



# **ALLY FINANCIAL INC.**

## **GMAC Mortgage**

### **Single Point of Contact**

Prepared for the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation

**Revised on December 14, 2011**



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## Plan Overview for Single Point of Contact

This Program for Single Point of Contact ("Program") is established in response to the Consent Order dated April 13, 2011 (the "Order") among the Board of Governors of the Federal Reserve System ("the FRB"), the Federal Deposit Insurance Corporation (the "FDIC"), Ally Bank (the "Bank") Ally Financial Inc. ("Ally Financial" or "AFI"), and certain of Ally Financial's direct and indirect subsidiaries including Residential Capital, LLC ("ResCap") and GMAC Mortgage, LLC ("GMACM" and together with ResCap, the "Mortgage Servicing Companies"). Capitalized terms not defined in the Program shall have the meaning assigned to them in the Order.

The purpose of this Plan is to set forth the actions and responsibilities necessary for GMACM to comply fully with its obligations under Section 5 of the Order.

*Section 5 of the Order requires:*

*Within 60 days of this Order, GMAC Mortgage shall submit to the Reserve Bank an acceptable plan, along with a timeline for actions to be taken, for strengthening coordination of communications between the Mortgage Servicing Companies and borrowers, both oral and written, related to Loss Mitigation and foreclosure activities to ensure: (i) that communications are timely and effective, and are designed to avoid confusion to borrowers; (ii) continuity in the handling of borrowers' loan files during the Loss Mitigation and foreclosure processes by personnel knowledgeable about the borrower's situation; and (iii) that decisions concerning Loss Mitigation options or programs continue to be made and communicated in a timely fashion.*

*Prior to submitting the plan, the Mortgage Servicing Companies shall conduct a review to determine: (i) whether processes involving past due mortgage loans or foreclosures overlap in such a way that they may impair or impede a borrower's efforts to effectively pursue a Loss Mitigation option or program, and (ii) that employee incentive compensation practices do not discourage Loss Mitigation.*

*The plan shall, at a minimum, provide for:*

- (a) Measures to ensure that staff processing a borrower's Loss Mitigation request routinely communicates and coordinates with staff processing the foreclosure on the borrower's property;*
- (b) Appropriate deadlines for responses to borrower communications and requests for consideration of Loss Mitigation, including deadlines for decision making on Loss Mitigation Activities, with the metrics established not being less responsive than the timelines in HAMP;*
- (c) Establishment of an accessible and reliable single point of contact for the borrower so that the borrower has access to an employee of the Mortgage Servicing Companies to obtain information throughout the Loss Mitigation and*

*foreclosure processes;*

- (d) A requirement that written communications with the borrower identify by name the primary single point of contact along with one or more direct means of communication with the primary single point of contact, together with information about secondary points of contact in the event that the primary single point of contact is unavailable;*
- (e) Measures to ensure that the single point of contact has access to current information and personnel (in-house or third-party) sufficient to timely, accurately, and adequately inform the borrower of the current status of the Loss Mitigation and foreclosure activities;*
- (f) Procedures and controls to ensure that a final decision regarding a borrower's Loss Mitigation request (whether on a trial or permanent basis) is made and communicated to the borrower in writing, including the reason(s) why the borrower did not qualify for the trial or permanent modification and, if applicable, the net present value calculations utilized by the Mortgage Servicing Companies, and that involve the single point of contact within a reasonable time before any foreclosure sale occurs;*
- (g) Procedures and controls to ensure that when the borrower's loan has been approved for modification on a trial or permanent basis, (i) no foreclosure or further legal action predicate to foreclosure occurs, unless the borrower is past due on two or more payments post-dating the trial or permanent modification; and (ii) the single point of contact remains available to the borrower and continues to be referenced on all written communications with the borrower;*
- (h) Policies and procedures to enable borrowers to make complaints regarding the Loss Mitigation process, denial of Loss Mitigation requests, the foreclosure process, or foreclosure activities that prevent a borrower from pursuing Loss Mitigation options, and a process for making borrowers aware of the complaint procedures;*
- (i) Procedures for the prompt review, escalation, and resolution of borrower complaints, including a process to communicate the results of the review to the borrower on a timely basis;*
- (j) Policies and procedures to consider loan modification or other Loss Mitigation Activities with respect to junior lien loans owned by Ally Financial, ResCap, the Mortgage Servicing Companies, or Ally Bank where the Mortgage Servicing Companies service the associated first lien mortgage and become aware that such first lien mortgage is delinquent or has been modified;*
- (k) Policies and procedures to ensure that timely information about Loss Mitigation options is sent to the borrower in the event of a delinquency or default, including*

*plain language notices about the pendency of loan modification and foreclosure proceedings; and*

- (l) Policies and procedures to ensure that foreclosure and related documents provided to borrowers and third parties are appropriately maintained and tracked, and that borrowers generally will not be required to resubmit the same documented information that has already been provided, and that borrowers are notified promptly of the need for additional information.*

### **Principles Guiding this Plan**

As described herein, GMACM's plan to strengthen the communication process with borrowers primarily centers on: a) enhancing policies and procedures governing interactions with borrowers during the Loss Mitigation process; and, b) the establishment of Single Point of Contact ("SPOC") employees known as "Relationship Managers" to improve service for Eligible Homeowners during the Loss Mitigation and foreclosure process. Eligible Homeowners are defined as homeowners or their authorized third party representative(s) with a first lien serviced by GMACM, where the property securing the mortgage loan is the homeowner's primary residence. In cases where GMACM services the associated secondary lien(s) of an Eligible Homeowner, GMACM's Loss Mitigation processes will be designed to address both the primary and secondary lien(s).

This plan provides for:

- Timely and effective communications with Eligible Homeowners that are designed to avoid confusion during Loss Mitigation process;
- Timely communication to the Eligible Homeowner of decisions concerning Loss Mitigation options or programs; and
- Continuity in the handling of Eligible Homeowners' loan files during the Loss Mitigation and foreclosure processes by personnel knowledgeable about their situation.

### **Prerequisites to SPOC Plan**

Prior to completing the enclosed plan, GMACM conducted two reviews as required by Section 5 of the Order.

First, GMACM's Servicing Quality Management Department ("SQMD") conducted a review to determine whether existing processes involving past due mortgage loans or foreclosures overlap in such a way that they may impair or impede a borrower's efforts to effectively pursue a Loss Mitigation option or program.

- GMACM recognizes that overlap of Loss Mitigation and foreclosure processes could cause confusion and therefore impair or impede Eligible Homeowner's efforts in

pursuing alternative Loss Mitigation options. GMACM further believes that the United States Treasury's Home Affordable Modification Program ("HAMP") Supplemental Directive 10-02 ("Directive 10-02") guidelines for borrower communication and foreclosure actions minimize this overlap while mitigating the foreclosure impact. As such, in late 2010 GMACM elected to adopt the Directive 10-02 program guidelines for all eligible loans. Eligible loans are defined as non-GSE (Fannie Mae and Freddie Mac being GSE), investor delegated, and/or HAMP eligible.

- At GMACM, loan status, active Eligible Homeowner communication and Loss Mitigation activities are identified, tracked, and managed through the loan servicing system of record, [REDACTED]. The [REDACTED] system provides robust loan level communication capability through a work order framework known as [REDACTED] (" [REDACTED] [REDACTED] also provide functional ownership identification and the basis for systematic triggers that facilitate the halting of further foreclosure actions while eligible regulatory or active Loss Mitigation hold activities are on-going.
- SQMD completed a detailed review of GMACM's existing Loss Mitigation and foreclosure processes, including the review of the [REDACTED] functionality, involving pre-foreclosure (past due mortgage loans) and foreclosure loans. Based on that independent review SQMD concluded that processes are in place to prevent foreclosure referral or sale depending on the status of the Loss Mitigation activity and therefore minimize foreclosure impact.
- Where GMACM has been given delegated authority by the investor, processes follow the guidelines outlined in Directive 10-02. Foreclosure activity and events are placed on hold while the following activities take place (details of the foreclosure hold requirements are listed in the Directive 10-02 (Appendix 5.1):
  - Active Military
  - Bankruptcy
  - Litigation
  - FEMA moratorium
  - Workout option solicitation letter is mailed to the Eligible Homeowner
  - Workout package is sent to the Eligible Homeowner
  - Financial package is received and is under review
  - Financial package is incomplete; awaiting missing items
  - Approved workout
  - Denied modification request
- For investors such as Fannie Mae and Freddie Mac, who have their own defined foreclosure guidelines, or where GMACM has not been given delegated authority, foreclosure activities and events are only placed on hold for the following activities:

- Active Military
- Bankruptcy
- Litigation
- FEMA Moratorium
- Approved trial
- Approved modification

Fannie Mae and Freddie Mac do not follow all the Directive 10-02 guidelines listed above. GMACM will request investor approval for loans that meet such guidelines and will apply Directive 10-02 upon approval only.

