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CONFIDENTIAL AND PRIVILEGED: PREPARED IN RESPONSE TO OCC CONSENT ORDER (AA-EC-11-13), dated April 13, 2011; SUBJECT TO CONFIDENTIAL TREATMENT PURSUANT TO 5 U.S.C. § 552(b); 12 C.F.R §§ 4.12 (b)(4), 4.12 (b)(8)

September 23, 2011

[redacted]
Citibank, NA
[redacted]
New York, New York 10022

Re: Article VII - Foreclosure Review

Dear [redacted]:

This engagement letter (the "Agreement") confirms that Citibank, N.A., Las Vegas, Nevada and its mortgage servicing subsidiary, CitiMortgage, Inc. (collectively, "You", "Citibank" or "the Bank"), in compliance with certain requirements set forth in the consent order (the "Consent Order"), dated April 13, 2011, received from the Office of the Comptroller of the Currency ("OCC"), has engaged PricewaterhouseCoopers LLP ("we" or "us" or "PwC") to perform the services described below.

Background

Under Article VII of the Consent Order, Citibank is required to engage an independent consultant acceptable to the OCC to conduct an independent review of certain residential foreclosure actions regarding individual borrowers with respect to Citibank's residential loan portfolio and servicing portfolio. This review, as contemplated by the Standards (as defined below), will include residential foreclosure actions or proceedings (including foreclosures that were in process or completed) for loans serviced by Citibank and brought in the name of Citibank, the investor, the mortgage note holder, or any agent for the mortgage note holder (including the Mortgage Electronic Registration Systems ("MERS")), that have been pending at any time from January 1, 2009 to December 31, 2010 (the "Review Period"), as well as residential foreclosure sales that occurred during the Review Period and will address the requirements set forth in paragraph 3(a) through 3(h) of Article VII of the Consent Order (the "Consent Order Requirements") (the "Foreclosure Review").

This Agreement, which is subject to OCC approval, is intended to outline an engagement approach that determines the following:

(a) The methodology for conducting the Foreclosure Review, including:
- (i) a description of the information systems and documents to be reviewed, including the selection of criteria for cases to be reviewed;
- (ii) the criteria for evaluating the reasonableness of fees and penalties;
- (iii) other procedures necessary to make the required determinations (such as interviews of employees and third parties as a process for the submission and review of borrower claims and complaints); and,
- (iv) the proposed sampling techniques.

In setting the scope and review methodology under clause (i) of this sub-paragraph, we may consider any work already done by Citibank or other third-parties on behalf of Citibank. This Agreement also contains a full description of the statistical methods chosen, as well as procedures to increase the size of the sample depending on the results of the initial sampling.

(b) Resources to be dedicated to the Foreclosure Review - The PwC team structure is included in the *PwC Team Structure and Roles* section below.

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(c) Completion of the review of the initial sample for the Foreclosure Review within approximately 120 days ("Foreclosure Review Fieldwork Period"), but additional sampling may be required based on the results of the initial review, and the Foreclosure Review report will be completed no later than 30 days after the completion of the Foreclosure Review Fieldwork Period. A proposed timeline is included in the *Timeline* section below.

Scope of Our Services & Responsibilities

You are engaging us to provide the professional consulting services outlined below (the "Services"). We are not providing, and shall at no time provide, any legal advice or legal opinions in connection with this engagement. PwC makes no representations regarding questions of legal interpretation. The Bank should consult with its external counsel with respect to any legal matters or items that require legal interpretation, under federal, state or other type of laws or regulations, in connection with this engagement or otherwise.

As provided for by the OCC, the Bank wishes to engage PwC as one of its independent consultants to conduct an independent review of certain residential foreclosure actions. Because of PwC's role as independent consultant, the Bank will not attempt to direct or influence PwC's factual observations or findings that result from the Foreclosure Review. The Bank's further responsibilities in connection with this Agreement will be as set forth in the "Your Responsibilities" section hereunder, or as otherwise mutually agreed by the parties.

PwC understands that the Bank also will retain an independent outside counsel ("Independent Counsel") to provide legal representation with respect to the Consent Order or legal advice concerning matters covered by the Consent Order. PwC further understands that Independent Counsel will provide the legal advice necessary for completion of the items listed in Paragraphs 3(a)(i) – (vii) of the Consent Order (the "Review Criteria"). The Bank ensures that Independent Counsel will share legal guidance with PwC as may be necessary in connection with PwC's provision of Services hereunder.

This Agreement does not cover, and the definition of "Services" does not include, the services that will be provided by Independent Counsel, as those services will be covered by a separate agreement between the Bank and Independent Counsel. Although PwC may utilize certain information or materials prepared by Independent Counsel in order to provide the Services hereunder, PwC disclaims any and all responsibility and liability for any such materials, information or data provided by the Bank or Independent Counsel in connection with this engagement. PwC will refer any potential matters of legal interpretation to Independent Counsel. PwC understands, and the Bank agrees, that the Foreclosure Review, any documentation created in connection with the Foreclosure Review, and any communications between and among PwC, the Bank, and Independent Counsel will not be subject to a claim by the Bank of protection under the attorney-client privilege or under the work-product doctrine.

