequent disclosure by the Monitor to the Monitoring Committee of

such information. In addition, it shall also govern the use and disclosure of such information when and if provided to the Plaintiff States, State Mortgage Regulators, or the CFPB.

2. The Monitor may, at his discretion, provide to the Monitoring Committee or to a participating state, State Mortgage Regulator, or the CFPB any documents or information received from the Servicer related to a Potential Violation or related to the review described in Section C.19; provided, however, that any such documents or information so provided shall be subject to the terms and conditions of these provisions. Nothing herein shall be construed to prevent the Monitor from providing documents received from the Servicer and not designated as “CONFIDENTIAL” to a participating state or the CFPB.
3. The Servicer shall designate as “CONFIDENTIAL” that information, document or portion of a document or other tangible thing provided by the Servicer to the Monitor, the Monitoring Committee or to any participating state, State Mortgage Regulator, or the CFPB that Servicer believes contains a trade secret or confidential research, development, or commercial information subject to protection under applicable state or federal laws (collectively, “Confidential Information”). These provisions shall apply to the treatment of Confidential Information so designated.
4. Except as provided by these provisions, all information designated as “CONFIDENTIAL” shall not be shown, disclosed or distributed to any person or entity other than those authorized by these provisions. Participating states, State Mortgage Regulators, and the CFPB agree to protect Confidential Information to the extent permitted by law.
5. This agreement shall not prevent or in any way limit the ability of a participating state, State Mortgage Regulator, or the CFPB to comply with any subpoena, Congressional demand for documents or information, court order, request under the Right to Financial Privacy Act, or a state or federal public records or state or federal freedom of information act request; provided, however, that in the event that a participating state or the CFPB receives such a subpoena, Congressional demand, court order or other request for the production of any Confidential Information covered by this Order, the state, State Mortgage Regulator, or CFPB shall, unless prohibited under applicable law or unless the state or CFPB would violate or be in contempt of the subpoena, Congressional demand, or court order, (1) notify the Servicer of such request as soon as practicable and in no event more than ten (10) calendar days of its receipt or three calendar days before the return date of the request, whichever is sooner, and (2) allow the Servicer ten (10) calendar days from the receipt of the notice to obtain a protective order or stay of production for the documents or information

sought, or to otherwise resolve the issue, before the state, State Mortgage Regulator, or CFPB discloses such documents or information. In all cases covered by this Section, the state, State Mortgage Regulator, or CFPB shall inform the requesting party that the documents or information sought were produced subject to the terms of these provisions.

- G. Dispute Resolution Procedures.** Servicer, the Monitor, and the Monitoring Committee will engage in good faith efforts to reach agreement on the proper resolution of any dispute concerning any issue arising under the Consent Judgment, including any dispute or disagreement related to the withholding of consent, the exercise of discretion, or the denial of any application. Subject to Section I, below, in the event that a dispute cannot be resolved, Servicer, the Monitor, or the Monitoring Committee may petition the Court for resolution of the dispute. Where a provision of this agreement requires agreement, consent of, or approval of any application or action by a Party or the Monitor, such agreement, consent or approval shall not be unreasonably withheld.
- H. Consumer Complaints.** Nothing in this Consent Judgment shall be deemed to interfere with existing consumer complaint resolution processes, and the Parties are free to bring consumer complaints to the attention of Servicer for resolution outside the monitoring process. In addition, Servicer will continue to respond in good faith to individual consumer complaints provided to it by the Consumer Financial Protection Bureau, State Attorneys General or State Mortgage Regulators in accordance with the routine and practice existing prior to the entry of this Consent Judgment, whether or not such complaints relate to Covered Conduct released herein.
- I. Enforcement**
1. **Consent Judgment.** This Consent Judgment shall be filed in the U.S. District Court for the District of Columbia and shall be enforceable therein. Servicer and the Releasing Parties shall waive their rights to seek judicial review or otherwise challenge or contest in any court the validity or effectiveness of this Consent Judgment. Notwithstanding such waiver, any State Party may bring an action in that Party's state court to enforce the Judgment. Servicer and the Releasing Parties agree not to contest any jurisdictional facts, including the Court's authority to enter this Consent Judgment.
 2. **Enforcing Authorities.** Servicer's obligations under this Consent Judgment shall be enforceable in the U.S. District Court for the District of Columbia or in the state court of any State Party that brings an action to enforce the Judgment. An enforcement action under this Consent Judgment may be brought by any Party to this Consent Judgment or the Monitoring Committee. Monitor Report(s) and Quarterly Report(s) shall not be admissible into evidence by a Party to this Consent Judgment,