- As an added measure, to ensure Eligible Homeowner Loss Mitigation communications are timely, accurate, and in accordance with defined procedures, exception reports are in place. These reports are monitored and any discrepancies are addressed timely by the responsible functional areas. In addition, SQMD performs monthly agent and process level quality reviews to ensure compliance with documented Collection and Loss Mitigation policies and procedures.
- Further, Operational Controls within the SQMD performs daily comprehensive loan level reviews prior to foreclosure referral and prior to foreclosure sale, to confirm various default activities were properly handled and managed within various regulatory, legal and internal guidelines and processes, and that no active Loss Mitigation option exists that would otherwise prohibit foreclosure referral or sale. For details, please refer to appendices in Section 5(g) (Foreclosure Review Definition and Foreclosure Review Template).
- Lastly, the results of this internal review by SQMD have been independently reviewed and confirmed by the Ally Operational Risk Management Group.

Second, GMACM completed a review to ensure that employee incentive compensation practices do not discourage Loss Mitigation.

- GMACM concluded that the incentive compensation plans already in place in the Collections and Loss Mitigation Departments are consistent with GMACM's commitment to pursue all available Loss Mitigation solutions and are based upon the achievement of quality and timeline metrics (such as average speed of answering borrower phone calls, call abandon rates, etc.) and the promotion of modification and other Loss Mitigation options that keep customers in their homes. The incentive amount is calculated first based on the volume of Loss Mitigation solutions such as repayment plans, modifications and short sales completed. The payout amount is then weighted up or down based on quality assurance scores that measure accuracy and timeliness of the Loss Mitigation solutions. The quality reviews are performed independently by SQMD.
- In addition, these incentive plans are reviewed and approved annually by Finance, Risk, Compliance, Human Resources, Mortgage Servicing and Global

Compensation departments. In accordance with requirements imposed under the Troubled Asset Relief Program (“TARP”), the Compensation, Nominating & Governance Committee of the Board of Directors of Ally Financial Inc. also conducts a risk review of compensation plans at least every six months.

- Initially, Relationship Managers will not be included in any type of monthly incentive compensation plan. They will instead be included in the GMACM annual incentive plan, which rewards employees based on performance against key departmental, and individual performance metrics (refer to Section 5(c)). This will avoid incenting the Relationship Managers for any particular Loss Mitigation outcome and focus them on the Eligible Homeowners experience and the ability to help Eligible Homeowners navigate the Loss Mitigation and default processes. As GMACM learns more about the impacts of a single point of contact business model, this decision may be reevaluated.

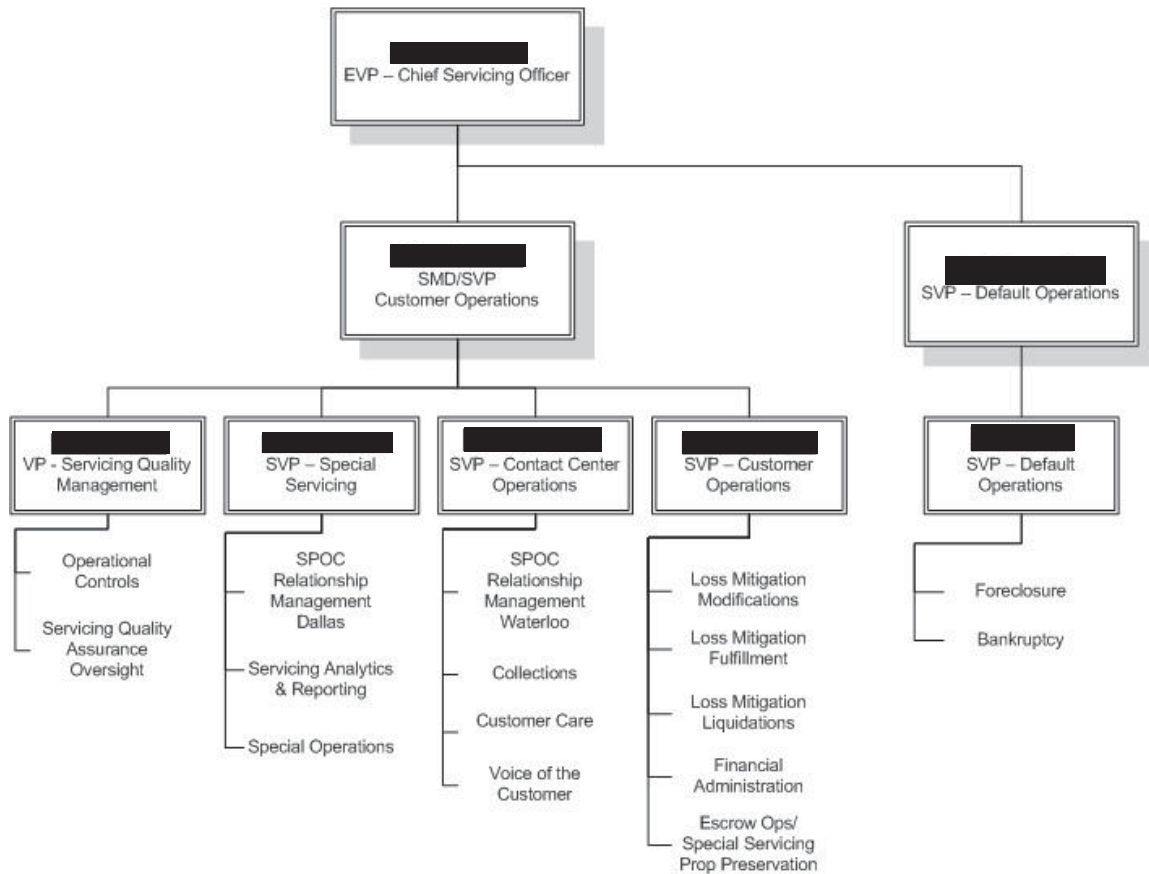
Details around the various incentive plans discussed above are included as Appendices to this Plan as follows:

- Appendix 5.2: Collections Incentive Plan
- Appendix 5.3: Loss Mitigation Associate Incentive Plan
- Appendix 5.4: Loss Mitigation Supervisor Incentive Plan

### **Consent Order Response**

The following high-level organizational chart shows GMACM’s Default Servicing Operations as a whole and helps clarify the reporting structure as the specific responses to the Order are documented:





**Consent Order Response to Section 5(a): Staff Communication**

*Consent Order section 5a states: Measures to ensure that staff processing a borrower’s Loss Mitigation request routinely communicates and coordinates with staff processing the foreclosure on the borrower’s property*

GMACM acknowledges that the Loss Mitigation and foreclosure processes can potentially cause customer confusion and frustration and is committed to always working to minimize that confusion. We further acknowledge that providing industry leading customer service is a key goal and the Company is committed to continuous improvement of our customer interaction. To that end we are enhancing current processes to ensure Eligible Homeowners are able to speak with individuals that are knowledgeable about their circumstances within both the Loss Mitigation and foreclosure processes.

GMACM plans to utilize the following to ensure that staff processing and/or fulfilling Loss Mitigation routinely communicate with staff processing foreclosure actions: a) improved utilization of management information systems (“MIS”), b) enhanced monitoring and controls of the interaction between Loss Mitigation and foreclosure,

and c) direct communication between the Relationship Manager and associates in the Loss Mitigation and foreclosure areas.

### Management Information Systems

As mentioned earlier, GMACM's loan servicing system [REDACTED] utilizes multiple tracking systems to enable effective communication between the Relationship Manager, Loss Mitigation and foreclosure, and provides robust loan level data to these areas that facilitate day-to-day operations and controls. In most cases these loan level, systematic forms of communication are preferred in that they provide consistency and control that is superior to manual efforts. As an example, as loans move through the Loss Mitigation process the system generates triggers for key events. Key events include the receipt of a completed financial package or approval of a trial loan modification. Foreclosure and collections personnel are alerted about those events and have additional access to view and ensure the suspension of further foreclosure and Loss Mitigation actions.

### Monitoring and Controls

To ensure the tracking systems and communication mechanism between Loss Mitigation and foreclosure functions are operating effectively and in accordance with policies, procedures, and legal requirements, GMACM expanded and enhanced oversight functions in its Servicing Quality Management Department as follows. In November 2010, SQMD enhanced the quality control reviews for foreclosure referrals and implemented a daily 7-day pre foreclosure sale review. This loan level comprehensive review verifies that the system tracking mechanisms have identified loan status and activities correctly, that handoffs between departments are occurring timely and effectively, and lastly, prior to foreclosure sale, that all activities were properly handled and managed within various regulatory, legal and internal guidelines and processes, and all Loss Mitigation efforts have been satisfied. In addition to expanding scope, the quality control program(s) will continue to be enhanced through a) monthly results and calibration meetings with the functional business units, b) partnership and participation in training and development curriculums, and c) monthly quality performance reporting.