PwC will provide a written report detailing its factual observations and findings from the Foreclosure Review (the "Foreclosure Report"). PwC understands that Independent Counsel will prepare a separate written report that sets forth the legal conclusions that are called for by the Consent Order.

We will perform the Services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants (the "Standards"). Accordingly, we will not provide an audit or attest opinion or other form of assurance, and we will not verify or audit any information provided to us by Citibank or on Citibank's behalf, or provided to us by Citibank's legal counsel or on behalf of Citibank's legal counsel.

PwC agrees to use best efforts so that its Services in connection with the Foreclosure Review comply with all applicable requirements set forth in Article VII of the Consent Order issued to the Bank on April 13, 2011, and that it will conduct the Foreclosure Review as separate and independent from any review, study, or other work performed by the Bank or its contractors or agents with respect to the Bank's mortgage servicing portfolio or the Bank's compliance with other requirements of the Consent Order, as set forth below:

1. As previously indicated, Citibank will not attempt to direct or influence PwC's factual observations or findings that result from the Foreclosure Review. PwC shall immediately notify the OCC of any effort by the Bank, directly or indirectly, to exert any such direction, control, supervision, oversight, or influence over PwC.

2. PwC agrees that it is responsible for the conduct and results of the factual review and factual findings required by the Foreclosure Review, in accordance with the requirements of Sections 3(a) through (h) of Article VII of the Consent Order that do not require legal determinations or analyses. As previously indicated, PwC understands that Independent Counsel will prepare a separate written report that sets forth the legal conclusions that are called for by the requirements of Article VII of the Consent Order, which report shall be based upon the report provided to Citibank by PwC. PwC understands that engagement of such Independent Counsel by Citibank is subject to OCC approval.

3. The conduct of the Foreclosure Review shall be subject to the monitoring, oversight, and direction of the OCC. PwC agrees to promptly comply with all written comments, directions, and instructions of the OCC concerning the conduct of the Foreclosure Review consistent with professional standards, and that it will promptly provide any documents, workpapers, materials or other information requested by the OCC, without waiver of any claim of privilege or confidentiality.

4. PwC agrees to provide regular progress reports, updates and information concerning the conduct of the Foreclosure Review to the OCC, as directed by the OCC.

5. PwC will conduct the Foreclosure Review using only personnel employed or retained by PwC to perform the work required to complete the Foreclosure Review. PwC shall not employ or use services provided by Bank employees, or contractors or agents retained by the Bank with respect to the Consent Order or with respect to matters addressed in the Consent Order, in order to conduct the Foreclosure Review, except where the OCC specifically provides prior written approval to do so.

6. Subject to the requirements and restrictions of no. 5 above, including the requirement of specific approval by the OCC, PwC may utilize documents, materials or other information provided by the Bank, and may communicate with the Bank, its contractors or agents, in order to conduct the Foreclosure Review.

7. PwC agrees that any legal advice needed in conducting the Foreclosure Review shall be provided by Independent Counsel whose retention for that purpose has been approved by the OCC. PwC agrees not to obtain legal advice (or other professional services) in conducting the Foreclosure Review from the Bank's inside counsel, or from outside counsel retained by the Bank or its affiliates to provide legal advice concerning the Consent Order or matters contained in the Consent Order.

If the OCC determines, in its sole discretion, that PwC has not been fully compliant with the foregoing standards (nos. 1-7, above), the OCC may direct the Bank to dismiss PwC and retain a successor consultant, in which case the Bank shall have no further obligation to PwC other than for services performed up to that date for the Bank.

Scope

As noted above, the Foreclosure Review will include residential foreclosure actions or proceedings (including foreclosures that were in process or completed) for loans serviced by Citibank and brought in the name of Citibank, the investor, the mortgage note holder, or any agent for the mortgage note holder (including MERS), that were pending at any time during the Review Period, as well as the residential foreclosure sales that occurred during the Review Period. The scope of our review is to perform the Consent Order Requirements below on a sample of loans from the population described below. The sampling methodology and procedures for addressing the Consent Order Requirements are outlined below.

Accordingly, the foreclosure actions considered within the scope of the Foreclosure Review will relate to loans for which Citibank conducted a foreclosure action on its own behalf or under a servicing agreement for other investors.

Citibank foreclosure actions on loans serviced by others on behalf of Citibank or for which Citibank's only role is as trustee will be considered outside of the scope of the Foreclosure Review.

