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April 29, 2013

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Dear Monitoring Committee Members:

I am writing to inform you about a persistent pattern of non-compliance under the National Mortgage Settlement by two of the Participating Servicers: Bank of America and Wells Fargo. My office has received a significant number of complaints regarding the flagrant violations by Bank of America and Wells Fargo of the loan modification timeline requirements contained in Section IV(F) of Exhibit A to the National Mortgage Settlement Consent Judgment.

The Servicing Standards established under the National Mortgage Settlement include several requirements that Participating Servicers must follow in communicating with homeowners who submit applications for a modification to their first lien mortgage loans. These loan modification timeline requirements impose the following obligations on the Servicer:

- Servicer must provide written acknowledgment of receipt of loan modification documentation submitted by a borrower in connection with a first lien loan modification application within three business days of receipt of application documents. (See Exhibit A, Section IV(F)(1));
- Servicer must notify borrower of any known deficiency in the borrower's initial submission within five business days of receipt, including any missing information or documents needed for the loan modification request to be considered complete. (See Exhibit A, Section IV(F)(2));
- Servicer must give borrower 30 days from the date of its notification of missing documents to supplement the borrower's initial submission prior to making a determination whether to grant a loan modification. (See Exhibit A, Section IV(F)(3)); and
- Servicer must review and make a decision on the borrower's loan modification request within 30 days after receipt of the complete loan modification application. (See Exhibit A, Section IV(F)(4)).

Attached please find complaints received by my office against Wells Fargo and Bank of America, along with extensive back up documentation, demonstrating the repeated failure of these Participating Servicers to comply with the Servicing Standards since October 2, 2012, the date when Participating Servicers were required to implement all 304 Servicing Standards under the National Mortgage Settlement. The documents reveal 210 instances in which Wells Fargo and 129 instances in which Bank of America failed to meet their obligations. These complaints were collected from the New York State Attorney General funded network of housing counselors and legal service providers who assist a relatively small percentage of borrowers with distressed loans serviced by both Wells Fargo and Bank of America in New York State. The attached documents, therefore, are merely a sample of what is potentially a much larger pattern of non-

compliance by Wells Fargo and Bank of America under the National Mortgage Settlement. Please note that some of the information contained in these complaints reveals personal information and should be treated confidentially.

Pursuant to Exhibit E, Section J2 of the Consent Judgment, consider this correspondence notice to the Monitoring Committee of my intention to bring an enforcement action against both Bank of America and Wells Fargo for a pattern of non-compliance with key Servicing Standards contained in the Settlement. If the Monitoring Committee chooses not to pursue this enforcement action, we request notification within 21 days of the date of this letter.

If the Monitoring Committee would like additional information regarding these violations please contact Jane Azia, my Consumer Frauds Bureau Chief, to discuss the matter further (212-416-8727). I look forward to working with this Committee towards our shared goal of ensuring that the obligations under the National Mortgage Settlement are fully honored and adhered to. I thank the Committee for its consideration and attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Schneiderman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eric Schneiderman

CC: Eric Holder, United States Attorney General  
Damon Smith, General Counsel, US Department of Housing and Urban  
Development