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IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

AMERICAN HOME MORTGAGE
SERVICING, INC.

Plaintiff/Counterclaim-
Defendant,

v.

STATE OF OHIO, *et al.*,

Defendants/Counterclaim-
Plaintiffs.

CASE NO. 09CVH-11-16491

JUDGE RICHARD S. SHEWARD

OTHER CIVIL—H

CONSENT JUDGMENT

Plaintiff, American Home Mortgage Servicing, Inc. (“AHMSI” or “Plaintiff”), and Defendants, the State of Ohio and the Ohio Attorney General Michael DeWine (the “AG”) (collectively, “Defendants”), hereby jointly file, and agree to the entry of, this Consent Judgment as follows:

WHEREAS, AHMSI filed the above-styled and numbered action on or about November 5, 2009, seeking a declaratory judgment pursuant to the provisions of the Ohio Revised Code (the “R.C.”) § 2721, *et seq.*, and Ohio Civil Rule 57 (the “Lawsuit”). The filing of this Lawsuit was prompted by a demand letter sent to AHMSI by Defendants, alleging violations of the Ohio Consumer Sales Practices Act, R.C. §§ 1345.01, *et seq.* (the “CSPA”). In particular, Defendants alleged that AHMSI’s customer service and loss mitigation activities conducted in connection with its servicing of residential mortgage loans were inadequate and faulty, constituting violations of the CSPA. In this Lawsuit, AHMSI sought a declaration from the Franklin County Court of Common Pleas stating that its practices have resulted in no such violations.

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WHEREAS, Defendants filed their Answer and Counterclaim on or about January 21, 2010, wherein they denied AHMSI was entitled to the declaratory relief requested. Defendants also asserted their own declaratory judgment counterclaim seeking declarations that AHMSI's practices constituted violations of the CSPA. In addition, Defendants asserted causes of action for violations of the CSPA and sought permanent injunctive relief against such alleged violations.

WHEREAS, this Consent Judgment is being entered before any testimony is taken related to this matter. Pursuant to R.C. § 1345.10, this Consent Judgment is not admissible as prima-facie evidence of the facts on which it is based in subsequent proceedings under R.C. § 1345.09 against AHMSI, or its successors or assigns.

NOW, THEREFORE, before any testimony is taken related to this matter and before any adjudication of, or finding on, any issues of fact or law is made in this Lawsuit, solely for the purpose of settling this matter without further litigation, the parties hereto consent to the following adjudications:

I. REMOVAL OF "WAIVER" LANGUAGE FROM LOSS MITIGATION AGREEMENTS

AHMSI will not use the following language or similar language in its modification, forbearance, security retention and other loss mitigation agreements: "Borrower has no right of set-off or counterclaim against Lender or any holder of the Note, or any defense to the obligations of the Note or Security Instrument."

II. PARTICIPATION IN HOME PRESERVATION PROGRAMS IN OHIO

AHMSI commits to participate in good faith in programs to assist Ohio homeowners in distress, including, for example, Ohio's Hardest Hit Funds program, the Home Affordable Modification Program ("HAMP"), the Home Affordable Foreclosure Alternatives Program

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("HAFA"), the Home Affordable Unemployment Program ("HAUP"), and the Rescue Payment Assistance, Transition Assistance and Partial Mortgage Payment Assistance programs offered by the Ohio Housing Financing Agency's Restoring Stability Program. AHMSI's participation in HAMP, HAFA, and HAUP shall be in accordance with: (i) the Making Home Affordable Program Handbook for Servicers of Non-GSE Mortgages, as amended or revised from time to time (the "MHA Handbook"); (ii) any supplemental directives issued by the United States Treasury Department ("Treasury") not then incorporated into the MHA Handbook; and (iii) any formal or informal interpretations issued by Treasury, HAMP Integration, or Making Home Affordable-Compliance (together, the "HAMP Guidance").

AHMSI also commits to participate in good faith in programs sponsored by organizations whose mission it is to assist Ohio homeowners in distress, including, for example Empowering and Strengthening Ohio's People, HOPE NOW, the Neighborhood Assistance Corporation of America, and the Ohio Governor's Office.