Interviews and Procedure Reviews

PwC will use the following process to review Citibank's procedures related to foreclosures to assist with the completion of the Foreclosure Review, including:

- Interviews with subject matter experts (SMEs) on Citibank's Loss Mitigation Team in [redacted] and [redacted] to assist in the review of Citibank's loss mitigation efforts
- Review of Citibank's proprietary loss mitigation / loan modification evaluation tool [redacted]) to understand general functionality and applicability to loss mitigation and loan modification processes
- Review of Citibank's main servicing systems [redacted] to understand functionality, applicability to Citibank's proprietary workflows, and how to correctly review system notes
- Review of Citibank's loss mitigation / collections servicing system [redacted] to understand functionality, applicability to Citibank's proprietary workflows, and how to correctly review system notes
- Interviews with key SMEs in Citibank's default management area in both [redacted] and [redacted] to understand processes and workflows in the handling of foreclosures
- Interviews with Citibank's legal team to obtain their perspective on applicable laws and fees in force at the time the foreclosure was conducted
- Interviews with Citibank data experts to understand composition of the CitiMortgage and CitiFinancial foreclosure files and processes and parameters used to create the file
- Interviews with the Executive Response Unit (ERU) to understand the customer complaint process
- Follow-up interviews as needed to resolve any questions identified during the interviews or procedure reviews
- Validation of Citi's proprietary NPV calculations using comparisons with the Treasury models

In addition, we understand that the methodology for conducting the Foreclosure Review should include a process for submission and review of borrower claims and complaints - specifically focused on complaints received by Citibank subsequent to the issuance of the Consent Order on April 13, 2011 that are from borrowers who believe they have experienced financial injury as a result of errors, misrepresentations, or other deficiencies associated with foreclosures initiated or completed during the Review Period. Additional details associated with the proposed Foreclosure Review surrounding post-Consent Order complaints received by Citibank are included below.

Sampling Methodology

The sampling methodology to be utilized will be consistent with the guidance provided in the Comptroller's Handbook - Sampling Methodologies, August 1998 (the "Handbook"). Statistical sampling, specifically numerical sampling, will be utilized to determine adherence to each of the requirements set forth in the Consent Order. Pursuant to the Handbook, with numerical sampling, each item in a given population is equally likely to be drawn and the population to be sampled is defined by the number of items. Numerical sampling is used to reveal the presence (or absence) of a defined characteristic in a portfolio of items with similar characteristics.

As further discussed in the Handbook, in numerical sampling, a precision limit is set by deciding how many differences can be tolerated in the sample population; the more differences that can be tolerated, the higher the precision limit should be. Reliability is the level of confidence in sample results. Selecting a reliability level affects the size of a sample with the higher the reliability level, the greater the number of items within the sample population to be reviewed.

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Based on the guidance contained in the Handbook, as well as communications from the OCC, the sample sizes to be utilized for assessing the requirements set forth in the Consent Order will be determined assuming a precision level of 3% and a reliability level of 95%. This corresponds to a sample size of 100 for a large population such as Citibank's population (in some high risk segments, the sample size will be determined assuming 2% precision and 95% confidence which corresponds to a sample size of 150). In order for the sample to address a number of foreclosure characteristics, including guidance from the OCC, the sample will be supplemented with a number of sub-samples with the following characteristics (discussed below in *Defined Populations - Risk Based Sample Determinations)*:

1. SCRA cases;
2. Customer complaints referred by state and federal agencies regarding foreclosure issues;
3. Foreclosure sales during 2009 and 2010 that occurred when there is an indication that the borrower was in active bankruptcy protection;
4. Top foreclosure activity states during 2009 and 2010;
5. Top foreclosure sales states during 2009 and 2010;
6. Foreclosure referrals at the time when the borrower was already in active bankruptcy protection;
7. Foreclosure referrals for which a bankruptcy protection notification has been received at any time during the process;
8. Non-judicial States;
9. Law Offices [redacted];
10. [redacted]
11. Other GSE delisted law firms [redacted];
12. Large volume foreclosure firms;
13. Other third party vendors;
14. Document execution service providers;
15. Rescinded foreclosures;
16. Mortgages that were foreclosed when an application was pending for loan modification or loss mitigation;
17. Loans not in default for a sufficient period of time to authorize foreclosure;
18. Denied HAMP;
19. Failed HAMP;
20. Denied proprietary modification;
21. Failed proprietary modification;
22. Borrowers with debt cancellation products from Citibank;
23. "Pyramiding fees" - fees assessed prior to delinquency precipitating foreclosure;
24. Loans with Customer Complaints received from January 1, 2009 - April 13, 2011; and
25. CitiFinancial Loans.