except in an action in the Court or state court to enforce this Consent Judgment. In addition, unless immediate action is necessary in order to prevent irreparable and immediate harm, prior to commencing any enforcement action, the CFPB, the State Mortgage Regulator of one of the Plaintiff States that are parties to this Consent Judgment, or the Attorney General of one of the Plaintiff States that are parties to this Consent Judgment must provide notice to the Monitoring Committee of its intent to bring an action to enforce this Consent Judgment. The members of the Monitoring Committee shall have no more than 21 days to determine whether to bring an enforcement action. If the members of the Monitoring Committee decline to bring an enforcement action, the Party must wait 21 additional days after such a determination by the members of the Monitoring Committee before commencing an enforcement action.

3. **Enforcement Action.** In the event of an action to enforce the obligations of Servicer and to seek remedies for an uncured Potential Violation for which Servicer's time to cure has expired, the sole relief available in such an action will be:
 - (a) **Equitable Relief.** An order directing non-monetary equitable relief, including injunctive relief, directing specific performance under the terms of this Consent Judgment, or other non-monetary corrective action.
 - (b) **Civil Penalties.** The Court or state court may award as civil penalties an amount not more than \$1 million per uncured Potential Violation; or, in the event of a second uncured Potential Violation of Metrics 1.a, 1.b, or 2.a (*i.e.*, a Servicer fails the specific Metric in a Quarter, then fails to cure that Potential Violation, and then in subsequent Quarters fails the same Metric again in a Quarter and fails to cure that Potential Violation again in a subsequent Quarter), where the final uncured Potential Violation involves widespread noncompliance with that Metric, the Court or state court may award as civil penalties an amount not more than \$5 million for the second uncured Potential Violation.

Nothing in this Section shall limit the availability of remedial compensation to harmed borrowers as provided in Section E.5.

- (c) Any penalty or payment owed by Servicer pursuant to the Consent Judgment shall be paid to the clerk of the Court or state court or as otherwise agreed by the Monitor and the Servicer and distributed by the Monitor as follows:
 1. In the event of a penalty based on a violation of a term of the Servicing Standards, the penalty shall be allocated, first,

to cover the costs incurred by any party in prosecuting the violation.

2. In the event of a payment due under Paragraph B.11 of Exhibit C, one-third of the payment shall be allocated to the CFPB, one-third shall be allocated to the Plaintiff State Attorneys General to this Consent Judgment, and one-third shall be allocated to the State Mortgage Regulators that are parties to the separate Stipulation and Consent Agreement with Ocwen identified in this Consent Judgment.

- J. Sunset.** This Consent Judgment and all Exhibits shall retain full force and effect for three years from the date it is entered (the “Term”), unless otherwise specified in the Exhibit. Servicer shall submit a final Quarterly Report for the last quarter or portion thereof falling within the Term, and shall cooperate with the Monitor’s review of said report, which shall be concluded no later than six months following the end of the Term, after which time Servicer shall have no further obligations under this Consent Judgment.

Servicing Standards Quarterly Compliance Metrics

Executive Summary

Sampling: (a) A random selection of the greater of 100 loans and a statistically significant sample. (b) Sample will be selected from the population as defined in column E

Review and Reporting Period: Results will be reported Quarterly and 45 days after the end of the quarter.

Errors Definition: An error is a measurement in response to a test question related to the Servicing Standards that results in the failure of the specified outcome. Errors in response to multiple questions with respect to a single outcome would be treated as only a single error.

Metrics Tested

A	B		C	D	E	F
Metric	Measurements		Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
1. Outcome Creates Significant Negative Customer Impact						
A. Foreclosure sale in error	Customer is in default, legal standing to foreclose, and the loan is not subject to active trial, or BK.		n/a	1%	<p>Population Definition: Foreclosure Sales that occurred in the review period.</p> <p>A. Sample :# of Foreclosure Sales in the review period that were tested.</p> <p>B. Error Definition: # of loans that went to foreclosure sale in error due to failure of any one of the test questions for this metric.</p> <p>Error Rate = B/A</p>	<ol style="list-style-type: none"> 1. Did the foreclosing party have legal standing to foreclose? 2. Was the borrower in an active trial period plan (unless the servicer took appropriate steps to postpone sale)? 3. Was the borrower offered a loan modification fewer than 14 days before the foreclosure sale date (unless the borrower declined the offer or the servicer took appropriate steps to postpone the sale)? 4. Was the borrower not in default (unless the default is cured to the satisfaction of the Servicer or investor within 10 days before the foreclosure sale date and the Servicer took appropriate steps to postpone sale)? 5. Was the borrower protected from foreclosure by Bankruptcy (unless Servicer had notice of such protection fewer than 10 days before the foreclosure sale date and Servicer took appropriate steps to postpone sale)?