AHMSI's commitment to participate in any particular program shall be voluntary and AHMSI may elect to discontinue its participation in any particular program at any time for any reason. AHMSI agrees to provide the AG with quarterly reports listing the programs in which it participates and the organizations with which it works to assist Ohio homeowners.

III. LOSS MITIGATION PROCESSES

A. Provide a Single Point of Contact

AHMSI shall provide a Single Point of Contact as follows:

After (i) a borrower has requested assistance to avoid foreclosure, (ii) AHMSI has made a "Right Party Contact" as defined by Chapter 2, Section 2.2.2 of the MHA Handbook, and (iii) AHMSI has made a positive preliminary eligibility determination as set forth in Chapter 2, Section 1.1 of the MHA Handbook, AHMSI shall assign the borrower (a) a single point of

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contact for all loan modification activities, or (b) a single point of contact for all non-loan modification loss mitigation activities (e.g., Deed-in-Lieu, Short Sale) (each such person, a “Single Point of Contact”). Borrowers who do not meet the preliminary eligibility determination as set forth in Chapter 2, Section 1.1 of the MHA Handbook or borrowers who have requested assistance after the expiration of HAMP, but with whom AHMSI has been able to establish successful efforts to communicate about resolution of the delinquency, will also be assigned a Single Point of Contact. Such borrowers will be requested to provide appropriate documentation so that they may be evaluated for a non-HAMP loan modification. Such borrowers will also be eligible for cessation of collection calls and the suspension of the dual track processes as described herein. In the event that a borrower’s Single Point of Contact is unavailable (e.g., is sick, on leave, on vacation, etc.), other team members shall substitute for such Single Point of Contact. In the event that a Single Point of Contact terminates employment (whether as a result of death, disability or departure) or is reassigned to another position within AHMSI, a new Single Point of Contact shall be assigned to the borrower within a commercially reasonable period of time.

B. Loan Modification Guidelines and Time Frames

AHMSI shall abide by the following guidelines and time frames for all loan modification requests from a borrower with whom AHMSI has made a “Right Party Contact” as defined by Chapter 2, Section 2.2.2 of the MHA Handbook, and who has met the preliminary eligibility requirements as set forth in Chapter 2, Section 1.1 of the MHA Handbook:

1. Receipt of Loan Modification Package

AHMSI shall request the following documents from the borrower: (a) a HAMP Request for Modification and Affidavit, (b) an IRS Form 4506T-EZ or IRS Form 4506-T, as appropriate,

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(c) a Dodd-Frank Certification required under HAMP, (d) the income documentation required under HAMP, and (e) any other documents or information that may be required under HAMP. When returned, if incomplete or incorrect, the aggregate of these documents shall constitute the “Initial HAMP Package.” However, together, these documents and required documentation when returned by a borrower fully executed and complete shall constitute a “Complete HAMP Package.” To be deemed received by AHMSI, the requested Initial HAMP Package or Complete HAMP Package must be sent by the borrower to AHMSI’s dedicated secure e-mail address, fax number or mailing address designated for this purpose. AHMSI shall communicate the appropriate e-mail address, fax number, and mailing address in applicable communications to Ohio borrowers.

2. Cessation of Collection Calls

Ordinary course collection calls may continue until seven (7) days after AHMSI receives a Complete HAMP Package from a borrower, at which time AHMSI shall cease all collection calls other than collection calls made by the Single Point of Contact. Collection calls shall not recommence until ordinary course servicing practices can be resumed as set forth below.

3. Acknowledgment

AHMSI shall issue a letter acknowledging receipt of an Initial HAMP Package within ten (10) days of receipt.

4. HAMP Review & Assessment

Within thirty (30) days of issuing the acknowledgment letter, AHMSI shall review the Initial HAMP Package for completeness and HAMP eligibility, and either:

- a. Issue a Trial Period Plan Notice,¹ or

¹ The “Trial Period Plan Notice” shall conform with the requirements set forth in Chapter 8, Section 8.1 of the MHA Handbook.