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PwC understands that the following is a list of the top 10 States and New Jersey with the highest foreclosure activity volume for Citibank during 2009 and 2010 (which represents approximately 63 percent of Citibank's foreclosure volume):

State	Foreclosure Activity	Percent	Cummulative Percent
Florida	43,889	12.27%	12.27%
California	30,921	8.64%	20.91%
Michigan	25,283	7.07%	27.98%
Texas	21,667	6.06%	34.04%
Ohio	20,452	5.72%	39.75%
Illinois	19,667	5.50%	45.25%
Georgia	15,735	4.40%	49.65%
New York	15,594	4.36%	54.01%
Arizona	12,599	3.52%	57.53%
Indiana	10,340	2.89%	60.42%
New Jersey	8,175	2.29%	62.71%
All Other	133,410	37.29%	100.00%
Total	**357,732**	**100%**	**100.00%**

PwC understands that the following is a list of the top 10 States and New Jersey with the highest foreclosure sales volume for Citibank during 2009 and 2010 (which represents approximately 63 percent of Citibank's foreclosure sale volume):

State	Foreclosure Sales	Percent	Cummulative Percent
Michigan	12,076	11.05%	11.05%
California	10,091	9.23%	20.28%
Florida	7,853	7.18%	27.47%
Texas	7,221	6.61%	34.07%
Georgia	6,816	6.24%	40.31%
Ohio	6,328	5.79%	46.10%
Arizona	6,237	5.71%	51.81%
Illinois	5,043	4.61%	56.42%
Missouri	3,442	3.15%	59.57%
Minnesota	3,384	3.10%	62.66%
New Jersey	514	0.47%	63.13%
All Other	40,293	36.87%	100.00%
Total	**109,298**	**100.00%**	**100.00%**

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Defined Populations - Risk Based Sample Determinations

In order that the Foreclosure Review provides coverage across a number of foreclosure characteristics, a number of sub-samples will be selected based on higher risk-based characteristics. The following table is intended to summarize the segmentation of Citibank's portfolio, the determination of the applicable risk-based samples, and the expected approach to the performance of the Foreclosure Review Services for these risk-based components (i.e., sample approach vs. 100% coverage). With respect to each of the risk-based sample determinations included in the following table, only the specified Consent Order requirements (a) - (h) (previously listed above as indicated) will be evaluated as part of the Services to be performed.

(All "Estimated Population Size" numbers included in the table below are preliminary estimates based on initial inquiries of Citibank personnel. Sub-samples 1 through 24 are based only on the CitiMortgage population, while sub-sample 25 is based only on the CitiFinancial population. These numbers may be subject to revision upon completion of additional data gathering activities.)

Sub-Sample	Potential Higher Risk Segmentations	Estimated Population Size	Sample Size	Basis for Higher Risk Segmentation Approach	Procedures Performed
1	SCRA cases	700	700	Foreclosures that have been referred or completed that include an indication that the borrower may have been subject to SCRA would indicate a potential violation of applicable state and/or federal laws. Accordingly, the risk for potential financial injury is magnified and therefore, 100% coverage of these instances will be reviewed as part of the Foreclosure Review activities	B (SCRA Check Only)
2	Customer complaints referred by state and federal agencies regarding foreclosure issues	140	140	Customer complaints referred by state and federal agencies regarding foreclosure issues would be representative of higher risk items. Accordingly, 100% coverage of these instances will be reviewed as part of the Foreclosure Review activities.	A through H (As Applicable)
3	Foreclosure sales during 2009 and 2010 that occurred when there is an indication that the borrower was in active bankruptcy protection	1,800	1,800	Foreclosures that have been completed that include an indication that the borrower may have been entitled to bankruptcy protection would indicate a potential violation of applicable state and/or federal laws. Accordingly, the risk for potential financial injury is magnified and therefore, 100% coverage of these instances will be reviewed as part of the Foreclosure Review activities.	B (Bankruptcy Check Only)

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Sub-Sample	Potential Higher Risk Segmentations	Estimated Population Size	Sample Size	Basis for Higher Risk Segmentation Approach	Procedures Performed
4	Top foreclosure activity states during 2009 and 2010	339,000	1,315	Top states where the institution conducted its foreclosure activity should be covered. The sample should be representative and include case files from every state in which the foreclosures were conducted by the institution. To accomplish this, the following will be selected: 100 loans for each of the 10 States with highest foreclosure activity; 100 loans for New Jersey; and a base sample of 100 loans from the remaining 43 states and territories that will be supplemented so that each state or territory has a minimum of 5 loans.	A through H
5	Top foreclosure sales states during 2009 and 2010	104,000	1,315	Top states where the institution conducted its foreclosure sales should be covered. The sample should be representative and include case files from every state in which the foreclosures were conducted by the institution. To accomplish this, the following will be selected: 100 loans for each of the 10 States with highest foreclosure sales; 100 loans for New Jersey; and a base sample of 100 loans from the remaining 43 states and territories that will be supplemented so that each state or territory has a minimum of 5 loans.	A through H
6	Foreclosure referrals at the time when the borrower was already in active bankruptcy protection	500	150	Foreclosure referrals at the time when the borrower was already in active bankruptcy protection may be higher risk for potential financial injury and will be reviewed as part of the Foreclosure Review activities. Given the increased risk for potential financial injury associated with completed foreclosures with bankruptcy indications, a higher level of statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150.	B (Bankruptcy Check Only)