A	B	C	D	E	F
Metric	Measurements	Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
B. Incorrect Mod denial	Program eligibility, all documentation received, DTI test, NPV test.	5% On income errors	5%	<p>Population Definition: Modification Denied In the Review Period.</p> <p>Error Definition: # of loans that were denied a modification as a result of failure of anyone of the test questions for this metric.</p>	<ol style="list-style-type: none"> 1. Was the evaluation of eligibility Inaccurate (as per HAMP, Fannie, Freddie or proprietary modification criteria)? 2. Was the income calculation inaccurate? 3. Were the inputs used in the decision tool (NPV and Waterfall test) entered in error or inconsistent with company policy? 4. Was the loan NPV positive? 5. Was there an inaccurate determination that the documents received were incomplete?
2. Integrity of Critical Sworn Documents					
A. Was AOI properly prepared	Based upon personal knowledge, properly notarized, amounts agree to system of record within tolerance if overstated.	<p>Question 1, Y/N;</p> <p>Question 2, Amounts overstated (or, for question on Escrow Amounts, understated) by the greater of \$99 or 1% of the Total Indebtedness Amount</p>	5%	<p>Population Definition: Affidavits of indebtedness filed in the review period.</p> <p>Error Definition: For question 1, yes; for question 2, the # of Loans where the sum of errors exceeds the allowable threshold.</p>	<ol style="list-style-type: none"> 1. Taken as a whole and accounting for contrary evidence provided by the Servicer, does the sample indicate systemic issues with either affiants lacking personal knowledge or improper notarization? 2. Verify all the amounts outlined below against the system of record: <ol style="list-style-type: none"> a. Was the correct principal balance used Was the correct interest amount (and per diem) used? b. Was the escrow balance correct? c. Were correct other fees used? d. Was the correct corporate advance balance used? e. Was the correct late charge balance used? f. Was the suspense balance correct? g. Was the total indebtedness amount on the Affidavit correct?

A	B	C	D	E	F
Metric	Measurements	Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
B. POC	Accurate statement of pre-petition arrearage to system of record.	Amounts over stated by the greater of \$50 or 3% of the correct Pre-Petition Arrearage	5%	<p>Population Definition: POCs filed in the review period.</p> <p>Error Definition: # of Loans where sum of errors exceeds the allowable threshold.</p>	1. Are the correct amounts set forth in the form, with respect to pre-petition missed payments, fees, expenses charges, and escrow shortages or deficiencies?
C. MRS Affidavits	Customer is in default and amount of arrearage is within tolerance.	Amounts overstated (or for escrows amounts, understated) by the greater of \$50 or 3% of the correct Post Petition Total Balance	5%	<p>Population Definition: Affidavits supporting MRS's filed in the review period</p> <p>Error Definition: # of Loans where the sum of errors exceeds the allowable threshold.</p>	<p>1. Verify against the system of record, within tolerance if overstated:</p> <ol style="list-style-type: none"> the post-petition default amount; the amount of fees or charges applied to such pre-petition default amount or post-petition amount since the later of the date of the petition or the preceding statement; and escrow shortages or deficiencies.

A	B	C	D	E	F
Metric	Measurements	Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
3. Pre-foreclosure Initiation					
A. Pre Foreclosure Initiation	Accuracy of Account information.	Amounts over stated by the greater of \$99 or 1% of the Total balance	5%	<p>Population Definition: Loans with a Foreclosure referral date in the review period.</p> <p>Error Definition: # of Loans that were referred to foreclosure with an error in any one of the foreclosure initiation test questions.</p>	<p>** Verify all the amounts outlined below against the system of record.</p> <ol style="list-style-type: none"> Was the loan delinquent as of the date the first legal action was filed? Was information contained in the Account Statement completed accurately? <ol style="list-style-type: none"> The total amount needed to reinstate or bring the account current, and the amount of the principal; The date through which the borrower's obligation is paid; The date of the last full payment; The current interest rate in effect for the loan; The date on which the interest rate may next reset or adjust; The amount of any prepayment fee to be charged, if any; A description of any late payment fees; and A telephone number or electronic mail address that may be used by the obligor to obtain information regarding the mortgage.