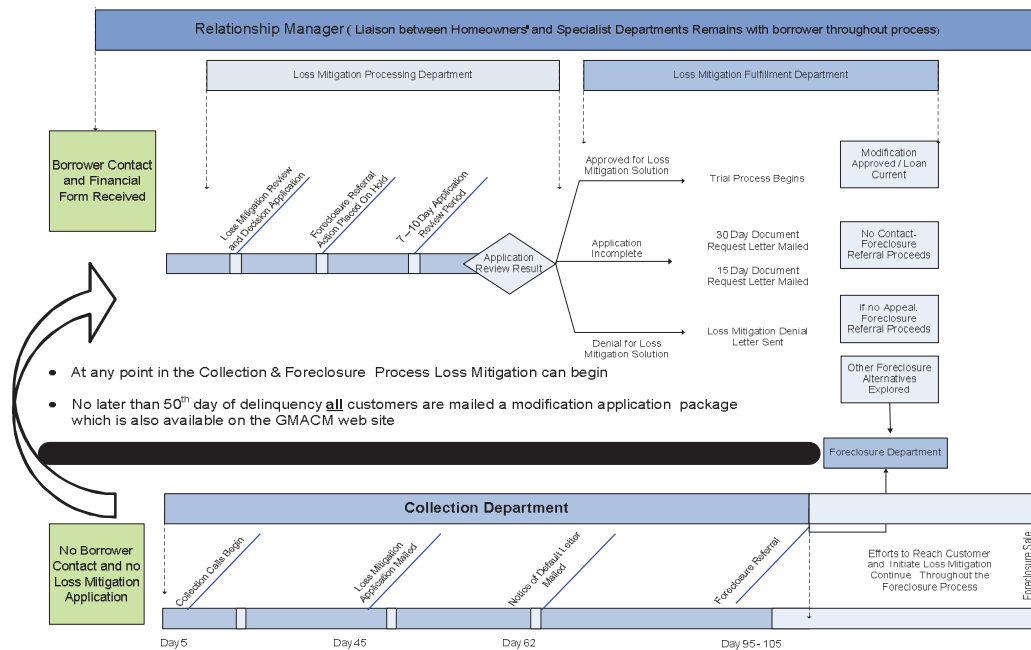
Additional quality controls and measures that will be implemented in response to specific requirements of this Order are discussed throughout this Plan. They will help ensure that processes are working as designed, foreclosure processes are ceasing when appropriate, and customer communication is effective and in accordance with policies. Attached as Appendix 5.5 is a detailed description of the functions, staffing and focus of the SQMD (SQMD Overview).

### Direct Communication

GMACM will establish written policies and procedures to ensure that the Relationship Managers, Loss Mitigation specialists and foreclosure staff have enhanced ability to interact to resolve specific Eligible Homeowner issues. These

policies and procedures will be designed to leverage the [redacted] system in addition to provisions for direct communication between staff. [redacted] within [redacted] will monitor and track the interactions between Relationship Managers, Loss Mitigation specialists, and foreclosure staff and management. This tracking allows for not only controls over [redacted] turnaround times but also provides the ability to track the quality of requests and responses. The following example illustrates [redacted] functionality; the Relationship Manager will communicate specific changes about the Eligible Homeowner's situation to the Loss Mitigation department and request a new review of the loan by utilizing a specific [redacted]. Daily internal management reporting will be used to manage the day-to-day work flow of the groups handling communication around Eligible Homeowner requests. These reports will help ensure timely and effective communication among the areas and be a part of employee performance measurements ensuring that they remain focused on customer response and satisfaction. Weekly reporting will be established and provided to senior servicing management to document compliance. Additionally, reporting will be included in monthly operating reports and provided to Executive GMACM and Ally management. These enhanced and new policies and procedures will be documented by October 1, 2011.

The chart below shows key Loss Mitigation and foreclosure functions, activities, and timelines and how they relate to the Relationship Manager role.



Appendix 5.6: Handoffs between LossMit and Foreclosure Departments

## Consent Order Response to Section 5(b): Response Timelines

*Consent Order section 5b requires: Appropriate deadlines for responses to borrower communications and requests for consideration of Loss Mitigation, including deadlines for decision making on Loss Mitigation Activities, with the metrics established not being less responsive than the timelines in HAMP*

As a leading HAMP servicer, GMACM currently complies with the United States Treasury’s HAMP Directive 10-02 for all HAMP-eligible borrowers. Directive 10-02 covers HAMP eligible loans and governs requirements for mailing of Loss Mitigation solicitation and application packages, completion of required follow-up calls, borrower notification when applications received are incomplete, and mailing of acknowledgement letters upon receipt of the application package. These timelines are as follows:

<b>Timing</b>	<b>Description of Communication</b>
45 - 50 days delinquency	GMACM mails a Loss Mitigation Solicitation package (“Package”) to each delinquent Eligible Homeowner as of the 45 <sup>th</sup> day of delinquency, or upon request, whichever comes sooner. <sup>1</sup>  If an Eligible Homeowner has not returned the Package to GMACM after this initial mailing, an additional Package is mailed on the 60 <sup>th</sup> day of delinquency. Finally, an additional letter is sent at the time of breach expiration, between the 62 <sup>nd</sup> and 92 <sup>nd</sup> day of delinquency.
1 Business Day After Receipt of Package	GMACM sends an acknowledgement letter to each applicable Eligible Homeowner one day after receipt of the Package. <sup>2</sup>
2 Business Days After Receipt of Package	GMACM sends a letter to Eligible Homeowner whose Packages are incomplete. These letters include a description of the missing information.
10 Business Days After Receipt of Complete Package	GMACM completes its review for HAMP and non-HAMP modifications including other foreclosure alternatives such as short payoffs and deeds-in-lieu, and makes an appropriate decision.
2 Business Days After Decision	GMACM mails approval notices for trial modifications or, if applicable, denial notification including the reason for denial.

<sup>1</sup> The Package (Appendix 5.8) consists of a cover page and a financial form used to provide a summary of the Eligible Homeowner’s financial information and a brief description of the Eligible Homeowner’s hardship. The Package also provides a list of required supporting documentation needed to process the Loss Mitigation request.

<sup>2</sup> As noted in the response to Section 5(k), GMACM plans to modify certain standardized form communications to ensure they identify the Relationship Manager.

2 Business Days After Approval of Permanent Modification	At the end of the 3 month Trial period <sup>3</sup> Eligible Homeowners who successfully complete the Trial are approved for a modification and GMACM mails the appropriate permanent modification documents.
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The Loss Mitigation Fulfillment Department, which is responsible for processing Loss Mitigation documents including modification and trial agreements and other Loss Mitigation related correspondence, maintains controls to ensure timeliness and consistency. These controls include daily review of letter generation processes and reconciliation of reports to help ensure that required notifications are mailed in a timely manner. Automated reports are reviewed manually by the Loss Mitigation Fulfillment Department to identify discrepancies, which are addressed within 24-48 hours. These controls will be independently monitored by SQMD on a monthly basis and will be in place by October 1, 2011.

To comply with the Order, effective October 1, 2011, GMACM will meet or exceed Directive 10-02 in all instances (HAMP and non-HAMP). As part of this implementation, GMACM will also implement daily and monthly monitoring of compliance with these communication standards by SQMD.

**Consent Order Response to Section 5(c): Single Point of Contact**

*Consent Order section 5c requires: Establishment of an accessible and reliable single point of contact for the borrower so that the borrower has access to an employee of GMACM to obtain information throughout the Loss Mitigation and foreclosure processes*

GMACM initiated a single point of contact (“SPOC”) Relationship Manager Pilot program in April 2011 (“Pilot”). The goal of the Pilot was to dedicate a Relationship Manager to assist Eligible Homeowners experiencing difficulty in the Loss Mitigation process, to help resolve outstanding issues and find a solution that fits the Eligible Homeowner’s circumstances. A Homeowner was considered to be experiencing difficulty if they had submitted a request for Loss Mitigation but had not received a decision within 30 days of the submission either due to their application being incomplete and remaining incomplete after 30 days of follow up or due to any other exceptions.

GMACM entered into the Consent Order subsequent to the launch of the Pilot. Additionally, on May 18, 2011, Treasury issued Supplemental Directive 11-04

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<sup>3</sup> Trial period is generally three months long. During this period communication with the Eligible Homeowner is limited unless they have specific questions or become delinquent on their trial payments. Upon receipt of the final trial payment the account is prepared for a permanent modification.