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- b. Issue a Non-Approval Notice² with a specified reason, or
- c. Issue an Incomplete Information Notice³ describing what documentation is needed in order to render a decision, in which case the borrower shall have thirty (30) days to submit any outstanding items. If the borrower fails to submit the outstanding documentation within the allotted thirty (30) day timeframe, AHMSI shall:
 - i. Issue a 2nd Incomplete Information Notice describing what documentation is outstanding, in which case the borrower shall have fifteen (15) additional days to submit the outstanding items. In the event the borrower fails to submit the outstanding items, AHMSI shall issue a Non-Approval Notice with a specified reason.
 - ii. Upon receipt of a Complete HAMP Package, AHMSI shall have thirty (30) days to either issue a Trial Period Plan Notice or a Non-Approval Notice with a specified reason.

5. Second Look Review

If a borrower is denied for a HAMP loan modification, AHMSI's Quality Assurance Workout team shall review the denial to confirm that the loan is ineligible under the applicable guidelines.

6. Non-HAMP Review & Assessment

If a borrower is denied for a HAMP loan modification or upon the expiration of HAMP, AHMSI shall review the borrower's Initial HAMP Package, Complete HAMP Package or other requested appropriate documentation to determine whether the borrower qualifies for a non-HAMP loan modification. Within thirty (30) days of sending a Non-Approval Notice, AHMSI shall review the Initial HAMP Package, Complete HAMP Package or other documentation for completeness and eligibility for a non-HAMP modification, and either:

- a. Issue a non-HAMP loan modification offer, or

² The "Non-Approval Notice" shall conform with the requirements set forth in Chapter 2, Section 2.2.2 of the MHA Handbook.

³ The "Incomplete Information Notice" shall conform with the requirements set forth in Chapter 2, Section 2.3.3 of the MHA Handbook.

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- b. Issue a non-approval notice with a specified reason, or
- c. Issue an incomplete information notice describing what documentation is needed in order to render a decision, in which case the borrower shall have thirty (30) days to submit any outstanding items. If the borrower fails to submit the outstanding documentation within the allotted 30-day timeframe, AHMSI shall issue a non-approval notice with a specified reason.

7. Borrower Execution

If a borrower is offered a loan modification via a Trial Period Plan Notice under HAMP, such borrower shall have until the last day of the month in which the first payment is due (or until the next business day if the last day falls on a weekend or holiday) to make the first Trial Period Payment. If a borrower is offered a loan modification offer other than via a Trial Period Plan Notice, the borrower shall have ten (10) days (or until the next business day if the 10th day falls on a weekend or holiday) from receipt of such offer to respond in the manner specified by the offer (typically by either signing and returning the offer or making the first payment).

8. Ordinary Course Servicing Practices

If (i) a borrower fails to respond to a Trial Period Plan Notice or other loan modification offer within the allotted timeframe, (ii) fails, within the allotted timeframe, to provide appropriate documentation that AHMSI requests for it to be able to make a determination of whether the borrower is eligible for a non-HAMP loan modification, or (iii) once AHMSI (x) has made a determination regarding the borrower's eligibility for a HAMP loan modification or a non-HAMP loan modification, and (y) has communicated that determination to the borrower, AHMSI shall be entitled to pursue ordinary course servicing practices, including offering other loss mitigation alternatives while resuming or initiating collections and/or foreclosure proceedings simultaneously.

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9. Suspension of Dual Track

If a property is owner-occupied and after a borrower has submitted a Complete HAMP Package or other appropriate documentation required for the non-HAMP loan modification to AHMSI, AHMSI shall promptly (i) suspend all ongoing foreclosure proceedings with the borrower, and (ii) refrain from initiating any new foreclosure proceedings against the borrower, until a determination of whether the borrower is eligible for a loan modification is made, but in no event for a period greater than **forty-two (42)** days from the date of receipt of the Complete HAMP Package or other appropriate documentation required for the non-HAMP loan modification. If the borrower fails to qualify for a loan modification or otherwise elects not to complete a loan modification after such 42-day period, AHMSI shall be entitled to pursue ordinary course servicing practices, including offering other loss mitigation alternatives while resuming or initiating collections and/or foreclosure proceedings simultaneously.

IV. COMMUNICATIONS BETWEEN OHIO ATTORNEY GENERAL AND AHMSI

The AG and AHMSI shall each provide management level contacts for addressing complaints addressed to the State of Ohio.

