

Appendix C
Remedial Action Plan

A. Compliance and Government Affairs Officer

1. SunTrust Mortgage (“STM”) will designate a STM employee to serve as the Compliance and Government Affairs Officer for its Loss Mitigation and Foreclosure operations (“Default”) (the “CGA Officer”).
2. The CGA Officer will report directly to the executive responsible for Default operations at STM and will have an indirect (i.e. dotted reporting) line to the STM Chief Risk Officer and to an attorney within SunTrust Bank’s Office of the General Counsel assigned to STM.
3. The CGA Officer shall:
 - a. Oversee Default’s compliance with respect to all applicable regulatory and legal requirements, GSE guideline requirements, and internal STM policies and procedures, except with respect to matters of financial compliance, which are the responsibility of STM’s Chief Executive Officer, STM’s Chief Risk Officer and the Audit Committee of SunTrust Bank.
 - b. Oversee that communications from Default to borrowers are clear, accurate, and in compliance with all applicable laws, regulations, and GSE guidelines.
 - c. Oversee Default’s exposure to risks relating to applicable regulatory and other legal compliance, and GSE guideline requirements affecting the Default operations of STM.
 - d. Oversee compliance with this Restitution and Remediation Agreement and with any similar agreements by SunTrust with the Department of Justice or any other government agency related to Default operations.
 - e. Oversee significant complaints and other matters regarding any function of Default raised through STM’s complaint reporting mechanisms, including but not limited to the mechanism discussed in Section D, *infra*.
 - f. Review and evaluate new developments and current and emerging trends related to applicable regulatory and legal requirements, and GSE guideline requirements affecting the Default operations of STM.
 - g. Review all internal audits related to the Default operations for which the CGA Officer has oversight responsibility, including management’s action plans in response to any noted deficiencies.
 - h. At least biannually review with the Chief Risk Officer of STM the implementation and effectiveness of Default’s loss mitigation-related programs and the adequacy of the resources for those programs.

B. Training Manager

1. STM will designate an employee assigned to Loss Mitigation to oversee all training for loss mitigation employees, including training for call center employees, negotiators, fulfillment team members, and Loss Mitigation management (the “Training Manager”).
2. The Training Manager will have dotted line reporting to the executive responsible for Loss Mitigation and the CGA Officer.
3. The Training Manager will be responsible for ensuring that all Loss Mitigation personnel have received adequate training on applicable GSE and other relevant loss mitigation guidelines, as well as applicable STM policies and procedures.
4. The Training Manager will also be responsible to monitor maintenance of a central repository of resources accessible to all Loss Mitigation employees containing policies and procedures related to applicable rules and regulations for all existing mortgage modification programs.
5. The Training Manager will be responsible to monitor maintenance of records of all training, documenting who attended what training, when it was administered, and the content of the training.
6. STM will provide the Training Manager with sufficient resources to fulfill his or her responsibilities.
7. At least biannually, the Training Manager will report to the CGA Officer regarding the effectiveness and sufficiency of Loss Mitigation’s training programs.

C. Servicing Transfer Manager

1. STM will designate an employee (the “Servicing Transfer Manager”) to be responsible for receiving notice of all loans that are identified for transfer to another servicer. The Servicing Transfer Manager’s responsibilities will include, but are not limited to:
 - i. Ensuring that any new servicer receives information regarding the loss mitigation status of the loans at the time of service transfer;
 - ii. Confirming that all relevant information and documents associated with STM Default activities on the transferred loan are provided to the new servicer;
 - iii. Ensuring the retention of copies of all relevant loan file-related materials provided to the new servicer pursuant to C.ii above, to the extent required by law;

- iv. Ensuring that communications with borrowers about the service transfer of their loan contain full and accurate information consistent with legal and regulatory requirements.

D. Employee Hotline

1. STM has and will maintain an internal hotline for employees to report suspected corporate misconduct of any kind; complaints regarding STM's compliance with all applicable laws, regulations, borrower communications, and investor guidance; and any other concerns regarding STM's operations.
2. The hotline is and will remain available to employees in a manner such that employees may report anonymously if desired.
3. The number for the hotline will be periodically redistributed to all employees and STM's corporate culture will encourage employees to utilize the hotline.
4. A SunTrust Audit Services (SunTrust Bank's Internal Audit Department) employee will be responsible for compiling reports of the Default-related matters identified on the hotline and providing bimonthly summaries of Default-related matter conclusions to the STM Chief Executive Officer and the CGA Officer. The CGA Officer will be responsible for addressing any issues related to Default operations and ensuring that those issues are remedied.

E. Loss Mitigation Borrower Communications Assessment

1. STM will review and remedy any deficiencies in its policies and practices for communicating with borrowers regarding loss mitigation.
2. By no later than 30 days following execution of the Restitution and Remediation Agreement, STM shall ensure that, regarding mortgage modifications:
 - a. All representations in the communications currently sent to borrowers regarding mortgage modifications are clear and accurate, and reasonably convey all material information regarding the borrower's loan;
 - b. Borrowers receive timely confirmation of STM's receipt of documents;
 - c. Borrowers receive timely notice if STM is missing any required documentation, the details of what is missing, and contact information for where to send the missing documentation;
 - d. Borrowers receive regular updates on the status of their mortgage modification applications and anticipated timeline for a decision from STM;

- e. Borrowers receive timely, written notice as to whether they were approved or denied a mortgage modification;
- f. Borrowers who were denied a mortgage modification receive clear, written information as to the reason for their denial, how they can appeal their denial, and additional loss mitigation options that may be available to them.