(“Directive 11-04”) which provided further guidance on SPOC as it pertains to HAMP-eligible borrowers (see Appendix 5.7). This guidance includes, among other requirements, the following:

- A requirement that the same Relationship Manager is responsible for managing the borrower relationship throughout the entire delinquency or imminent default resolution process, including any home retention and non-foreclosure liquidation options, and, if the loan is subsequently referred to foreclosure, must be available to respond to Homeowner inquiries regarding the status of the foreclosure.
- No later than September 1, 2011, the servicer must assign a Relationship Manager to a delinquent Homeowner or a Homeowner who requests consideration under imminent default immediately upon the successful establishment of Right Party Contact<sup>4</sup> with the borrower and the determination that the servicer will consider the borrower for the Treasury’s modification (HAMP), short sale (“HAFA”) and unemployment (“UP”) programs.
- Borrowers who are in the process of being evaluated for HAMP, HAFA or UP, who are in a Trial Period Plan or an UP forbearance plan or who have executed a HAFA Short Sale or Deed- In-Lieu Agreement as of the effective date of Directive 11-04 must be assigned a Relationship Manager no later than November 1, 2011.

Following the issuance of Directive 11-04, GMACM learned that adoption of the Directive 11-04 guidance would meet the expectations of this Consent Order. Accordingly, GMACM has decided to adopt the provisions of Directive 11-04 for all Eligible Homeowners (as previously defined). GMACM will structure its SPOC program to comply with both this Order and Directive 11-04.

#### SPOC Program Overview

GMACM plans to commence the full implementation of SPOC Program beginning September 1, 2011. GMACM will assign each Eligible Homeowner a Relationship Manager who will remain assigned to the Eligible Homeowner throughout the Loss Mitigation and foreclosure processes. The assignment of a Relationship Manager is also referred as the Entry Point.

Once it is determined during the phone conversation that the cause of the Eligible Homeowner’s hardship appears to be of a permanent nature and normal collection solutions such as full reinstatement or a short term repay plan will not cure the delinquency, GMACM mails a Package regardless of the stage of delinquency. This

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<sup>4</sup> Right Party Contact is defined as a successful effort by GMACM to speak with the Eligible Homeowner about resolution of a delinquency.

Package (Appendix 5.8) has a cover sheet which explains the SPOC concept, and advises the Eligible Homeowner of the following:

- Return of a completed Package is the fastest path to finding a permanent solution to their hardship and assignment of a Relationship Manager
- Return of the cover sheet only (or in fact any piece of paper through which Eligible Homeowner/account can be identified) will also trigger a Relationship Manger assignment
- If the Eligible Homeowner has any difficulty with completing the Package, they are instructed to call us and we will assign a Relationship Manger the next day as a result of that call

In addition, for Eligible Homeowners who do not intend to remain in the home, a Relationship Manager will be assigned upon receipt of a listing agreement, or an offer on the property.

Eligible Homeowners who are in the process of being evaluated for HAMP, HAFA or UP, who are in a Trial Period Plan or an UP forbearance plan or who have executed a HAFA Short Sale or Deed- In-Lieu Agreement as of the effective date of Directive 11-04 but have not been assigned a Relationship Manager, will be assigned a Relationship Manager no later than November 1, 2011.

In the case of Eligible Homeowners in Default<sup>5</sup>, beginning January 1, 2012, a Relationship Manager will be assigned upon Right Party Contact and verbal determination that the Homeowner is potentially eligible for Loss Mitigation.

All other Eligible Homeowners in the process of being evaluated for traditional modifications, who are in a traditional trial period plan or who have a valid short sale or deed-in-lieu agreement, but have not been assigned a Relationship Manager, will be assigned a Relationship Manager no later than April 30, 2012.

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<sup>5</sup> "Default" for purposes of Relationship Manager assignment is defined as any loan that is eligible for referral to foreclosure. This is the point at which the loan is sufficiently delinquent to be referred to foreclosure pursuant to GMACM's procedures, the terms of the mortgage instrument, and/or the applicable investor/servicer agreements. GMACM generally refers loans to foreclosure at the expiration of a 30 breach notice which is mailed on the 60th day of delinquency.

Relationship Manager Assignment Implementation Schedule

<b>Completion Date</b>	<b>Phase</b>	<b>Assignment of Relationship Manager</b>
9/1/2011	Official SPOC Launch	All Eligible Homeowners upon meeting Entry Point (as defined above)
11/1/2011	Treasury 11-04 Assignment	Eligible Homeowners who are in the process of being evaluated for HAMP, HAFA or UP, or who are in a Trial Period Plan or an UP forbearance plan - if not already assigned a Relationship Manager
1/1/2012	Verbal SPOC Assignment	Eligible Homeowners in default, upon right party contact
4/30/2012	Final Assignment Phase	Eligible Homeowners who are in the process of being evaluated for non-Treasury loss mitigation options/foreclosure alternatives - if not already assigned a Relationship Manager

GMACM expects that as of January 1, 2012, approximately 80% of Eligible Homeowners in the process of Loss Mitigation will have been assigned a Relationship Manager. Between January 1 and April 30, 2012, the remaining 20% will be assigned a Relationship Manager.

The Relationship Manager will remain assigned to each Eligible Homeowner until one of the following conditions occurs: a) the Eligible Homeowner brings the loan current or pays the loan in full; b) the servicing of the loan is released or transferred; c) a foreclosure sale occurs and the redemption period expires in accordance with applicable state or local laws; or d) a short sale or deed-in-lieu liquidation occurs. In the case of loans that are brought current through a permanent modification, the Relationship Manager will remain available to the Eligible Homeowner for two months following the effective date of the permanent modification. In such cases, the Relationship Manager will be available to answer any questions and address any concerns related to the executed modification. All other servicing activities (such as customer service inquiries and collection activities) will continue as normal. The end of the Relationship Manager assignment is also referred to as the Exit Point. If the Relationship Manager is unable to contact the Eligible Homeowner for a period of 30 days despite continuous attempts including efforts to obtain updated Homeowner contact information, the loan will be identified as "inactive." In such cases, the Relationship Manager will remain assigned to the Homeowner of the inactive loan; however, GMACM may use its Collection Contact Centers in an effort to reach the Eligible Homeowner to ensure compliance with investor guidelines.



In the event that a Relationship Manager is out of the office for planned or unplanned reasons, other Relationship Managers in the primary Relationship Manager's team (see details on Page 19, SPOC Workload and Gearing Ratios section), who back up the lead Relationship Manager, will ensure that incoming inquiries are handled with minimal impact to the Eligible Homeowner. If the primary Relationship Manager is absent for an extended period (two or more weeks) or leaves the GMACM organization, that Relationship Manager's portfolio will be temporarily reassigned to their supervisor and/or team lead. Eligible Borrowers will be notified about the change in the Relationship Manager assigned to them in accordance with timelines stated in Directive 11-04. Effective January 2012, each written communication regarding change in Relationship Manager will be labeled "Change in Relationship Manager Contact Information." Supervisors and team leads will not have permanently assigned portfolios and the reassignment will be temporary pending permanent replacement of the Relationship Manager.

If an Eligible Homeowner who has exited the SPOC program needs to re-enter the program and meets eligibility criteria, GMACM will make its best effort to re-assign the Homeowner's previous Relationship Manager whenever possible if the Homeowner so requests.

The Relationship Manager will have primary responsibility for:

- Serving as the primary GMACM contact for the Eligible Homeowner
- Communicating the options available to the Eligible Homeowner, the actions the Eligible Homeowner must take to be considered for these options and the status of GMACM's evaluation of the Eligible Homeowner for these options;
- Coordinating receipt of all documents associated with loan modification or Loss Mitigation activities;
- Being knowledgeable about the Eligible Homeowner's situation and current status in the delinquency/imminent default resolution process; and
- Ensuring that an Eligible Homeowner who is not eligible for HAMP programs is considered for proprietary modifications and other alternatives to foreclosure, such as short sale or deed-in-lieu.