All communications from the AG to AHMSI shall be addressed in writing to both AHMSI's Chief Legal Officer and AHMSI's Counsel with responsibility over its Escalated Complaint Resolution Unit (the "ECRU"). In the event that there is a replacement in AHMSI's Chief Legal Officer or its Counsel with responsibility over the ECRU, information for the replacing individual(s) shall be provided to the AG promptly.

All communications from AHMSI to the AG shall be addressed in writing to both the AG's identified Assistant Attorney General and Complaint Specialist. In the event that there is a replacement in the AG's Assistant Attorney General or Complaint Specialist, information for the replacing individual shall be provided AHMSI promptly.

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In the event that the AG forwards a complaint to AHMSI, AHMSI shall investigate and respond in writing to the AG no later than thirty (30) business days after receipt of the AG's communication.

AHMSI and the AG shall use commercially reasonable efforts to resolve any consumer complaints in an expeditious and reasonable manner.

V. OTHER PROVISIONS

A. HAMP and Other Standards

To the extent this Consent Judgment addresses processes governed by the HAMP Guidance, the parties expressly agree and consent that should any of the terms set forth herein conflict with current or future HAMP Guidance, the HAMP Guidance shall govern and supersede the conflicting terms of this Consent Judgment, without the need for amendments to the Consent Judgment. Any HAMP review and assessment, as well as any offer for a HAMP modification, shall be subject to the provisions of HAUP, as set forth in Chapter 3 of the MHA Handbook.

In addition, to the extent any of the terms herein may conflict with guidance issued by either Fannie Mae or Freddie Mac (individually, the "GSE", collectively, the "GSEs"), for mortgage loans that are owned or guaranteed by these GSEs, the parties expressly agree and consent that the relevant guidance issued by the applicable GSE, and any other applicable guidance, shall govern and supersede the conflicting terms of this Consent Judgment for GSE loans, without the need for amendments to this Consent Judgment.

Also, for purposes of the general servicing standards outlined in Sections III.A and B, in the event that AHMSI decides to enter into a separate settlement agreement governing general servicing standards with a coalition of at least twenty-six (26) states (of which the State of Ohio is a part), AHMSI agrees that Sections III.A and B shall be automatically amended and restated

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in their entirety to incorporate solely the general servicing standards from such settlement with the coalition of states. For the avoidance of doubt, so long as the State of Ohio is a part of such 26-state coalition, nothing in this Consent Judgment shall be deemed to prohibit the State of Ohio from participating in and benefiting from new general servicing standards agreed to in a potential subsequent settlement with such coalition.

B. Investor and/or Contractual Restrictions

AHMSI's commitments as set forth in this Consent Judgment are necessarily subject to any applicable investor and/or contractual requirements/restrictions. Accordingly, the parties expressly agree and consent that should any of the terms set forth herein conflict with investor and/or contractual requirements or restrictions, the investor and/or contractual requirements or restrictions shall govern and supersede the conflicting terms of this Consent Judgment, without the need for amendments to the Consent Judgment. Any agreements made herein shall be subject to the provisions set forth in the applicable investor and/or contractual requirements or restrictions.

C. Implementation

The parties agree that the processes and agreements by AHMSI set forth in Sections I-IV of this Consent Judgment shall be implemented within thirty (30) days of the entry of this Consent Judgment.

D. No Admissions

The parties hereby agree that this Consent Judgment shall not constitute or be construed as an admission by AHMSI of any allegation of wrongdoing made or implied by Defendants in connection with this Lawsuit or the lawsuit numbered CV-09-708888 that was filed in the Court of Common Pleas, Cuyahoga County, Ohio and dismissed without prejudice (collectively

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referred to hereinafter as the “Lawsuits”), including, but not limited to allegations that AHMSI violated the CSPA. AHMSI continues to dispute that the CSPA applies to AHMSI, that it is a “supplier” subject to the CSPA, and that it engaged in “consumer transactions” subject to the CSPA. AHMSI continues to dispute all allegations of wrongdoing made or implied by Defendants in connection with the Lawsuits.