A	B		C	D	E	F
Metric	Measurements		Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
B. Pre Foreclosure Initiation Notifications	Notification sent to the customer supporting right to foreclose along with: Applicable information upon customers request, Account statement information, Ownership statement, and Loss Mitigation statement. Notifications required before 14 days prior to referral to foreclosure.		N/A	5%	<p>Population Definition: Loans with a Foreclosure referral date in the review period.</p> <p>Error Definition: # of Loans that were referred to foreclosure with an error in any one of the foreclosure initiation test questions.</p>	<ol style="list-style-type: none"> 1. Were all the required notification statements mailed no later than 14 days prior to first Legal Date (i) Account Statement; (ii) Ownership Statement; and (iii) Loss Mitigation Statement? 2. Did the Ownership Statement accurately reflect that the servicer or investor has the right to foreclose? 3. Was the Loss Mitigation Statement complete and did it accurately state that: <ol style="list-style-type: none"> a. The borrower was ineligible (if applicable); or b. The borrower was solicited, was the subject of right party contact routines, and that any timely application submitted by the borrower was evaluated?

A	B	C	D	E	F
Metric	Measurements	Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
4. Accuracy and Timeliness of Payment Application and Appropriateness of Fees					
A. Fees adhere to guidance (Preservation fees, Valuation fees and Attorney's fees)	Services rendered, consistent with loan instrument, within applicable requirements.	Amounts over stated by the greater of \$50 or 3% of the Total Default Related Fees Collected	5%	<p>Population Definition: Defaulted loans (60 +) with borrower payable default related fees* collected.</p> <p>Error Definition: # of loans where the sum of default related fee errors exceeds the threshold.</p> <p>* Default related fees are defined as any fee collected for a default-related service after the agreement date.</p>	<p>For fees collected in the test period:</p> <ol style="list-style-type: none"> 1. Was the frequency of the fees collected (in excess of what is consistent with state guidelines or fee provisions in servicing standards? 2. Was amount of the fee collected higher than the amount allowable under the Servicer's Fee schedule and for which there was not a valid exception?
B. Adherence to customer payment processing	Payments posted timely (within 2 business days of receipt) and accurately.	Amounts understated by the greater \$50.00 or 3% of the scheduled payment	5%	<p>Population Definition: All subject payments posted within review period.</p> <p>Error Definition: # of loans with an error in any one of the payment application test questions.</p>	<ol style="list-style-type: none"> 1. Were payments posted to the right account number? 2. Were payments posted in the right amount? 3. Were properly identified conforming payments posted within 2 business days of receipt and credited as of the date of receipt? 4. Did servicer accept payments within \$50.00 of the scheduled payment, including principal and interest and where applicable taxes and insurance as required by the servicing standards? 5. Were partial payments credited to the borrower's account as of the date that the funds cover a full payment? 6. Were payments posted to principal interest and escrow before fees and expenses?

A	B		C	D	E	F
Metric	Measurements		Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
C. Reconciliation of certain waived fees. (I.b.11.C)	Appropriately updating the Servicer's systems of record in connection with the reconciliation of payments as of the date of dismissal of a debtor's Chapter 13 bankruptcy case, entry of an order granting Servicer relief from the stay under Chapter 13, or entry of an order granting the debtor a discharge under Chapter 13, to reflect the waiver of any fee, expense or charge pursuant to paragraphs III.B.1.c.i or III.B.1.d of the Servicing Standards (within applicable tolerances).		Amounts over stated by the greater of \$50 or 3 % of the correct reconciliation amount	5%	<p>Population Definition: All accounts where in-line reconciliation routine is completed within review period.</p> <p>Error Definition: # of loans with an error in the reconciliation routine resulting in overstated amounts remaining on the borrower account.</p>	1. Were all required waivers of Fees, expense or charges applied and/or corrected accurately as part of the reconciliation?
D. Late fees adhere to guidance	Late fees are collected only as permitted under the Servicing Standards (within applicable tolerances).		Y/N	5%	<p>Population Definition: All late fees collected within the review period.</p> <p>Error Definition: # of loans with an error on any one of the test questions.</p>	1. Was a late fee collected with respect to a delinquency attributable solely to late fees or delinquency charges assessed on an earlier payment?