The Relationship Manager shall, at a minimum, provide the following services to Eligible Homeowners:

- Promptly contact the Eligible Homeowner and introduce himself/herself as the Eligible Homeowner's Relationship Manager;

- Explain Loss Mitigation programs for which the Eligible Homeowner may be eligible, and the requirements of these programs;
- Provide basic information about the status of the Eligible Homeowner's account, including pending loan modification applications and other Loss Mitigation alternatives;
- Identify missing documents and facilitate the submission of documents so that the Eligible Homeowner has submitted a completed loan modification application;
- Communicate GMACM's decision regarding loan modification applications and other Loss Mitigation alternatives to the Eligible Homeowner;
- Assist the Eligible Homeowner in pursuing alternative non-foreclosure options upon denial of a loan modification;
- Confirm and document, prior to a scheduled foreclosure sale, that, to the best of the Relationship Manager's knowledge, all available loss mitigation alternatives have been exhausted and a non-foreclosure outcome could not be reached;
- Work with GMACM personnel responsible for initiating a foreclosure action to confirm the past due status of the account prior to resuming, restarting, initiating or taking any legal action predicate to foreclosure;
- If a loan modification is approved, call the Eligible Homeowner to explain the program;
- Communicate with the foreclosure department to provide answers to foreclosure-related questions from the Eligible Homeowner, should Loss Mitigation efforts not succeed;
- Provide information regarding where to obtain credit counseling when necessary;
- Help to clear any internal processing requirements for the Eligible Homeowner; and
- Document on the servicing system all of the Relationship Manager's communication with and actions taken with respect to the Eligible Homeowner for record keeping purposes.

## SPOC Workload and Gearing Ratios

GMACM retained Oliver Wyman in October 2010 to help develop a statistical process and model that identifies Eligible Homeowners who, based on data attributes, which include number of prior modifications, stage of delinquency, and income source, would be designated as more complex Loss Mitigation cases and likely require a higher interaction frequency level of service from their respective Relationship Manager. GMACM will assign loans to Relationship Managers at a ratio ranging from 75 to 150 loans per Relationship Manager, depending on the case status. The status of each individual case drives the level of activity and thereby the capacity of an individual Relationship Manager as cases pre-decision (i.e., approval or denial of a Loss Mitigation request) require significantly more work than cases post decision. Further details on these ratios are explained in the General Consent Order Response section of this response (Page 31). These ratios will be set based on loans that are active in the Loss Mitigation and foreclosure process. Inactive (as previously defined) loans will remain in the Relationship Manager's portfolio but will not be considered when determining portfolio capacity.

GMACM has adopted a team concept whereby the primary Relationship Manager is backed up by three secondary Relationship Managers with similar qualifications and authority. A Team Lead, who is not assigned a portfolio of loans, is responsible for two such teams. Relationship Managers and Team Leads receive the same training and complete the same certification process. This approach facilitates expanded hours of operation, 8 a.m. to 9 p.m. Central Time, ensures borrowers have access to live, qualified Relationship Managers, and avoids reliance on voice mail messages when the assigned Relationship Manager is not available.

Based on a projected SPOC portfolio size anticipated to range between 27,000 and 30,000 loans, current staffing projections indicate that GMACM will need to staff the Relationship Manager / SPOC department with in excess of 350 Relationship Managers, including appropriate management and supervisory support. To accomplish this, GMACM currently has 51 Relationship Managers and will move and train 150 Relationship Managers from existing staff by August 1, 2011. We will also hire and train approximately 150 external hires between July 1, 2011 and October 1, 2011 to provide sufficient opportunity to complete training by the November full implementation date. Training will occur throughout the hiring process and will be completed by November 1, 2011. Relationship Managers training is described more fully below. In order to maximize flexibility and draw from different talent pools, GMACM will staff Relationship Managers in both Waterloo, IA and Dallas, TX. Aggressive recruiting efforts are already underway to ensure GMACM will have adequate staffing to meet November 1, 2011 implementation date.

### Relationship Manager Communications

Upon Entry Point, the Relationship Manager will send a welcome letter (Appendix 5.9) introducing themselves to each Eligible Homeowner in their queue (“Welcome Letter”). The Welcome Letter will identify the Relationship Manager and Team Lead by name, and provide their hours of availability and contact information (i.e., phone number and address), as well as alternative means of communicating with both the Team Lead and the assigned Relationship Manager. Relationship Managers will be required to make outbound attempts to reach Eligible Homeowners to introduce the program, call proactively with updates on each related account, and return calls as scheduled through our appointment setting process. Our appointment setting process enables all Relationship Managers to view the each others’ calendars real time and set up appointments that fit both the Homeowner and the assigned Relationship Manager’s schedule. This eliminates voice mail and ensures contact at a time that is convenient for the Homeowner.

When communicating with a non-English speaking Eligible Homeowner, a Relationship Manager will follow GMACM’s procedures for communicating to a borrower in a language other than English including the (re)assignment of Spanish-speaking Eligible Homeowners to a Spanish-speaking Relationship Manager.

### Oversight of Relationship Manager’s Performance

In addition to operational controls discussed in Section 5a and throughout this document, SQMD will review samples of recorded calls to ensure Relationship Managers provide accurate information, work toward a Loss Mitigation solution, and provide a positive experience. SQMD will manually document and score each Relationship Manager’s call monitoring results and review the results with his or her supervisor within 24 hours of completion. Relationship Managers with negative results or trends will receive additional coaching or training to address any noted deficiencies. Continued negative results will result in disciplinary action up to and including termination. These enhanced controls will be implemented by October 1, 2011.

### Relationship Manager Qualifications and Training

For the April Pilot, GMACM selected 28 Relationship Managers from existing associates who had an average of more than 6 years of mortgage experience and demonstrated strong communication and homeowner service skills along with strong Loss Mitigation knowledge. Each Relationship Manager completed a two-week training program with an emphasis on homeowner service, all aspects of internal underwriting policies and procedures, complaint process, and Loss Mitigation and foreclosure processing. Relationship Managers will be required to have ongoing training including, but not limited to, Loss Mitigation program updates, empathy training, and certain aspects foreclosure. In addition, scripts and/or talking point guidelines will be developed by July 1, 2011, to assist the Relationship Manager in

navigating specific aspects of conversations with Eligible Homeowners, including but not limited to eligibility and denial discussions.

Training of Relationship Managers will be customized based on the Relationship Manager's previous experience, as shown below:

<b>Relationship Manager's Experience</b>	<b>Length of Training</b>
Existing, experienced employee	2 weeks
External hire with Loss Mitigation experience	6-8 weeks
External hire with no Loss Mitigation experience	15-20 weeks

We also recognize that we will not always be able to find candidates with previous experience. In order to draw from a larger pool of candidates we will build a Relationship Manager Development Program which will first train prospective Relationship Managers on mortgage banking, customer care and collections and then layer in the detailed Relationship Manager training and certifications over time. We anticipate that this development program will consist of 15 to 20 weeks of extensive training and on-the-job experience in our call centers before a new hire will move into the Relationship Manager role.

As part of the anticipated training curriculum, all Relationship Managers will complete a Loss Mitigation Certification Program that will certify their understanding of all Loss Mitigation programs and tools, investor requirements, regulatory limitations, and foreclosure referral standards. GMACM will continue to expand on the Loss Mitigation Certification Program, Relationship Manager desktop procedures and tools, and training curriculum utilized for the Pilot program and will have them finalized by July 1, 2011.

#### Relationship Manager Location

All Relationship Managers will be employees of GMACM and will be located in the continental United States. Relationship Managers will not concurrently serve in another capacity within a different function of GMACM. In the event that an Eligible Homeowner that is assigned a Relationship Manager dials a generic GMACM number and is connected to an off-shore facility, GMACM will establish processes and procedures to ensure the call will be transferred to the appropriate Relationship Manager assigned to that account. The procedures will be designed in such a way that the call will be transferred and announced directly to a Relationship Manager. This will be in place by September 1, 2011.

#### **Consent Order Response to Section 5(d): Identifying SPOC Name**

*Consent Order section 5d requires: A requirement that written communications with the borrower identify by name the primary single point of contact along with one or*

*more direct means of communication with the primary single point of contact, together with information about secondary points of contact in the event that the primary single point of contact is unavailable*

GMACM will enhance existing policy and process to include the requirement that written loss mitigation communications with Eligible Homeowners include the name of the Relationship Manager along with required contact information. GMACM will also modify standard Loss Mitigation communications to include the Relationship Manager's contact information. These revised communications will be in production by September 1, 2011.

There are over 600 possible communications and notices that GMACM could potentially mail to its borrowers during the loan servicing life cycle, approximately 190 of which are collections, Loss Mitigation and foreclosure correspondence. Standard Loss Mitigation communications that contain the Relationship Manager's name and contact information comprise 44 out of over 65 collections and Loss Mitigation notices mailed by GMACM to over 130,000 Eligible Homeowners monthly based on varying state, investor and insurer/guarantor triggers. In addition, there are over 125 foreclosure related notices and court motions mailed to borrowers by GMACM's network of foreclosure attorneys and trustees. It is the opinion of many of these foreclosure attorneys that it would be inappropriate, misleading and a potential violation of FDCPA to include the Relationship Manager's contact information in many of these legal notices and motions.

