

Update on SunTrust's Consumer Relief and Compliance

A Report from the Monitor of the National Mortgage Settlement



Executive Summary

The following report is an overview of SunTrust's progress under the National Mortgage Settlement (NMS or Settlement) that includes:

- A summary of SunTrust's progress toward satisfying its consumer relief obligation under the NMS through the first half of 2015.
- A review of SunTrust's compliance with the servicing standards, or rules, outlined in the Settlement for the second half of 2015.

July 1, 2013 - June 30, 2015	July 1, 2015 -				
SunTrust	SunTrust Metrics				
Consumer Relief	Compliance				

As a result of my reviews, I have credited SunTrust with \$370,474,005 in total consumer relief credit. This marks relief to 16,921 borrowers through June 30, 2015. Under the Settlement, by September 30, 2017, SunTrust must earn:

- \$475 million in consumer relief credit by providing mortgage relief to distressed borrowers and establishing a mortgage origination program
- \$25 million in consumer relief credit by refinancing the mortgages of current borrowers who would not otherwise qualify for a refinance

Without taking into account any minimums or caps applicable to creditable activity or the allocation of excess relief under Servicer's Refinance Program, SunTrust has now met its obligation for the Refinancing Program and approximately 69 percent of its obligation relating to consumer relief activity other than the Refinancing Program.

I have also concluded that SunTrust did not fail any of the compliance metrics I tested for the second half of 2015.

To evaluate SunTrust, I worked with a team of professionals. SunTrust followed a work plan in which its internal review group (IRG) determined whether the servicer complied with the Settlement's terms. My professionals and I then reviewed the work of servicer's IRG. I determined that the IRG's work was satisfactory and reported my findings to the Court and the public. For more information about the oversight and review process, please see my **previous reports**.

Sincerely,

Joseph A. Smith, Jr.

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Consumer Relief Assertion

SunTrust is required to provide \$500 million in consumer relief by September 30, 2017. Under the Settlement, mortgage loan relief to distressed borrowers must make up \$475 million of the consumer relief, and \$25 million must be part of a refinancing program to current borrowers who would not otherwise qualify for a refinance under SunTrust's generally available refinancing programs. For more details, view the Settlement agreement **here**.

As a result of the testing described below, SunTrust's IRG has validated credit in the amount of \$370,474,005 as a result of relief on 16,921 loans. Approximately 75 percent of the claimed credit was a result of loans in SunTrust's mortgage loan portfolio that are held for investment. Eighteen percent of SunTrust's claimed credit was through First Lien Mortgage Modifications, 39 percent was through Second Lien Portfolio Modification, 12 percent was through refinancing relief, 22 percent was through the New Lending program and nine percent was through short sales, deed-in-lieu and other types of consumer relief.

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Consumer Relief Assertion

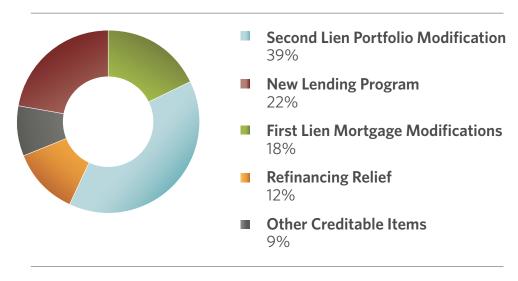
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Total Claimed Credit



My primary professional firm (PPF), BDO
Consulting, a division of BDO USA, LLP, reviewed
SunTrust's IRG's assertion and tested each loan in
the IRG's sample from each testing population.
The difference between the amounts of relief
claimed by SunTrust and the amounts calculated
by BDO were within the two percent error

tolerance contemplated by the Work Plan. Therefore, BDO and I determined that SunTrust's IRG correctly validated SunTrust's consumer relief credit amounts.

This table sets out a breakdown, by type of relief, of the sample testing conducted by BDO.