A	B		C	D	E	F
Metric	Measurements		Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
5. Policy/Process Implementation						
A. Third Party Vendor Management	Is periodic third party review process in place? Is there evidence of remediation of identified issues?		Y/N	N	<p>Quarterly review of a vendors providing Foreclosure Bankruptcy, Loss mitigation and other Mortgage services.</p> <p>Error Definition: Failure on any one of the test questions for this metric.</p>	<ol style="list-style-type: none"> 1. Is there evidence of documented oversight policies and procedures demonstrating compliance with vendor oversight provisions: (i) adequate due diligence procedures, (ii) adequate enforcement procedures (iii) adequate vendor performance evaluation procedures (iv) adequate remediation procedures?³ 2. Is there evidence of periodic sampling and testing of foreclosure documents (including notices of default and letters of reinstatement) and bankruptcy documents prepared by vendors on behalf of the servicer? 3. Is there evidence of periodic sampling of fees and costs assessed by vendors to; (i) substantiate services were rendered (ii) fees are in compliance with servicer fee schedule (iii) Fees are compliant with state law and provisions of the servicing standards? 4. Is there evidence of vendor scorecards used to evaluate vendor performance that include quality metrics (error rate etc)? 5. Evidence of remediation for vendors who fail metrics set forth in vendor scorecards and/or QC sample tests consistent with the servicer policy and procedures?
B. Customer Portal	Implementation of a customer portal.		Y/N	N	A Quarterly testing review of Customer Portal.	<ol style="list-style-type: none"> 1. Does the portal provide loss mitigation status updates?

A	B		C	D	E	F
Metric	Measurements		Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
C. SPOC	Implement single point of contact ("SPOC").		Y/N 5% for Ques tion 4	N For Que stio n #4: 5%	<p>Quarterly review of SPOC program per provisions in the servicing standard.</p> <p>Population Definition (for Question 4): Potentially eligible borrowers who were identified as requesting loss mitigation assistance.</p> <p>Error Definition: Failure on any one of the test questions for this metric.</p>	<ol style="list-style-type: none"> 1. Is there evidence of documented policies and procedures demonstrating compliance with SPOC program provisions? 2. Is there evidence that a single point of contact is available for applicable borrowers? 3. Is there evidence that relevant records relating to borrower's account are available to the borrower's SPOC? 4. Is there evidence that the SPOC has been identified to the borrower and the method the borrower may use to contact the SPOC has been communicated to the borrower?

A	B		C	D	E	F
Metric	Measurements		Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
D. Workforce Management	Training and staffing adequacy requirements.		Y/N	N	Loss mitigation, SPOC and Foreclosure Staff. Error Definition: Failure on any one of the test questions for this metric.	<ol style="list-style-type: none"> 1. Is there evidence of documented oversight policies and procedures demonstrating effective forecasting, capacity planning, training and monitoring of staffing requirements for foreclosure operations? 2. Is there evidence of periodic training and certification of employees who prepare Affidavits sworn statements or declarations.

A	B		C	D	E	
Metric	Measurements		Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
E. Affidavit of Indebtedness Integrity.	Affidavits of Indebtedness are signed by affiants who have personal knowledge of relevant facts and properly review the affidavit before signing it.		Y/N	N	Annual Review of Policy.	1. Is there evidence of documented policies and procedures sufficient to provide reasonable assurance that affiants have personal knowledge of the matters covered by affidavits of indebtedness and have reviewed affidavit before signing it?
F. Account Status Activity.	System of record electronically documents key activity of a foreclosure, loan modification, or bankruptcy.		Y/N	N	Annual Review of Policy.	1. Is there evidence of documented policies and procedures designed to ensure that the system of record contains documentation of key activities?

A	B		C	D	E	F
Metric	Measurements		Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
6. Customer Experiences						
A. Complaint response timeliness	Meet the requirements of Regulator complaint handling.		N/A	5%	Population Definition: Government submitted complaints and inquiries from individual borrowers who are in default and/or have applied for loan modifications received during the three months prior to 40 days prior to the review period. (To allow for response period to expire). Error Definition: # of loans that exceeded the required response timeline.	1. Was written acknowledgment regarding complaint/inquires sent within 10 business days of complaint/inquiry receipt?*** 2. Was a written response ("Forward Progress") sent within 30 calendar days of complaint/inquiry receipt?*** ***receipt= from the Attorney General, state financial regulators, the Executive Office for United States Trustees/regional offices of the United States Trustees, and the federal regulators and documented within the System of Record.
B. Loss Mitigation						
i. Loan Modification Document Collection timeline compliance			N/A	5%	Population Definition: Loan modifications and loan modification requests (packages) that that were missing documentation at receipt and received more than 40 days prior to the end of the review period. Error Definition: The total # of loans processed outside the allowable timelines as defined under each timeline requirement tested.	1. Did the Servicer notify borrower of any known deficiency in borrower's initial submission of information, no later than 5 business days after receipt, including any missing information or documentation? 2. Was the Borrower afforded 30 days from the date of Servicer's notification of any missing information or documentation to supplement borrower's submission of information prior to making a determination on whether or not to grant an initial loan modification?