Further, expanding this requirement beyond standard Loss Mitigation communications to cover all collections and foreclosure correspondence would require that GMACM develops an external default correspondence system for the entire servicing platform. Such a change would not be limited to loans that are assigned a Relationship Manager.

A broad external correspondence system would result in the following risks that expose GMACM to potential violations of state, federal, and investor regulations governing communication requirements:

- The risk associated with accurately replicating an intricate network of state, federal and investor rules embedded in our primary system
- Maintaining multiple systems requires development of interfaces with the primary system resulting in numerous potential points of failure in the process in addition to the risk of business and service interruption
- The need to write data back and forth between systems makes such systems prone to errors associated with reconciliation differences and latency

GMACM does, however, recognize that including the Relationship Manager's name and number on all collections and foreclosure correspondence serves as a reminder to the borrower of the Relationship Manager's name and contact information. GMACM

proposes to achieve that same objective by enhancing its systems and processes as follows:

- GMACM will enhance its systems so Eligible Homeowners do not need to know or remember the Relationship Manager's extension. Eligible Homeowners who dial any of GMACM's 1-800 numbers will be automatically routed to the assigned Relationship Manager. The system will identify the Eligible Homeowner based on his or her social security number or loan number. Eligible Homeowners will continue to have the option of dialing the Relationship Manager's extension.
- GMACM's 1-800 numbers and Relationship Manager's name will be added to all standard Loss Mitigation communications.
- Further, GMACM's 1-800 number is on its website and billing statements in addition to the Welcome Letter mailed to each Eligible Homeowner upon assignment of a Relationship Manager.
- As an additional enhancement GMACM will revise the Welcome Letter to instruct borrowers to call their assigned Relationship Manager for assistance on any correspondence they receive.
- The Relationship Manager will continue have access to all collections, Loss Mitigation and foreclosure correspondence, in addition to access to the relevant department specialists to answer any questions the Eligible Homeowner may have.
- Further, the Relationship to explain the aforementioned communication and correspondence services to the Eligible Homeowners in the initial verbal contact.

GMACM believes that these steps represent significant improvement to its communications with Eligible Homeowners and make it possible for the Eligible Homeowner to receive the services necessary without placing any additional burden on their ability to access and communicate with the assigned Relationship Manager.

### **Consent Order Response to Section 5(e): Information and Personnel Access**

*Consent Order section 5e requires: Measures to ensure that the single point of contact has access to current information and personnel (in-house or third-party) sufficient to timely, accurately, and adequately inform the borrower of the current status of the Loss Mitigation and foreclosure activities*

It is important to note that Relationship Managers serve as conduits between their Eligible Homeowners and other business units (Loss Mitigation and Foreclosure) within the servicing organization. To illustrate, while the Relationship Manager has the tools and authority to recommend action, the actual process of approving a loan modification or delaying the referral or continuation of foreclosure remains in the

Loss Mitigation Underwriting Department, Foreclosure and Operational Controls Group.

Measures GMACM will take to meet the objectives of Section 5(e) consist of enhancements to policies and procedures, implementation of new system access profiles, and monitoring of compliance by SQMD as noted below. These will be completed by September 1, 2011.

- GMACM will establish policies and procedures designed to ensure and promote open lines of communication between Relationship Managers and personnel in other departments, such as foreclosure, Loss Mitigation, cashiering and escrow processing, as well as with third parties (such as default counsel). These policies and procedures will enable the Relationship Manager to address Eligible Homeowners' issues holistically, timely and accurately.
- GMACM will provide Relationship Managers appropriate levels of access to all MIS required to provide timely and accurate responses to Eligible Homeowners' questions and issues and meet their responsibilities. This includes but is not limited to access to [REDACTED] and ancillary systems that contain relevant information such as Loss Mitigation Workout Packages (Looking Glass) and the LPS Desktop system (Foreclosure Attorney Network). A specific security profile is being created and will be in place prior to August 1, 2011 for all Relationship Managers to ensure access to the appropriate systems while also adhering to GMACM's guidelines for segregation of duties and to ensure Relationship Managers have the ability to initiate but not approve or execute transactions unilaterally. Relationship Manager training will include training regarding the use of these systems, which will enable Relationship Managers to access information needed in order to address Eligible Homeowners' inquiries timely and accurately.
- The SPOC department management will, at a minimum, conduct quarterly reviews of the security profiles and system access capabilities of the Relationship Managers, and the training thereon (as required under Directive 11-04). Based on quality monitoring reviews conducted by SQMD, feedback from borrowers, and feedback from the Relationship Managers, additional access or system security will be granted as needed. This is intended to provide Relationship Managers with the ability to access the most current and relevant account information and to provide a consistently high level of service to Eligible Homeowners.

A list of MIS available to the Relationship Manager is included as Appendix 5.10.



## **Consent Order Response to Section 5(f): Decision Communication**

*Consent Order section 5f requires: Procedures and controls to ensure that a final decision regarding a borrower's Loss Mitigation request (whether on a trial or permanent basis) is made and communicated to the borrower in writing, including the reason(s) why the borrower did not qualify for the trial or permanent modification and, if applicable, the net present value calculations utilized by GMACM, and that involve the single point of contact within a reasonable time before any foreclosure sale occurs*

As previously noted, GMACM currently mails a denial letter within 48 hours of an adverse decision and has consistently done so throughout 2011. Denial reasons specified in the denial letters are system-generated based on the specific Loss Mitigation solution for which the Eligible Homeowner has been denied. If a Net Present Value ("NPV") was calculated as part of the modification evaluation process, the NPV inputs are included in the denial letter to borrowers of non-GSE owned loans who are denied a HAMP modification.

As required by the Order, by September 1, 2011 GMACM will incorporate into denial letters the most recent NPV for all Eligible Homeowners for whom denial was based on the NPV results. This will be implemented for both HAMP and non-HAMP loans, including GSE loans.

GMACM will implement additional changes to Loss Mitigation correspondence as a whole, based on the recommendations of a review of existing correspondence conducted by an outside consultant in April of 2011. The objective of the external review was to improve the clarity and conciseness of default correspondence as part of a larger effort to improve overall customer experience. These enhancements will be fully implemented by September 1, 2011.

## **Consent Order Response to Section 5(g): Holding Foreclosure**

*Consent Order section 5g requires: Procedures and controls to ensure that when the borrower's loan has been approved for modification on a trial or permanent basis, (i) no foreclosure or further legal action predicate to foreclosure occurs, unless the borrower is past due on two or more payments post-dating the trial or permanent modification; and (ii) the single point of contact remains available to the borrower and continues to be referenced on all written communications with the borrower*

To comply with the Order, GMACM will implement processes to notify the related foreclosure counsel to cease any foreclosure actions for Eligible Homeowners who

have accepted an approved trial plan or permanent modification. . In addition, procedures will be implemented to ensure that foreclosure action will not resume unless the Eligible Homeowner who has accepted trial modification plan misses two payments under the trial or permanent modification agreement as defined in the Order. SQMD will also implement process controls and quality assurance measures to monitor and help ensure compliance with these requirements. The implementation of the aforementioned changes is scheduled for September 1, 2011.

Controls to prevent continuation of foreclosure action outside of guidelines as defined by the Order will include exception reports reviewed on a daily basis by the Loss Mitigation and foreclosure departments and their management. This process will be in place by November 1, 2011. In addition, SQMD performs a review of all loans prior to foreclosure referral and then seven and three days prior to sale to ensure that there is no ongoing Loss Mitigation activity, as previously noted.

As previously noted in Section 5(c), the Relationship Manager will remain available to each Eligible Homeowner throughout the Loss Mitigation and foreclosure process. The Relationship Manager's name will be referenced in Loss Mitigation correspondence, as detailed in Section 5(d).

The following appendices contain information related to the policies, procedures and practices noted in this section.

- Appendix 5.11: Foreclosure Review Definition
- Appendix 5.12: Foreclosure Review Template

### **Consent Order Response to Section 5(h): Customer Complaints**

*Consent Order section 5h requires: Policies and procedures to enable borrowers to make complaints regarding the Loss Mitigation process, denial of Loss Mitigation requests, the foreclosure process, or foreclosure activities that prevent a borrower from pursuing Loss Mitigation options, and a process for making borrowers aware of the complaint procedures*

This section is addressed together with Section 5(i) below.

### **Consent Order Response to Section 5(i): Complaint Review Process**

*Consent Order section 5i requires: Procedures for the prompt review, escalation, and resolution of borrower complaints, including a process to communicate the results of the review to the borrower on a timely basis*

GMACM's current practice is to handle escalated calls from borrowers immediately and at the supervisory level. The Relationship Managers will have direct access to their supervisor for those Homeowners requesting escalation. The supervisor will take ownership of the call, complete an initial assessment and handle required follow up with the Eligible Homeowner. In the event that immediate handling is not possible, a call back by the team lead or supervisor will occur within 24 hours.

