

## A Leadership Message from Todd Porter & David Doyle

June 28, 2012

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**To: All Independent Foreclosure Review Team Members**

Team,

The purpose of this memo is to provide you with several timely and important updates to keep you informed on the direction and status of our important work in the Independent Foreclosure Review (IFR). We have several items to cover, so let's get started.

### **FINAL FINANCIAL REMEDIATION GUIDANCE RELEASED BY REGULATORS; NEW RFR DEADLINE ANNOUNCED**

On June 21, the Office of the Comptroller of the Currency (OCC) and the Board of Governors of the Federal Reserve System (FRB) released final guidance that will be used in determining harm and remediation. The guidance helps ensure that similarly situated borrowers who suffered financial injury as a result of errors in foreclosure actions on their homes are treated similarly. To assist and address borrower's questions, the [OCC](#) prepared a [Borrowers' Quick Reference Guide to the Financial Remediation Framework](#) (the Framework) and a [Frequently Asked Questions \(FAQ\)](#) which includes questions and answers covering various topics related to the Framework. The [Framework Matrix](#) provides examples of situations where compensation or other remediation is required for financial injury due to servicer errors, misrepresentations, or other deficiencies.

The OCC and FRB also announced the Request for Review (RFR) deadline has been extended from July 31, 2012 to Sept 30, 2012. The new deadline gives borrowers two additional months to submit a request for review. To review complete details, please read the [joint press release from the OCC and the FRB](#).

### **BAC IFR PROGRAM MANAGEMENT AND OPERATIONS ANNOUNCE CLAIMS RESEARCH PROCESS & ORGANIZATIONAL CHANGES**

As we all know, the IFR Claim Review work is organized and allocated across Promontory Financial Group (PFG) and Bank of America (BAC) to properly reflect and ensure the independent nature of all case reviews. The roles and responsibilities performed by each are defined as follows: BAC – Data and Document Provisioning for both Claim Review and File Review; BAC – Claim Preparation & Research; PFG – Claim Review & Determination. As the program continues to develop, we are committed to making strategic adjustments that bolster our commitment to thorough, accurate, fair, and impartial reviews for all participating

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borrowers. This commitment prompts us to announce the following process and organizational adjustments:

**Work Realignment** – Work required to complete Test H and the associated Quality Assurance (QA) work for Test H will move to PFG, and PFG will solely conduct Test H. This important move creates BAC capacity for Tests A-G, and most notably the highly complex and time consuming G test. It also ensures that harm and financial injury determinations are made solely by the Independent Consultant, further underscoring our commitment to the independence of the IFR, while also accelerating remediation to borrowers.

**BAC “Additional Information” Expansion** - Bank of America will perform, as planned, an Additional Information (AI - *formerly known as Level 3*) process for File Review, which provides supplemental documentation that may be considered in the event of a material omission. Similarly, an AI process will be added for Claim Review, in part as a response to the reallocation of Test H to PFG.

The AI team will be designed, assembled and implemented with the expectation to commence in October 2012.

**Organizational Realignment** – Additional Information (AI) for both File and Claim Review will be aligned to the QA organization under the leadership of Michael Parker. The new alignment creates meaningful separation between Claim Research work and AI process and enables resource re-allocation and optimization opportunities to respond to uneven flow of case work.

**Claim/File Reviewer title changes** – As you know, Reviewers currently conducting claim/file-related work as part of the IFR effort are now referred to as “Claim Researchers” or “File Researchers” to more accurately align to Bank of America’s Claim Preparation & Research functions.

**Test Status –**

- **Test BF/A** – Incorporating changes into the reference guides as result of the 6/22 release. Test is currently in full production.
- **Test B/D** – Incorporating changes into the State Matrix as a result of the 6/22 release. PFG has eliminated many state questions and updated the workflow. Test B/D covers a broad spectrum of situations, such as insurance, SCRA, BPP and Bankruptcy, etc. The Test B/D refinement pilot is underway to focus on specific borrower assertions by reviewing the RFR or the narrative to determine the relevant portion of the test to ensure all issues are addressed. Test B/D refinement is targeting a Go/No Go the week of 7/2, and based on a successful implementation, B/D will go to full production in the coming weeks.
- **Test C** – Revisions in 6/22 release and updated in reference guide. Test is

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currently in full production.

- **Test E/F** – Claim Researchers are answering all questions, uploading evidence in CaseTracker, and completing LML Worksheet. The Fees Information Tab is not being utilized and researchers are not hitting complete until defects have been resolved and/or workarounds have been documented, tested and trained. Incorporating changes (including tool tips) into the reference guides as result of the 6/22 release. Test is currently in full production, but not submitting tests as complete.
- **Test G** – Final questions received and uploaded as a result of the 6/22 release. Test is in limited production in the pre-review, completing LML worksheet and uploading evidence in CaseTracker. Working on reference guide, desk reference and tool tip updates to reflect the latest set of questions received in order to deploy Test G to a controlled population and complete cases by mid-August.
- **Test H** – PFG will execute all Testing for H (both File and Claim Review) while BAC will provide an AI review of all harm cases (both File and Claim Review)

We have covered a lot of information. If you have questions, please come prepared to the next “All Hands” call, Leader Open Lines session, Town Hall, or discuss your questions directly with your manager. We will continue our commitment to keep you informed and share information with you as we know it.

We would like to thank all our teammates for the outstanding commitment and terrific work on the IFR program so far this year. Each and every day, we see reasons to be proud of the work we are doing to help our industry and our company. Thank you for all you do, and enjoy the Fourth of July break.

Todd Porter & David Doyle



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