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Testing Population	Loans Reviewed by PPF	Servicer's Reported Credit Amount	Actual Credit Amount PPF Calculated	Amount Overstated/ (Understated)	Percentage Overstated/ (Understated)	
First Lien Mortgage Modifications	186	\$28,635,535	\$28,454,908	\$180,627	0.6%	
Second Lien Portfolio Modifications	317	\$6,139,254	\$6,118,178	\$21,076	0.3%	
Refinancing Program	273	\$7,015,172	\$7,005,436	\$9,736	0.1%	
Other Credits	258	\$6,785,068	\$6,757,881	\$27,187	0.4%	
New Lending Program	313	\$4,276,875	\$4,276,875	-	-	



Consumer Relief Testing Results

BDO documented its findings in its work papers and reported them to me. After BDO and I conducted an in-depth review of both the IRG's and BDO's work papers, I found that SunTrust is entitled to the credit claimed. As a result, I have credited SunTrust with an additional \$362,646,294 toward its consumer relief obligation, bringing

the total amount of credit it has earned under the Settlement to \$370,474,005. Additionally, SunTrust has exceeded the amount of credit it was required to earn through a refinance program.

This chart shows, by type of relief, the amount of credit SunTrust has earned to date:

Type of Relief	Number of Loans	Earned Credit Amount to Date			
First Lien Mortgage Modifications	454	\$68,670,465			
Second Lien Portfolio Modifications	7,740	\$142,931,313			
Refinancing Program	1,600	\$42,778,768			
Other Creditable Items	1,162	\$35,069,085			
New Lending Program	5,965	\$81,024,375			
Total Consumer Relief Programs	16,921	\$370,474,0051			

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Servicing Standards Compliance

I also evaluated SunTrust using metrics, or tests, enumerated in the Settlement. These metrics determine whether SunTrust adhered to the 304 servicing standards, or rules, contained in the NMS.

The work to test SunTrust's compliance with the metrics in the third and fourth quarter 2015 involved 43 professionals, including my primary professional firm, my secondary professional firm and other professionals who dedicated approximately 21,470 hours over a six-month period.

This report covers SunTrust's compliance with 31² tested metrics under the NMS during the third and fourth quarter 2015.

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Metrics Compliance

Neither SunTrust's IRG nor my professionals found evidence of fails for any of the metrics tested in the third and fourth quarters 2015.