A	B		C	D	E	F
Metric	Measurements		Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
ii. Loan Modification Decision/Notification timeline compliance				10%	<p>Population Definition: Loan modification requests (packages) that are denied or approved in the review period.</p> <p>Error Definition: The total # of loans processed outside the allowable timelines as defined under each timeline requirement tested.</p>	<ol style="list-style-type: none"> 1. Did the servicer respond to request for a modification within 30 days of receipt of all necessary documentation? 2. Denial Communication: Did the servicer notify customers within 10 days of denial decision?
iii. Loan Modification Appeal timeline compliance				10%	<p>Population Definition: Loan modification requests (packages) that are borrower appeals in the review period.</p> <p>Error Definition: The total # of loans processed outside the allowable timeline tested.</p>	<ol style="list-style-type: none"> 1. Did Servicer respond to a borrowers request for an appeal within 30 days of receipt?
iv. Short Sale Decision timeline compliance				10%	<p>Population Definition: Short sale requests (packages) that are complete in the three months prior to 30 days prior to the end of the review period. (to allow for short sale review to occur).</p> <p>Error Definition: The total # of loans processed outside the allowable timeline tested.</p>	<ol style="list-style-type: none"> 1. Was short sale reviewed and a decision communicated within 30 days of borrower submitting completed package?

A	B		C	D	E	F
Metric	Measurements		Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
v. Short Sale Document Collection timeline compliance				5%	<p>Population Definition: Short sale requests (packages) missing documentation that are received in the three months prior to 30 days prior to the end of the review period (to allow for short sale review to occur).</p> <p>Error Definition: The total # of loans processed outside the allowable timeline tested.</p>	1. Did the Servicer provide notice of missing documents within 30 days of the request for the short sale?
vi. Charge of application fees for Loss mitigation				1%	<p>Population Definition: loss mitigation requests (packages) that are Incomplete, denied, approved and borrower appeals in the review period.</p> <p>(Same as 6.B.i)</p> <p>Error Definition: The # of loss mitigation applications where servicer collected a processing fee.</p>	1. Did the servicer assess a fee for processing a loss mitigation request?
vii. Short Sales						
a. Inclusion of notice of whether or not a deficiency will be required	Provide information related to any required deficiency claim.		n/a	5%	<p>Population Definition: Short sales approved in the review period.</p> <p>Error Definition: The # of short sales that failed any one of the deficiency test questions</p>	<p>1. If the short sale was accepted, did borrower receive notification that deficiency or cash contribution will be needed?</p> <p>2. Did borrower receive in this notification approximate amounts related to deficiency or cash contribution?</p>
viii. Dual Track						

A	B	C	D	E	F
Metric	Measurements	Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
a. Referred to foreclosure in violation of Dual Track Provisions	Loan was referred to foreclosure in error.	n/a	5%	Population Definition: Loans with a first legal action date in the review period. Error Definition: The # of loans with a first legal filed in the review period that failed any one of the dual tracking test questions.	1. Was the first legal action taken while the servicer was in possession of an active, complete loan modification package (as defined by the Servicing Standards) that was not decisioned as required by the standards? 2. Was the first legal commenced while the borrower was approved for a loan modification but prior to the expiration of the borrower acceptance period, borrower decline of offer or while in an active trial period plan?
b. Failure to postpone foreclosure proceedings in violation of Dual Track Provisions	Foreclosure proceedings allowed to proceed in error.	n/a	5%	Population Definition: Active foreclosures during review period. Error Definition: # of active foreclosures that went to judgment as a result of failure of any one on of the active foreclosure dual track test question.	1. Did the servicer proceed to judgment or order of sale upon receipt of a complete loan modification package within 30 days of the Post-Referral to Foreclosure Solicitation Letter?** **Compliance of Dual tracking provisions for foreclosure sales are referenced in 1.A
C. Forced Placed Insurance					
i. Timeliness of notices	Notices sent timely with necessary information.	n/a	5%	Population Definition: Loans with forced placed coverage initiated in review period. Error Definition: # of loans with active force place insurance resulting from an error in any one of the force-place insurance test questions.	1. Did Servicer send all required notification letters (ref. V 3a i-vii) notifying the customer of lapse in insurance coverage? 2. Did the notification offer the customer the option to have the account escrowed to facilitate payment of all insurance premiums and any arrearage by the servicer prior to obtaining force place insurance? 3. Did the servicer assess forced place insurance when there was evidence of a valid policy?
ii Termination of Force place Insurance	Timely termination of force placed insurance.		5%	Population Definition: Loans with forced placed coverage terminated in review period. Error Definition: # of loans terminated force place insurance with an error in any one of the force- place insurance test questions.	1. Did Servicer terminate FPI within 15 days of receipt of evidence of a borrower's existing insurance coverage and refund the pro-rated portion to the borrower's escrow account?