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Sub-Sample	Potential Higher Risk Segmentations	Estimated Population Size	Sample Size	Basis for Higher Risk Segmentation Approach	Procedures Performed
7	Foreclosure referrals for which a bankruptcy protection notification has been received at any time during the process	53,000	150	Foreclosure referrals for which a bankruptcy protection notification has been received at any time during the process may be higher risk for potential financial injury and will be reviewed as part of the Foreclosure Review activities. Given the increased risk for potential financial injury associated with completed foreclosures with bankruptcy indications, a higher level of statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150.	B (Bankruptcy Check Only)
8	Non-judicial States	186,000	Not Applicable	Given that the top foreclosure activity and foreclosure sales states are selected to ensure geographical coverage, non-judicial states are represented in sub-samples 4 and 5. As such, inclusion of a separate higher risk segment for non-judicial states is not considered necessary.	Not Applicable
9	Law Offices [redacted]	21,000	150	Law firms known to have significant deficiencies related to foreclosure activities, were delisted by any of the GSEs, or discontinued by the institution are deemed higher risk. Given the increased risk for potential financial injury associated with the Law Offices [redacted] a higher level of statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150.	A through H
10	[redacted]	2,700	150	Law firms known to have significant deficiencies related to foreclosure activities, were delisted by any of the GSEs, or discontinued by the institution are deemed higher risk. Given the increased risk for potential financial injury associated with the [redacted] a higher level of	A through H

Sub-Sample	Potential Higher Risk Segmentations	Estimated Population Size	Sample Size	Basis for Higher Risk Segmentation Approach	Procedures Performed
				statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150.	
11	Other GSE delisted law firms [redacted]	4,900	150	Law firms known to have significant deficiencies related to foreclosure activities, were delisted by any of the GSEs, or discontinued by the institution are deemed higher risk. Given the increased risk for potential financial injury associated with the other GSE delisted law firms, a higher level of statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150.	A through H
12	Large volume foreclosure firms	Not Applicable	Not Applicable	Given that the top foreclosure activity and foreclosure sales states are selected using a random sample generator and selected to ensure geographical coverage, the resulting selections should be representative of the volume of foreclosure firms used by Citibank. Additionally, even though higher foreclosure volumes by law firms might be indicative of potential higher risk factors, there is no current basis to conclude that there is a higher risk of financial injury associated with these law firms. As such, inclusion of a separate higher risk segment for additional foreclosure attorneys is not considered necessary. To the extent there are any identified trends with respect to observations and/or financial injury within the geographical samples and/or other higher risk sample determinations that are specific to foreclosure attorneys, additional samples focused on those identified foreclosure attorneys may be considered.	Not Applicable

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Sub-Sample	Potential Higher Risk Segmentations	Estimated Population Size	Sample Size	Basis for Higher Risk Segmentation Approach	Procedures Performed
13	Other third party vendors	Not Applicable	Not Applicable	Through inquiries of Citibank personnel, there are no other third party vendors of Citibank that have significant roles within the foreclosure process beyond the foreclosure attorneys discussed above. Accordingly, the inclusion of a separate higher risk segment for miscellaneous other third party vendors is not considered necessary.	Not Applicable
14	Document execution service providers	Not Applicable	Not Applicable	Citibank does not use third party document execution service providers.	Not Applicable
15	Rescinded Foreclosures	4,800	150	"Mortgage rescissions" are defined as those foreclosure sales which had been completed and were rescinded by Citibank for various reasons, e.g., additional facts/information obtained, a new opportunity for a loan modification, additional review procedures, etc.) Given the increased risk for potential financial injury associated with rescinded foreclosures, a higher level of statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150.	A through H
16	Mortgages that were foreclosed when an application was pending for loan modification or loss mitigation	Not Applicable	Not Applicable	The Bank is unable to identify this population. Through testing of the top foreclosure activity and sales states, as well as other high-risk sub-samples, we will note whether this is a theme and may consider additional testing.	Not Applicable
17	Loan not in default for a sufficient period of time to authorize foreclosure	Not Applicable	Not Applicable	Based on inquiries with Citibank personnel, given that all foreclosure activities are triggered by servicing system-based delinquency and default information/status, existing system controls prevent foreclosure activities from being commenced prior to a sufficient default period having elapsed. Accordingly, the	Not Applicable