SCORECARD: Sun Trust The Monitor's Secondary Professional Firm (SPF) assigned to Suntrust, Crowe Chizek, LLP, tested the IRG's work on 31 metrics during the third and fourth quarters 2015. The chart below illustrates the results of the IRG's tests.									ettlement ight
METRIC NAME	METRIC NUMBER	TEST PERIOD	THRESHOLD ERROR RATE	RESULT (ERROR RATE IF FAILED)	METRIC NAME	METRIC NUMBER	TEST PERIOD	THRESHOLD ERROR RATE	RESULT (ERRO
oreclosure sale in error	1 (1.A)	Q3 2015	1.00%	Pass	Complaint response timeliness	18 (6.A)	Q3 2015	5.00%	Pass
		Q4 2015	1.00%	Pass	,		Q4 2015	5.00%	Pass
ncorrect modification denial	2 (1.8)	Q3 2015	5.00%	Pass	Loan modification document	19 (6.B.i)	Q3 2015	5.00%	Pass
	- ()	Q4 2015	5.00%	Pass	collection timeline compliance		Q4 2015	5.00%	Pass
Affidavit of Indebtedness	3 (2.A)	Q3 2015	5.00%	Pass	Loan modification decision/	20 (6.B.ii)	Q3 2015	10.00%	Pass
AOI) preparation		Q4 2015	5.00%	Pass	notification timeline compliance		Q4 2015	10.00%	Pass
Proof of Claim (POC)	4 (2.8) Q3 2015 5.00% Pass Loan modification		21 (6.B.iii)	Q3 2015	10.00%	Pass			
		Q4 2015	5.00%	Pass	appeal timeline compliance		Q4 2015	10.00%	Pass
Motion for Relief from	5 (2.C)	Q3 2015	5.00%	Pass	Short Sale decision	22 (6.B.iv)	Q3 2015	10.00%	Pass
itay (MRS) affidavits		Q4 2015	5.00%	Pass Pass	timeline compliance		Q4 2015	10.00%	Pass Pass
re-foreclosure initiation	6 (3.A)	Q3 2015 Q4 2015	5.00%	Pass	Short Sale document collection timeline compliance	23 (6.B.v)	Q3 2015 Q4 2015	5.00%	Pass
		Q4 2015 Q3 2015	5.00%	Pass		24 (6.B.vi)	Q4 2015 Q3 2015	1.00%	Pass
re-foreclosure initiation	7 (3.8)	Q4 2015	5.00%	Pass	Charge of application fees for loss mitigation		Q4 2015	1.00%	Pass
otifications		03 2015	5.00%	Pass	_	25 (6.B.vii.a)	Q4 2015 O3 2015	5.00%	Pass
ee adherence to guidance	8 (4.A)	04 2015	5.00%	Pass	Short Sale inclusion notice for deficiency		04 2015	5.00%	Pass
		Q3 2015	5.00%	Pass			Q3 2015	5.00%	Pass
Adherence to customer payment processing	9 (4.8)	Q4 2015	5.00%	Pass	Dual track referred to foreclosure	26 (6.B.viii.a)	Q4 2015	5.00%	Pass
Reconciliation of certain		03 2015	5.00%	Pass	Dual track failure to		03 2015	5.00%	Pass
vaived fees	10 (4.C)	Q4 2015	5.00%	Pass	postpone foreclosure	27 (6.B.viii.b)	Q4 2015	5.00%	Pass
		03 2015	5.00%	Pass	Force-placed insurance		03 2015	5.00%	Pass
ate fees adherence to guidance	11 (4.D)	04 2015	5.00%	Pass	timeliness of notices	28 (6.C.i)	04 2015	5.00%	Pass
		Q3 2015	N/A	Pass	Force-placed insurance		03 2015	5.00%	Pass
hird-party vendor management	12 (5.A)	04 2015	N/A	Pass	termination	29 (6.C.ii)	04 2015	5.00%	Pass
	13 (5.B)	Q3 2015	N/A	Pass		30 (7A) Q:	Q3 2015	5.00%	Pass
Customer portal		Q4 2015	N/A	Pass	Loan modification process		Q4 2015	5.00%	Pass
	14 (5.C)	Q3 2015	5.00%	Pass	Loan modification denial notice disclosure		Q3 2015	5.00%	Pass
ingle Point of Contact (SPOC)*		Q4 2015	5.00%	Pass		31 (7.B)	Q4 2015	5.00%	Pass
	15 (5.D) **	Q3 2015	N/A	X	SPOC implementation and effectiveness*** 32 (7.C)		Q3 2015	5.00%	Pass
Vorkforce management		Q4 2015	N/A	X		Q4 2015	5.00%	Pass	
Affidavit of Indebtedness		Q3 2015	N/A	×	Billing statement accuracy	33 (7.D)	Q3 2015	5.00%	Pass
AOI) integrity	16 (5.E) **	Q4 2015	N/A	X			Q4 2015	5.00%	Pass
		Q3 2015	N/A	X	Disclosure of personally	04/0.00	Q3 2015	3.50%	Pass
Account status activity	17 (5.F) **	Q4 2015	N/A	X	identifiable information in POC	34 (2.D)		3.50%	Pass

See Appendix i for larger version

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SunTrust has made significant progress toward fulfilling its consumer relief obligation and did not fail any metrics during the second half of 2015. I will continue to monitor SunTrust's compliance with the NMS Servicing Standards and its progress toward fulfilling its consumer relief obligations. I will report my additional findings to the Court and the public later this year.

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SCORECARD:

SunTrust

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The Monitor's Secondary Professional Firm (SPF) assigned to Suntrust, Crowe Chizek, LLP, tested the IRG's work on 31 metrics during the third and fourth quarters 2015. The chart below illustrates the results of the IRG's tests.