A	B	C	D	E	F
Metric	Measurements	Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
D. Transfer of Servicing Rights					
i. Transfer of servicing to Servicer	Accept, and continue to process pending loan modification requests from the prior servicer and honor loan modification agreements entered into by the prior servicer.	n/a	5%	<p>Population Definition: Loans or loan servicing rights sold or transferred to the servicer during the review period, including for subservicing, with a pending loan modification request (in process) or a trial or permanent modification at the time of sale or transfer.</p> <p>Error Definition: # of loans with an error in any one of the transfer or servicing test questions.</p>	<ol style="list-style-type: none"> 1. Did the Servicer accept and continue to process pending loan modification request of the prior servicer? 2. Did the Servicer honor trial and permanent loan modification agreements entered into by the prior servicer?

A	B	C	D	E	F
Metric	Measurements	Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
# 30					
Standards: N/A	Loan Modification Process	Y/N for Questions 1 - 3	5%	<p>Population Definition:</p> <p>1st lien borrowers declined in the review period for incomplete or missing documents in their loan modification application.⁴</p> <p>Error Definition:</p> <p>Loans where the answer to any one of the test questions is a No.</p>	<ol style="list-style-type: none"> 1. Is there evidence Servicer or the assigned SPOC notified the borrower in writing of the documents required for an initial application package for available loan modification programs? 2. Provided the borrower timely submitted all documents requested in initial notice of incomplete information ("5 day letter") or earlier ADRL letters, did the Servicer afford the borrower at least 30 days to submit the documents requested in the Additional Document Request Letter ("ADRL") before declining the borrower for incomplete or missing documents? 3. Provided the borrower timely submitted all documents requested in the initial notice of incomplete information ("5-day letter") and earlier ADRL letters, did the Servicer afford the borrower at least 30 days to submit any additional required documents from the last ADRL before referring the loan to foreclosure or proceeding to foreclosure sale?

A	B	C	D	E	F
Metric	Measurements	Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
# 31					
Standards: IV.C.4 g IV.G 2.a	Loan Modification Denial Notice Disclosure	Y/N for Questions 1 - 2	5%	<p>Population Definition:</p> <p>1st lien borrowers declined in the review period for a loan modification application.</p> <p>Error Definition:</p> <p>Loans where the answer to any one of the test questions is a No.</p>	<ol style="list-style-type: none"> Did first lien loan modification denial notices sent to the borrower provide: <ol style="list-style-type: none"> the reason for denial; the factual information considered by the Servicer; and a timeframe for the borrower to provide evidence that the eligibility determination was in error? Following the Servicer's denial of a loan modification application, is there evidence the Servicer or the assigned SPOC communicated the availability of other loss mitigation alternatives to the borrower in writing?

A	B	C	D	E	F
Metric	Measurements	Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
# 32					
Standards: IV.C.2	SPOC Implementation and Effectiveness	Y/N for Questions 1 - 3	5% for Question 1 Y/N for Questions 2 - 3	<p>Population Definition:</p> <p>For Question 1: 1st lien borrowers who were reassigned a SPOC for loss mitigation assistance in the review period</p> <p>For Question 2 and 3: Quarterly review of policies or procedures</p> <p>Error Definition:</p> <p>Failure on any one of the test questions for this Metric.</p>	<ol style="list-style-type: none"> 1. Is there evidence that Servicer identified and provided updated contact information to the borrower upon assignment of a new SPOC if a previously designated SPOC is unable to act as the primary point of contact? 2. Is there evidence of implementation of management routines or other processes to review the results of departmental level SPOC scorecards or other performance evaluation tools?⁵ 3. Is there evidence of the use of tools or management routines to monitor remediation, when appropriate, for the SPOC program if it is not achieving targeted program metrics?