Sub-Sample	Potential Higher Risk Segmentations	Estimated Population Size	Sample Size	Basis for Higher Risk Segmentation Approach	Procedures Performed
				inclusion of a separate higher risk segment for such situations is not considered necessary. This assertion is further complemented by the timing of foreclosure proceedings being initiated being part of the evaluation of the Consent Order requirements for many of the risk-based sample determinations pursuant to the OCC's guidance that that these samples be subjected to the testing of all of the Consent Order requirements (a) - (h).	
18	Denied HAMP	58,100	150	Denied HAMP modifications have been identified as a potential higher risk segment, primarily as it relates to the evaluation of debt-to-income and/or net present value calculations. Accordingly, the Foreclosure Review Services will include a higher risk segment for denied HAMP modifications during the Review Period whereby the indicated denial reasons were associated with the debt-to-income and/or net present valuation calculations. The sampling approach associated with this higher risk segment will be on a targeted scope basis whereby only Consent Order requirement (g) will be evaluated for the sample obtained. The results of this targeted scope approach will then be evaluated with respect to the determination of financial injury to the borrower or the mortgagee pursuant to Consent Order requirement (h). Given the increased risk for potential financial injury associated with denied HAMPs, a higher level of statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150.	G

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Sub-Sample	Potential Higher Risk Segmentations	Estimated Population Size	Sample Size	Basis for Higher Risk Segmentation Approach	Procedures Performed
19	Failed HAMP	38,600	150	Failed HAMP modifications have been identified as a potential higher risk segment. Accordingly, the Foreclosure Review Services will include a higher risk segment for failed HAMP modifications during the Review Period. The sampling approach associated with this higher risk segment will be on a targeted scope basis whereby only Consent Order requirement (g) will be evaluated for the sample obtained. The results of this targeted scope approach will then be evaluated with respect to the determination of financial injury to the borrower or the mortgagee pursuant to Consent Order requirement (h). Given the increased risk for potential financial injury associated with failed HAMPs, a higher level of statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150.	G
20	Denied Proprietary Modification	10,900	150	Denied proprietary modifications have been identified as a potential higher risk segment, primarily as it relates to the evaluation of debt-to-income and/or net present value calculations. Accordingly, the Foreclosure Review Services will include a higher risk segment for denied proprietary modifications during the Review Period whereby the indicated denial reasons were associated with the debt-to-income and/or net present valuation calculations. The sampling approach associated with this higher risk segment will be on a targeted scope basis whereby only Consent Order requirement (g) will be evaluated for the sample obtained. The results of this targeted scope approach will then be evaluated with respect to the determination of financial injury to the borrower or	G

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Sub-Sample	Potential Higher Risk Segmentations	Estimated Population Size	Sample Size	Basis for Higher Risk Segmentation Approach	Procedures Performed
				the mortgagee pursuant to Consent Order requirement (h). Given the increased risk for potential financial injury associated with denied proprietary modifications, a higher level of statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150.	
21	Failed Proprietary Modification	700	150	Failed proprietary modifications have been identified as a potential higher risk segment. Accordingly, the Foreclosure Review Services will include a higher risk segment for failed proprietary modifications during the Review Period. The sampling approach associated with this higher risk segment will be on a targeted scope basis whereby only Consent Order requirement (g) will be evaluated for the sample obtained. The results of this targeted scope approach will then be evaluated with respect to the determination of financial injury to the borrower or the mortgagee pursuant to Consent Order requirement (h). Given the increased risk for potential financial injury associated with failed proprietary modifications, a higher level of statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150.	G
22	Borrower with debt cancellation product from Citibank	Not Applicable	Not Applicable	CitiMortgage did not offer debt cancellation products.	Not Applicable
23	"Pyramiding fees" - fees assessed prior to delinquency precipitating foreclosure	Not Applicable	Not Applicable	Based upon preliminary reviews of certain foreclosure files and inquiries of Citibank personnel, it appears that Citibank loan documents and collection practices do not provide for "pyramiding fees"	Not Applicable

Sub-Sample	Potential Higher Risk Segmentations	Estimated Population Size	Sample Size	Basis for Higher Risk Segmentation Approach	Procedures Performed
				and no such fees were collected. Further, the permissibility and reasonableness of fees is part of the evaluation of the Consent Order requirements for other risk-based samples be subjected to the testing of all of the Consent Order requirements (a) - (h). Accordingly, there will be no higher risk segment related to "pyramiding fees" for purposes of the Foreclosure Review Services.	
24	Loans with Customer Complaints received from January 1, 2009 - December 31, 2010	150	150	Customer complaints are a potential indicator that a borrower may have incurred a potential financial injury with respect to a given foreclosure. Given the increased risk for potential financial injury associated with claims/complaints that were received directly from borrowers of Citibank during the period from January 1, 2009 through December 31, 2010, a higher level of statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150. This population includes customer complaints received by the ERU related to foreclosures in process or foreclosure sales.	A through H
25	CitiFinancial Loans	19,000	150	Appropriate review of cases from other processing centers. As this is the only sample for CitiFinancial, a higher level of statistical confidence will be utilized whereby a reliability level of 95% will be coupled with a precision level of 2% to generate a sample size of 150.	A through H
Total			**7,070**		

The process for selecting the sub-samples begins with Sub-Sample 1 through 3 in which 100% of the loans will be reviewed for the following: 1) SCRA cases; 2) Customer complaints referred by state and federal agencies regarding foreclosure issues; and 3) Foreclosure sales that occurred when there is an indication that the borrower was in active bankruptcy protection. Next, sub-samples 4 - 24 will be selected, as appropriate, to achieve the required sample size for each sub-sample. Finally, sub-sample 25 will be comprised of 150 CitiFinancial loans.