METRIC NAME	METRIC NUMBER	TEST PERIOD	THRESHOLD ERROR RATE	RESULT (ERROR RATE IF FAILED)	METRIC NAME	METRIC NUMBER	TEST PERIOD	THRESHOLD ERROR RATE	RESULT (ERROR RATE IF FAILED)
Faradanin adain amar	1 (1 A)	Q3 2015	1.00%	Pass		18 (6.A)	Q3 2015	5.00%	Pass
Foreclosure sale in error	1 (1.A)	Q4 2015	1.00%	Pass	Complaint response timeliness		Q4 2015	5.00%	Pass
Incorrect modification denial	2 (1.B)	Q3 2015	5.00%	Pass	Loan modification document	19 (6.B.i)	Q3 2015	5.00%	Pass
incorrect modification denial	Z (I.D)	Q4 2015	5.00%	Pass	collection timeline compliance	19 (6.6.1)	Q4 2015	5.00%	Pass
Affidavit of Indebtedness	3 (2.A)	Q3 2015	5.00%	Pass	Loan modification decision/	20 (6.B.ii)	Q3 2015	10.00%	Pass
(AOI) preparation	3 (Z.A)	Q4 2015	5.00%	Pass	notification timeline compliance	20 (6.6.11)	Q4 2015	10.00%	Pass
Proof of Claim (POC)	4 (2.B)	Q3 2015	5.00%	Pass	Loan modification	21 (6.B.iii)	Q3 2015	10.00%	Pass
Proof of Claim (POC)	4 (Z.D)	Q4 2015	5.00%	Pass	appeal timeline compliance	Z1 (O.D.III)	Q4 2015	10.00%	Pass
Motion for Relief from	5 (2.C)	Q3 2015	5.00%	Pass	Short Sale decision	22 (6.B.iv)	Q3 2015	10.00%	Pass
Stay (MRS) affidavits	3 (2.0)	Q4 2015	5.00%	Pass	timeline compliance	22 (0.0.17)	Q4 2015	10.00%	Pass
Pre-foreclosure initiation	6 (3.A)	Q3 2015	5.00%	Pass	Short Sale document	23 (6.B.v)	Q3 2015	5.00%	Pass
rre-ioreciosure ilitiation	0 (3.A)	Q4 2015	5.00%	Pass	collection timeline compliance	23 (0.0.v)	Q4 2015	5.00%	Pass
Pre-foreclosure initiation	7 (3.B) —	Q3 2015	5.00%	Pass	Charge of application fees	24 (6.B.vi)	Q3 2015	1.00%	Pass
notifications	7 (3.0)	Q4 2015	5.00%	Pass	for loss mitigation	Z4 (0.b.vi)	Q4 2015	1.00%	Pass
Fee adherence to guidance	8 (4.A)	Q3 2015	5.00%	Pass	Short Sale inclusion notice	25 (6.B.vii.a)	Q3 2015	5.00%	Pass
tee adherence to guidance	0 (4.7 ()	Q4 2015	5.00%	Pass	for deficiency	25 (O.D.VII.a)	Q4 2015	5.00%	Pass
Adherence to customer	9 (4.B)	Q3 2015	5.00%	Pass	Dual track referred	26 (6.B.viii.a)	Q3 2015	5.00%	Pass
payment processing	7 (4.0)	Q4 2015	5.00%	Pass	to foreclosure	20 (0.b.viii.a)	Q4 2015	5.00%	Pass
Reconciliation of certain	10 (4.C)	Q3 2015	5.00%	Pass	Dual track failure to	27 (6.B.viii.b)	Q3 2015	5.00%	Pass
waived fees	10 (4.0)	Q4 2015	5.00%	Pass	postpone foreclosure	27 (0.0.٧١١١.0)	Q4 2015	5.00%	Pass
Late fees adherence to guidance	11 (4.D)	Q3 2015	5.00%	Pass	Force-placed insurance	28 (6.C.i)	Q3 2015	5.00%	Pass
tate rees aurierence to guidance	11 (4.0)	Q4 2015	5.00%	Pass	timeliness of notices		Q4 2015	5.00%	Pass
Third-party vendor management	12 (5.A)	Q3 2015	N/A	Pass	Force-placed insurance	29 (6.C.ii)	Q3 2015	5.00%	Pass
Tilliu-party velidor management	12 (3.7)	Q4 2015	N/A	Pass	termination		Q4 2015	5.00%	Pass
Customer portal	13 (5.B)	Q3 2015	N/A	Pass	Loan modification process	30 (7.A)	Q3 2015	5.00%	Pass
Customer portar	15 (5.6)	Q4 2015	N/A	Pass	Loan mounication process		Q4 2015	5.00%	Pass
Single Point of Contact (SPOC)*	14 (5.C)	Q3 2015	5.00%	Pass	Loan modification denial	31 (7.B)	Q3 2015	5.00%	Pass
Single Foint of Contact (SFOC)	14 (5.0)	Q4 2015	5.00%	Pass	notice disclosure	31 (7.6)	Q4 2015	5.00%	Pass
Workforce management	15 (5.D) **	Q3 2015	N/A	Χ	SPOC implementation and effectiveness***	32 (7.0)	Q3 2015	5.00%	Pass
Workforce management	13 (3.0)	Q4 2015	N/A	Χ		32 (7.0)	Q4 2015	5.00%	Pass
Affidavit of Indebtedness	16 (5.E) **	Q3 2015	N/A	Χ	Rilling statement accuracy	33 (7.D)	Q3 2015	5.00%	Pass
(AOI) integrity	10 (3.E)	Q4 2015	N/A	X	Billing statement accuracy	33 (7.D)	Q4 2015	5.00%	Pass
Account status activity	17 (5.F) **	Q3 2015	N/A	Χ	Disclosure of personally	24 (2.5)	Q3 2015	3.50%	Pass
Account status activity	1/ (5.F)	Q4 2015	N/A	X	identifiable information in POC	34 (2.D)	Q4 2015	3.50%	Pass