While most elevated situations will be handled within the SPOC Department, we recognize that some Eligible Homeowners will feel the need to elevate beyond this area. To ensure that all Eligible Homeowners clearly understand how they can submit complaints, GMACM will adopt enhanced procedures for promoting awareness of complaint handling. For instance, Welcome Letters (described in Section 5(d)) will include a description of the complaint process and identify a toll free hot-line (Complaint Hot-line) and e-mail address, separate and independent from the SPOC function, where Eligible Homeowners can submit complaints. The Complaint Hot-Line will be a part of our Voice of the Customer Unit, which is independent of all Default related call centers including the Relationship Managers. This group reports into the Customer Care area of Contact Center Operations with direct access to GMACM executive management. Seasoned resources with extensive servicing, customer service and default processes experience, as well as established support functions in all default related departments, will handle these escalated complaints to resolution. Turnaround time to complete resolution of Eligible Homeowner complaints is 6-8 days. This resolution requires a letter to the Eligible Homeowner. In addition, the complaint process will be documented and available on the GMACM website for Eligible Homeowner's access and reference. GMACM will use complaint data to foster continuous improvement by identifying process improvement opportunities and Relationship Manager performance coaching and training enhancements. The implementation of the process is scheduled to begin October 1, 2011.

### **Consent Order Response to Section 5(j): Second Liens**

*Consent Order section 5j requires: Policies and procedures to consider loan modification or other Loss Mitigation Activities with respect to junior lien loans owned by Ally Financial, ResCap, GMACM, or Ally Bank where GMACM service the associated first lien mortgage and become aware that such first lien mortgage is delinquent or has been modified*

When GMACM becomes aware that the first lien it services on behalf of Ally Bank or ResCap has become delinquent or has been modified, it will review the borrower's situation and may modify the second lien in accordance with the servicing agreement to achieve an affordable payment considering both the first and second lien obligations. Processes for contacting Eligible Homeowners and completing modifications for the associated second liens will be defined and implemented by November 1, 2011.

To accomplish this GMACM will develop an internal process to match first liens it services with the associated second lien. A matched loan pair will be defined as a first and second lien on the same property with a common borrower. This matching process will be performed on a monthly basis and will be in place by November 1, 2011.

For loans that are confirmed matches, the following actions will be taken.

- Where Ally Bank or ResCap owns the first lien and associated second liens and GMACM as the servicer of the associated second lien mortgage becomes aware that the first lien is delinquent or has been modified, or that the second lien is delinquent, the servicer will review the borrower's situation and may modify the second lien in accordance with the servicing agreement that apply to the Bank owned second lien such that an overall (combined first and second lien) affordable payment is reached.
- Where Ally Bank or ResCap owns only the second lien and both the first and second liens are serviced by GMACM and GMACM as the servicer of the second lien becomes aware that the first lien has become delinquent or has been modified, GMACM will review the borrower's situation and may modify the second lien in accordance with the servicing agreement to achieve an affordable payment considering both the first and second lien obligations.

### **Consent Order Response to Section 5(k): Letters**

*Consent Order section 5k requires: Policies and procedures to ensure that timely information about Loss Mitigation options is sent to the borrower in the event of a delinquency or default, including plain language notices about the pendency of loan modification and foreclosure proceedings*

As previously noted, [REDACTED] automates the process of mailing various standard and statutorily required notifications to borrowers on pre-defined schedules. As an example, GMACM leverages this infrastructure to automatically trigger the mailing of information about Loss Mitigation options no later than the 50<sup>th</sup> day of delinquency. The delivery of information relating to Loss Mitigation options is also governed by various contractual obligations including Directive 10-02. In addition, the automated processes are used to provide borrowers with timely information regarding the status of their account throughout the loan modification and foreclosure proceedings. To monitor compliance with the required letter timing schedule, internal controls to ensure timely delivery to the Eligible Homeowner have been in place throughout 2011. These controls include a series of daily exception reports that identify any accounts where criteria to generate a letter was met but a letter was not created via the automatic system process. These reports are reviewed and exceptions are addressed by the appropriate department on a daily basis. The individual business units within the Loss Mitigation and Contact Center Operation that are responsible for

generating letters also perform random validation of letters on a daily basis to ensure letters were produced timely and accurately.

To improve the overall content of default-related borrower correspondence, GMACM commissioned an independent review of borrower correspondence as previously noted. These letters and notices underwent an extensive review by the external advisor to ensure that they are written in plain language and clearly identify the actions required and options available to the customer. While correspondence related to early stages of delinquency has been adjusted, correspondence related to Loss Mitigation including Loss Mitigation solicitation, status, trial and permanent modification communications remain under review. Appropriate changes to such correspondence will be implemented as necessary no later than August 1, 2011. Remaining enhancements on correspondence unrelated to Loss Mitigation, such as Cash Processing, Escrow and Customer Care, will be completed by October 1, 2011.

### **Consent Order Response to Section 5(l): Documentation**

*Consent Order section 5l requires: Policies and procedures to ensure that foreclosure and related documents provided to borrowers and third parties are appropriately maintained and tracked, and that borrowers generally will not be required to resubmit the same documented information that has already been provided, and that borrowers are notified promptly of the need for additional information*

Eligible Homeowners may submit a Loss Mitigation Workout Package in a manner that best meets their needs. They may submit the Package via fax, e-mail, USPS mail or at the [gmacmortgage.com](http://gmacmortgage.com) web site. The cover page of the Package provides specific instructions on the required information and documentation to complete and return to determine eligibility for a Loss Mitigation solution.

Loss Mitigation reviews Packages and documentation within 24 hours of receipt through a consistent process, which provides controls to ensure documents do not get lost. The review process documents all contents of the Package, reviews the documentation for completeness, enters key information into the [REDACTED] servicing system and uploads all the received documentation into the imaging system (Looking Glass). 90% of Packages are received via fax, e-mail or the web so the documents are already in electronic format. Packages received through the mail are scanned by a centralized team within Loss Mitigation the same day that they are received. Year to date, 99.8% of packages have completed this initial review process within 24 hours of receipt. To control for completeness, a daily reconciliation is performed that compares the total incoming documents to the total disposition of documents for that day.

Eligible Homeowners must only submit the Package documentation once during their eligibility evaluation process. As described in Section 5(b), GMACM mails an acknowledgement letter to each Eligible Homeowner the next business day after the receipt of their Package. If documentation is missing, a process is in place to mail letters promptly (average of 2 business days after receipt of the Package) to inform

the Eligible Homeowner exactly what is needed to determine eligibility and specifically where to submit the missing documentation. Calling campaigns will be completed by the Relationship Manager to follow up for missing documentation.

Package information, documentation and system notations are reviewed by two separate areas within GMACM servicing operations (Loss Mitigation Fulfillment and Loss Mitigation Underwriting) to determine whether Packages are complete. These reviews provide additional control points to prevent repeated requests for information that Eligible Homeowners may have already submitted. In addition, metrics designed to measure quality and accuracy of package processing are in place. SQMD performs a review on this process daily and provides an additional key control point to help ensure that GMACM only requests the required documentation from the Eligible Homeowner once. Year-to-date service level results on quality are 98.21%.

All of the processes and controls described above help prevent documents from becoming lost and ensure Eligible Homeowners are notified of any missing documentation immediately. All incoming and outgoing Loss Mitigation correspondence including trial and permanent modification agreements are stored within our imaging system and are easily accessible to the Relationship Manager (further described in Section 5(e)).

Controls over foreclosure-related documents that are outside of the Loss Mitigation department are discussed in detail in the response to Section 6 of the Order (Third Party Management) as foreclosure documents are sent to the borrowers by third party foreclosure law firms and GMACM itself does not send documents to borrowers as part of the foreclosure process.

## **General Consent Order Response**

The Board Oversight section of the Order (Section 2) requires that “*programs have officers and staff with the requisite qualifications skills and ability to comply with requirements of the Order.*” As this relates to Relationship Managers, GMACM has developed a job description to facilitate the initial implementation of the SPOC program. The job description defines the Relationship Manager’s role and responsibilities for managing the relationship with Eligible Homeowner throughout the entire delinquency or imminent default resolution process, including any home retention and non-foreclosure liquidation options as well as responsiveness to Eligible Homeowner inquiries regarding the status of the foreclosure where necessary.

The Relationship Manager position requires best-in-class communication and negotiation skills, empathy, and vast and detailed knowledge of all Loss Mitigation programs, investor requirements, regulatory limitations, foreclosure referral standards and foreclosure processes in general. Prerequisites for this position are: college education/degree (preferred); high

school diploma or equivalent (required); previous Call Center, Collections, or Loss Mitigation experience (required).