E. Release

The parties hereby consent to and do release and discharge one another from any and all potential liability for all claims and counterclaims that have been or might have been asserted by either party in the Lawsuits, and for the conduct described in the pleadings in the Lawsuits, including conduct that occurred at any time prior to and including the date of entry of this Consent Judgment. This release is made by each of the parties on their own behalf. In addition, Defendants make this release and discharge on behalf of all regulatory entities that could pursue and assert claims of any nature against AHMSI. This release shall not preclude or affect any right of the parties to determine and ensure compliance with the terms and provisions of this Consent Judgment.

F. Successors and Assignees

This Consent Judgment shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assignees. Nothing in this Consent Judgment, express or implied, shall give to any person or entity, other than the parties hereto, and their successors and assignees, any benefit or any legal or equitable right, remedy or claim under the Consent Judgment.

G. Governing Law

This Consent Judgment shall be governed by the laws of the State of Ohio.

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H. Continuing Jurisdiction

The parties consent to the jurisdiction of this Court in any proceeding initiated by either party to enforce the obligations under this Consent Judgment.

I. Expiration

This Consent Judgment shall expire three (3) years from the date of its entry. However, the following Sections shall survive expiration: Sections V.D, E, F, G, H, J, K, L and M.

J. Public Inspection File

The parties agree that only the Complaint for Declaratory Judgment, the Answer and Counterclaim of Defendants State of Ohio and Attorney General of Ohio to Plaintiff's Complaint, and this Consent Judgment from this Lawsuit shall be filed in the Public Inspection File pursuant to R.C. § 1345.05(A)(3).

K. Confidentiality of Information Provided

AHMSI represents that it, in good faith, believes all documents and other materials provided to Defendants in connection with this lawsuit and this Consent Judgment constitute trade secrets or materials otherwise protected from disclosure under applicable laws. The AG agrees to protect all materials disclosed by AHMSI to the fullest extent permitted under applicable law. If the AG receives any request pursuant to the Ohio Public Records Act, R.C. § 149.43, for the disclosure of any materials that the AG has received from AHMSI, the AG agrees not to disclose, without giving prior written notice to AHMSI, any such materials that AHMSI has previously identified as confidential and exempt from disclosure under the Ohio Public Records Act, R.C. § 149.43. The written notice to AHMSI shall identify those materials or portions thereof that are the subject of the public records request so that AHMSI may seek

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appropriate legal action, including injunctive relief, to prevent disclosure of the materials at issue.

L. No Private Right of Action

This Consent Judgment is not intended to confer upon any person, including expressly any borrower, any third party beneficiary rights. Further, this Consent Judgment is not intended to create, restrict, or otherwise impact any private right of action on the part of any person or entity other than the parties to this Consent Judgment.

M. Final Settlement

This Consent Judgment constitutes a full and final settlement of the Lawsuits and it represents the entire agreement between the parties, superseding all prior agreements or understandings. The terms of this Consent Judgment may only be modified upon written agreement executed by the parties, other than under the circumstances set forth in Section V.A and B. Upon entry of the Consent Judgment, the parties' claims are dismissed with prejudice.

The parties hereto affix their counsel's signatures in recognition and acceptance of the terms contained herein:

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MICHAEL DEWINE

JONES DAY

**Ohio Attorney General and On Behalf of the
State of Ohio**

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Counsel for Plaintiff and Counterclaim-
Defendant American Home Mortgage
Servicing, Inc.

All relief requested in this case and not expressly granted by this Consent Judgment is denied.

This Consent Judgment disposes of all parties and claims and is a final appealable order.

Signed this _____ day of _____, 201__.

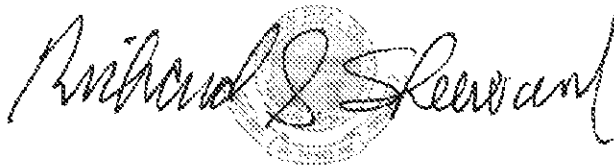
JUDGE RICHARD SHEWARD

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Franklin County Court of Common Pleas

Date: 12-06-2011
Case Title: AMERICAN HOME MORTGAGE SERVICING INC -VS- OHIO
STATE
Case Number: 09CV016491
Type: DECISION/ENTRY

It Is So Ordered.

A handwritten signature in cursive script, reading "Richard S. Sheward", is written over a circular official seal. The seal is partially obscured by the signature and contains some illegible text and a central emblem.

Judge Richard S. Sheward