F. Loss Mitigation Staffing Assessment

1. STM agrees to review and assess the current staffing levels of its Loss Mitigation department. STM agrees to remedy any deficiencies in personnel resources identified as part of such assessment. STM will ensure that by September 1, 2014, that its Loss Mitigation staffing levels are in accord with all applicable legal, regulatory or investor requirements or guidelines. As a general rule, this should include ensuring that no Loss Mitigation employee responsible for reviewing and making determinations as to borrower qualification for mortgage modifications has more than 250 active files in his or her queue, unless and to the extent the requirements or guidelines noted above provide for a different benchmark.

G. Suspense Accounts Assessment

1. STM agrees to review its policies and procedures associated with the handling of suspense accounts established to handle loss mitigation trial payments. The review shall assess and make recommendations to ensure that partial payments placed into suspense accounts are posted to a borrower's accounts as soon as the accumulated amount in the suspense account equals or exceeds the borrower's contractual principal and interest payment.
2. STM agrees to implement all reasonable recommendations to ensure proper updates to and/or implementation of suspense account systems and procedures.
3. STM further agrees that it shall provide borrowers with suspense account statements, separately or as part of its normal account statements, reflecting funds deposited into suspense accounts and the disbursement of funds out of suspense accounts, on a monthly basis, or otherwise consistent with the borrower's payment frequency, so that borrowers have a clear understanding of the use and status of the suspense account and how such suspense account impacts their mortgage loan.
4. The foregoing provisions of this section do not apply to the extent compliance with them would put STM in conflict with any legal, regulatory or contractual obligations, including with respect to securitization of loans.

H. Annual Mortgage Modification Compliance Audit

1. SunTrust Audit Services will continue to perform an annual audit of the loss mitigation process as a part of the SunTrust Audit Services annual risk-based audit plan. This will include a risk-based audit of the modification process, associated controls and compliance with laws, regulations, and investor guidelines.
2. The audit must include, but should not be limited to, a review of:
 - a. STM's document retention policies and practices related to STM's Loss Mitigation function.
 - b. STM's electronic tracking of borrowers' loss mitigation program applications and STM's review of the applications.
 - c. STM's communications with borrowers regarding mortgage modifications, including the items enumerated in Section E, *supra*.
 - d. STM's use of system codes, to prevent improper credit reporting and foreclosure actions.
 - e. STM's credit bureau reporting policies and procedures as they relate to the loss mitigation process.
 - f. STM's documentation of when and how it considered a borrower for each loss mitigation option in the waterfall.
 - g. STM's income verification models and document retention policies related to loan-level income verification.
 - h. STM's handling of suspense accounts for borrowers, including crediting of payments from suspense accounts to borrowers' interest-bearing principal account.
 - i. STM's transfer of servicing rights to other servicers and the documentation of the loss mitigation status of borrowers transferred.
3. SunTrust Audit Services will issue a report that includes any findings, recommendations and management action plans for any issues identified as a result of the audit. SunTrust Audit Services must present its report to STM's CGA Officer no later than one quarter after the conclusion of the audit period.
4. For the duration of this Agreement, STM will provide copies of this audit to the United States Attorney's Office for the Western District of Virginia.

5. STM will remedy any identified issues as quickly as reasonably possible.

I. Biannual Compliance Certification

1. The Chief Executive Officer of STM shall sign a biannual compliance certification (at the end of the second and fourth quarter of each calendar year, starting with the fourth quarter of 2014) (the "Reporting Period").

2. The compliance certification shall state as follows:

"I, [Name], on behalf of SunTrust Mortgage, Inc., do hereby certify that to the best of my knowledge and belief, SunTrust Mortgage is in full compliance with the terms of the Restitution and Remediation Agreement, including the terms of the Remedial Action Plan and the specific requirements provided therein."

3. If STM is not in full compliance with the terms of the Restitution and Remediation Agreement, including each of the terms of the Remedial Action Plan, then the compliance certification shall provide with specificity the details of any violations or instances of noncompliance and provide certification consistent with paragraph I.2, above that STM has complied with all remaining terms.
4. The compliance certification shall be signed, dated, and forwarded to the United States Attorney's Office for the Western District of Virginia no later than one month after the close of the Reporting Period.

J. Legal and Regulatory Compliance

1. STM has agreed to implement the undertakings outlined above, or, to the extent it is already satisfying those undertakings, maintain compliance with them, through the term of this Restitution and Remediation Agreement. To the extent compliance with any of the requirements above would place SunTrust in conflict with any legal, regulatory, contractual or fiduciary obligation, compliance with the relevant provision will be excused or modified to the extent necessary to ensure that SunTrust can comply with its legal, regulatory, contractual or fiduciary obligations.