GMACM's performance management process will be leveraged for the assessment and review of Relationship Managers' performance. The performance review process will include formal semi-annual assessments of Relationship Managers and a review of individual development plans. In addition, monthly evaluation of the Relationship Manager will include detailed scorecards that focus on quality and the Relationship Manager's consistency of service provided to Eligible Homeowners. A success measure score card designed to measure Relationship Managers, the department supervisors, managers and the department's overall performance will be developed and implemented by September 1, 2011. In addition GMACM will utilize an independently conducted customer satisfaction survey in an effort to gauge overall customer experience at the department level. This survey will be implemented by November 1, 2011.

To ensure the Relationship Managers have the knowledge and tools to successfully meet the requirements of their job functions, a Certification Program has been established to train and test for knowledge of Loss Mitigation in addition to the Relationship Manager's comprehension of the training on GMACM servicing systems and processes. The Certification Program will be implemented for existing and new Relationship Managers and line management, and will include a minimum of annual refresher training and recertification after initial certification. The initial Certification Program for the current Relationship Managers in the Pilot program will be completed by July 1, 2011. GMACM plans to update this training as the SPOC program matures and evolves.

The Board Oversight section of the Order (Section 2) also requires management to perform *"periodic review of adequacy of levels of staffing (officer/staff); plan shall establish metrics to measure and ensure the adequacy of staffing levels relative to existing and future Loss Mitigation and foreclosure activities, such as limits for the number of loans assigned to a Loss Mitigation employee, including Relationship Managers, and deadlines to review loan modification documentation, make loan modification decisions, and provide responses to borrowers."*

An initial staffing model has been completed and utilized for the Relationship Manager Pilot program (described in Section 5(c)). This model will be refined to comply with Directive 11-04 in addition to knowledge we gain from actual results experienced in the Relationship Manager Pilot. GMACM management will review the staffing model and adjust staffing on a monthly basis.

Workloads for Relationship Managers will be set based on an active portfolio of 75 to 150 borrowers per Relationship Manager, depending upon the complexity of the anticipated Loss Mitigation efforts with a goal of blending complex and less complex loans within each Relationship Manager's portfolio. The initial staffing levels will be calibrated based on anecdotal data from other servicers, and on similar SPOC models in GMACM Lending Division and Special Servicing Department that have experience with similar ownership models. The Pilot program will also provide a basis through which GMACM will gain

additional information required to calibrate the workload per Relationship Manager in order to achieve required service levels and responsiveness. GMACM will continue to measure service levels, borrower experience and quality of service and recalibrate the workloads of Relationship Managers to ensure that each Relationship Manager has a manageable work load to effectively service their assigned borrowers. This capacity analysis will be completed by monitoring daily, weekly and monthly service level, quality and production management reports to ensure Key Performance Indicators (“KPI”s) are being maintained. Additionally, volume forecasts along with staffing models will be used to project future staffing, ensuring sufficient staff to handle projected volume workloads.

GMACM will also identify and establish key metrics and performance against those metrics. Daily KPI reporting will be established to facilitate day-to-day administration of the SPOC department’s performance. Monthly operating reports will be completed with distribution up to and including the Chief Executive Officer of GMACM. Success under these KPIs will be the true measure of our overall staffing effectiveness and adequacy. This will be in place by October 1, 2011.

Details on deadlines to review loan modification documents, make loan modification decisions and provide response to borrowers are covered in Section 5(b).



## Appendix I - First Level Project Details

Deliverable	CO Section	Task	Owner	Projected Start Date	Projected Finish Date
<b>Single Point of Contact</b>					
<b>1. Establishment of SPOC Department</b>					
SPOC program flow charts	5c	Develop and document SPOC process/flow charts based on Consent Order and Directive 11-04 requirements		5/15/11	7/15/11
SPOC training and certification program	5c	Complete training and certification curriculum for Relationship Managers (RM), including Legal & Compliance approval		4/01/11	7/15/11
RM hiring	5c	Complete RM hiring to accommodate expected loan volume for 9/1 launch		4/15/11	7/15/11
RM training	5c	Train and certify RMs for the 9/1 launch		5/01/11	9/01/11
RM hiring	5c	Complete RM hiring to accommodate full expected loan volume		7/15/11	9/15/11
RM training	5c	Train and certify RMs for full expected loan volume		7/15/11	11/01/11
SPOC telephony system	5c	Align telephony needs		4/15/11	9/01/11
Technological changes	5c	Implement required technology changes		4/15/11	9/01/11
SPOC Welcome Letter	5d	Develop Welcome Letter to introduce RM		4/01/11	9/01/11
Updated P&P manual	5c	Update P&P manual		5/15/11	9/01/11
RM daily work queue reports	5c	Develop and document daily RM work queue reports		4/01/11	8/15/11
Capacity Plan	5c	Develop and document capacity plan		4/01/11	7/01/11
Loan assignment scoring model	5c	Implement scoring model for loan assignment		5/01/11	7/01/11
Loan assignment structure	5c	Develop and document loan assignment structure		4/15/11	8/01/11
RM score card metrics	5c	Develop metrics for RM score card		5/01/11	7/15/11
Success measure score card	5c	Develop success measure score card for RM and above		5/01/11	9/01/11
SPOC Quality Monitoring standards	5c	Develop Quality Monitoring standards and processes		4/15/11	10/01/11
System access	5e	Grant system access for all RMs		4/15/11	9/01/11

Interdepartmental communication structure	5e	Establish dedicated SPOC support structure in other GMACM departments		6/01/11	9/01/11
RM assignment upon Default RPC	5c	Assignment or RM upon Right Party Contact in Default		11/30/11	1/01/12
<b>2. Customer Communication</b>					
SPOC KPI reporting measures	5a	Define measures for SPOC KPI reporting		6/01/11	7/15/11
KPI reporting	5a	Develop daily/weekly/monthly KPI reporting		7/01/11	10/01/11
Written communication controls	5b	Enhance controls around written communication in response to request for Loss Mitigation		6/01/11	10/01/11
10-02 response timelines	5b	Apply Directive 10-02 standards to all loans with delegated authority		4/15/11	10/01/11
Monitoring of 10-02 standards	5b	Develop monitoring of Directive 10-02 standard implementation		6/01/11	10/01/11
GSEs' response is received, recorded and complied with	5b	Ensure official correspondence is sent to GSEs regarding Directive 10-02 compliance		7/01/11	10/01/11
Master Servicing or Investor response received, recorded and complied with	5b	Coordinate Directive 10-02 implementation with Master Servicing for HAMP non-participating investors		7/01/11	10/01/11
NPV result in denial letters	5f	Include NPV results in denial letters when appropriate		4/15/2011	9/01/11
Enhanced Loss Mitigation correspondence	5f	Enhance Loss Mitigation correspondence		4/15/2011	9/01/11
RM identified by name in Loss Mitigation correspondence	5d,g	Identify RM by name in Loss Mitigation correspondence		6/01/11	9/01/11
<b>3. Foreclosure Holds</b>					
Foreclosure on hold until 2 <sup>nd</sup> payment missed	5g	Implement process to keep foreclosure on hold until 2nd trial payment missed		4/15/11	9/01/11
Foreclosure actions stopped upon trial approval	5g	Implement process to prevent foreclosure initiation/stop foreclosure action upon trial approval		5/01/11	9/01/11
Controls around foreclosure holds	5g	Enhance controls around foreclosure holds		6/01/11	9/01/11

<b>4. Complaint Process</b>					
SPOC complaint process	5h,i	Establish SPOC complaint process		6/01/11	10/01/11
Teams to support SPOC complaint process	5h,i	Create dedicated teams to support complaint process and escalations		6/01/11	10/01/11
SPOC hot-line	5h,i	Develop complaint hot-line		6/01/11	10/01/11
<b>5. Junior/Senior Lien Coordination</b>					
Matched 1 <sup>st</sup> and 2 <sup>nd</sup> liens	5j	Match 1 <sup>st</sup> and 2 <sup>nd</sup> liens on the same property		6/15/11	11/01/11
Loss Mitigation solicitation process on matched 2 <sup>nd</sup> liens	5j	Implement Loss Mitigation daily solicitation process for matched 2 <sup>nd</sup> liens		7/15/11	11/15/11
<b>6. Letter Review Process</b>					
Timely and clear Loss Mitigation correspondence	5k	Ensure all letters are timely and in plain language - Loss Mitigation		5/01/11	8/01/11
Timely and clear other correspondence	5k	Ensure all letters are timely and in plain language - other letters		5/01/11	10/01/11