The initial sample size across all procedures is estimated to be 7,070 for Citibank's population and should meet the requirements of the Consent Order and OCC Sampling Methodology guidelines.

With respect to the aggregate population numbers presented above as well as the higher risk segment populations presented in the previous table, PwC will evaluate Citibank's generation of the population information through review of Citibank-produced documentation related to the completeness and accuracy of this information, inquiry of the applicable management team regarding the populations and processes for generating such information, review and inquiry over Citibank's evaluation of this population information in comparison to previously generated reporting for internal and external purposes, and/or other procedures considered necessary, as applicable.

In evaluating the initial sample results associated with each of the Consent Order Requirements, certain base assumptions will guide the overall evaluation of any preliminary observations - including but not limited to the following:

- Individual samples will be drawn from all loans serviced by CitiMortgage, Inc. from the approximately 358,000 residential foreclosure actions or proceedings that have been pending at any time from January 1, 2009 to December 31, 2010. Citigroup, Inc. has only two entities engaged in mortgage servicing operations in the United States: CitiMortgage, Inc. and CitiFinancial Credit Corporation and its subsidiaries. The foreclosure work for CitiFinancial Credit Corporation, however, is performed by CitiMortgage, Inc. CitiMortgage, Inc. services loans on behalf of itself and its affiliates including Citibank, NA, Citicorp USA, Citicorp Trust Bank, Citigroup Global Markets Realty Corporation, Citi Residential Lending, Inc. and CitiFinancial Credit Corporation and its subsidiaries. As such, it is appropriate to draw the samples from this combined pool of loans to the extent any such owned loans have gone into foreclosure. In addition, loans owned by unaffiliated third party investors will be included in the pool from which the sample is drawn.
- For purposes of this Agreement, an "Observation" is an error, misrepresentation, or other deficiency identified as a result of procedures performed with respect to paragraphs 3(a) through 3(g) of Article VII the Consent Order. A "Difference" is an Observation for which there is evidence, based on the procedures performed and supporting documentation that the Observation resulted in financial injury to the borrower or to the mortgagee.
- Pursuant to the Handbook, if no Observations are found in the initial sample results, then the desired statistical reliability and precision levels have been attained and no further evaluation is warranted. When Observations are found, further analysis may be performed to evaluate the Observations, including but not limited to the root causes of the Observations and whether the Observations are isolated occurrences or are reflective of any patterns and/or practices warranting further evaluation.
- For identified Observations, PwC will review the Observations for evidence that the Observations resulted in a Difference.
- Where Observations are found, PwC will perform "root cause" analysis to determine the extent of any common characteristics and/or attributes of the initial Observation(s). Additional samples may be performed for the corresponding population of loans with those specific characteristics/attributes identified to determine whether there is a pervasive observation with respect to that population of loans. For example, if Observation(s) were only found with fees in loans without escrow, additional samples would be purposed for such loans to further isolate those issues. For these additional samples, we may conduct selective procedures if warranted (e.g. fees only). In such circumstances, there would be no expectation that loans from other sub-samples would need to be further sampled and reviewed.

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- The approach to be taken for any additional samples will be based on individual facts and circumstances associated with the results of the initial sample and will be discussed with and approved by the OCC prior to initiating and reviewing an additional sample.
- Citibank will supply Independent Counsel, for the use by such counsel, a matrix ("CITI SUPPLIED LAW MATRIX") of State laws drafted by outside counsel Hudson Cook, a matrix ("CITI SUPPLIED FEE MATRIX") of applicable fees, the Servicemembers Civil Relief Act ("SCRA"), and the U.S. Bankruptcy Code.
- Independent Counsel will develop a matrix ("COUNSEL SUPPLIED LAW MATRIX") of State laws and Federal laws (including SCRA and bankruptcy) a matrix ("COUNSEL SUPPLIED FEE MATRIX") of applicable fees.

Key Consent Order Definitions

Key Consent Order Definitions are contained in Exhibit C: *"OCC and FRB Guidance - Financial Injury or Other Remediation"* issued August 29, 2011. PwC will use best efforts so that its services in connection with the Foreclosure Review are consistent with this guidance.