A	B	C	D	E	F
Metric	Measurements	Loan Level Tolerance for Error ¹	Threshold Error Rate ²	Test Loan Population and Error Definition	Test Questions
# 33					
Standards: I.B.5	Billing Statement Accuracy	<p>For test question 1: Amounts overstated by the greater of \$99 or 1% of the correct unpaid principal balance.</p> <p>For test questions 2 and 3: Amounts overstated by the greater of \$50 or 3% of the total balance for the test question</p>	5%	<p>Population Definition: Monthly billing statements sent to borrowers in the review period.⁶</p> <p>Error Definition:</p> <p>The # of Loans where the net sum of errors on any one of the test questions exceeds the applicable allowable tolerance.</p>	<ol style="list-style-type: none"> Does the monthly billing statement accurately show, as compared to the system of record at the time of the billing statement, the unpaid principal balance? Does the monthly billing statement accurately show as compared to the system of record at the time of the billing statement each of the following: <ol style="list-style-type: none"> total payment amount due; and, fees and charges assessed for the relevant time period? Does the monthly billing statement accurately show as compared to the system of record at the time of the billing statement the allocation of payments, including a notation if any payment has been posted to a "suspense or unapplied funds account"?

¹ Loan Level Tolerance for Error: This represents a threshold beyond which the variance between the actual outcome and the expected outcome on a single test case is deemed reportable

² Threshold Error Rate: For each metric or outcome tested if the total number of reportable errors as a percentage of the total number of cases tested exceeds this limit then the Servicer will be determined to have failed that metric for the reported period.

³ For purposes of determining whether a proposed Metric and associated Threshold Error Rate is similar to those contained in this Schedule, this Metric 5.A shall be excluded from consideration and shall not be treated as representative.

⁴ The population includes only borrowers who submitted the first document on or before the day 75 days before the scheduled or expected foreclosure sale date.

This Metric is subject to applicable investor rule requirements.

Nothing in this Metric shall be deemed to prejudice the right of a Servicer to decline to evaluate a borrower for a modification in accordance with IV.H.12. Specifically, Servicer shall not be obligated to evaluate requests for loss mitigation options from (a) borrowers who have already been evaluated or afforded a fair opportunity to be evaluated consistent with the requirements of HAMP or proprietary modification programs, or (b) borrowers who were evaluated after the date of implementation of this Agreement, consistent with this Agreement, unless there has been a material change in the borrower's financial circumstances that is documented by borrower and submitted to Servicer.

⁵ The following evidence is considered appropriate using a qualitative assessment:

- Documents that provide an overview of the program, policy or procedures related to periodic performance evaluations, including the frequency thereof; or
- Sample departmental level SPOC scorecard or other performance evaluation tools that reflect performance and quality metrics, evidence of the use of thresholds to measure non-performance, identifiers when remediation is required and evidence that such remediation was identified by management, when appropriate.

⁶ This Metric is N/A for borrowers in bankruptcy or borrowers who have been referred to or are going through foreclosure.

ATTACHMENT 2
IRG Assertion

See attached.

Ocwen Loan Servicing, LLC

IRG Assertion

I am the Manager of the Internal Review Group of Ocwen. To the best of my knowledge, after undertaking reasonable due diligence, I certify that the Consumer Relief Report of Servicer for the period ending December, 31, 2014 and the outcomes of the Satisfaction Review are based on a complete and accurate performance of the Work Plan by the IRG. This IRG Assertion is given to the Monitor, as identified in the Consent Judgment, pursuant to Section C.7 and D.1 of Exhibit E to the Consent Judgment (Enforcement Terms) and Section I.B.4 and Section III of the Work Plan.

IRG Manager: Barbara HolmesBarbara Holmes**Date:** 2/17/2015

Consumer Relief	Current Quarter	Reported to Date
Reported Credits through 12/31/2014		
(\$s) in Millions	\$ 881,219,183.49	\$ 881,219,183.49
First Lien Modifications	\$ 881,219,183.49	\$ 881,219,183.49
Total Consumer Relief	\$ 881,219,183.49	\$ 881,219,183.49

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