MONITOR'S ROLE:

Testing a Metric

The Internal Review Groups tested, and my professional firms retested, the SunTrust's performance on each metric. The graphic below illustrates the process by which the metrics were tested.



IRG requests any additional If SPF results differ from IRG results, SPF follows up with IRG and requests any additional information from the servicer. IRG adjusts test results, if necessary.

whether the loan passes or fails the

metric test questions.

Step One Step Three Step Four Step Two Retesting by SPF, PPF and Monitor Testing by IRG **IRG submits Compliance Review Servicer implements** servicing standards Report to the Monitor report on metrics to the **D.C. District Court** IRG team tests samples of loans SPF selects subsamples and Each metric tests the compliance from a population related to specific reviews work papers of IRG. PPF with particular servicing standards. The Monitor and metrics. The IRG generally uses a and Monitor oversee this process. servicers negotiated a schedule sampling methodology based on a for when to test the 34 metrics. 95% confidence level, 5% estimated error rate and 2% margin of error. IRG reviews each loan to determine

FAILS:

What's Next?

The NMS defines a failed metric as a potential violation and gives the servicer a chance to fix the root causes of its failure. For more information on what happens when a servicer fails a metric, see the graphic below.

Potential Violation

Servicer reports potential violation to the Monitoring Committee within 15 days of the quarterly report

Corrective Action Plan

Servicer implements
Corrective Action Plan
(CAP) to address root

Borrower Remediation

If potential violation is widespread, servicer remediates all borrowers experiencing material harm

Retesting

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

Penalties

Penalties can follow if the servicer fails the same metric in either of the next two quarters after the CAP is completed

Penalties include:

A court order to stop specific behaviors

Up to \$1 million civil penalty

Up to \$5 million fine for failing particular metrics multiple times