Approach - PwC will determine a sample using the approach described above and will provide the account numbers to be sampled to Citibank. Citibank will provide PwC with the necessary information and documents to properly analyze actions taken on those accounts. PwC will then perform the actions requested in the Consent Order as described below. The results of each procedure will be reviewed with Independent Counsel, who will advise on applicable state and federal law issues.

Consent Order Requirements	**Scoping Assumptions**	**Foreclosure Review Activities and Reporting Considerations** *(Note that the Foreclosure Review activities and reporting considerations described herein are preliminary and illustrative only. The listing is not intended to be fully inclusive and will be subject to further revisions based on continued industry evaluations, benchmarking and/or specific facts and circumstances unique to Citibank and Citibank's operations, documentation and/or systems.)*
(a) Whether at the time of the foreclosure action was initiated or the pleading or affidavit filed (including in bankruptcy proceedings and in defending suits brought by borrowers), the foreclosing party or agent of the party had properly documented ownership of the promissory note and mortgage (or deed of trust) under relevant state law, or was otherwise a proper party to the action as a result of agency or similar status.	Sample size: 3,670 Risk-based sample determination: see Defined Populations above.	1. Key documents to be obtained from Citibank, read and analyzed, include copies of the: a. Original filed affidavit; b. Revised affidavit (as applicable); c. Any pleading; d. Original executed Note and any riders, modifications, assignments or amendments; e. Mortgage; f. Endorsements; and g. Legal name changes of borrower. 2. With respect to the legal standing of the party reflected in the key documents, Observations will be reported for the following: a. Inconsistencies between the name of the foreclosing party as reflected on the pleading or affidavit filed and any one of the following:

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		i. The borrower name on the loan note; ii. The lack of correct endorsement; iii. The chain of consecutive assignments from the party named within the mortgage to the party holding the assignment or named in the servicing agreement; b. Inconsistencies between beneficiary information included in [redacted] (as/if applicable) and the executing entity. c. Lack of existence of an original promissory note where required by state law, as certified by the Citi document custodian.
(b) Whether the foreclosure was in accordance with applicable state and federal laws, including but not limited to the Service members Civil Relief Act ("SCRA") and the U.S. Bankruptcy Code. (In accordance with paragraph 5(b) of Article VII of the Consent Order, Consent Order Requirement 3(b) will identify any foreclosures which were not authorized.)	Sample size: 6,470 Risk-based sample determination: see Defined Populations above.	1. With respect to the key documents and timing requirements and waiting periods identified in the **COUNSEL SUPPLIED LAW MATRIX** to be read / determined and analyzed, Observations will be reported for the following, (if applicable): a. In "start-over" states, any foreclosure proceedings that were not restarted after an interruption due to bankruptcy or other reasons b. Specific notices of default or sale were not sent in accordance with the **COUNSEL SUPPLIED LAW MATRIX**. c. Any state mandated waiting periods or notification/publishing/posting/mailing requirements as specified in the **COUNSEL SUPPLIED LAW MATRIX** were not satisfied; 2. SCRA review will be conducted using the **COUNSEL SUPPLIED LAW MATRIX** of SCRA policy for both federal SCRA and state-specific military protections. Observations will be reported for the following: a. Active duty orders present for loans lacking SCRA coding;

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		b. The customer was on active duty at the time foreclosure proceedings were initiated, as determined by coding on the servicing system to that effect c. Foreclosure activity occurred while a stay of proceedings was in effect d. Any applicable state laws regarding military service member protections were not followed 3. Bankruptcy - Accounts will be reviewed to determine whether foreclosure proceedings took place while the customer was protected by U.S. Bankruptcy laws. Observations will be reported for the following: a. Situations where the bank had any knowledge of an active bankruptcy when foreclosure proceedings were considered, as evidenced by a review of the Banko system, and proceedings were initiated, unless one of the following documents were present: 1. Order terminating stay; 2. Dismissal Order; or 3. Discharge Order.
(c) Whether the foreclosure sale occurred when an application for a loan modification or other Loss Mitigation (as defined in the Consent Order) was under consideration; when the loan was performing in accordance with a trial or permanent loan modification; or when the loan had not been in default for a sufficient period of time to authorize foreclosure pursuant to the terms of the mortgage loan		1. Key documents to be obtained from Citibank, read and analyzed, include: a. [redacted] system notes; b. [redacted]; c. [redacted]; d. [redacted] history; and e. Tools and calculations used to underwrite loan modifications (including HAMP) 2. With respect to delinquency and loss mitigation status activities/information, Observations will be reported for the following: a. Delinquency status i. Instances where the period of delinquency prior to issuance

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documents and related agreements. (In accordance with paragraph 5(b) of Article VII of the Consent Order, Consent Order Requirement 3(c) will identify any foreclosures which were not authorized.)		of the "breach" or "acceleration" letter was less than an established requirement as determined by the **COUNSEL SUPPLIED LAW MATRIX**; and/or ii. Instances where the period of time that lapsed between breach and initiation of foreclosure proceedings was less than an established requirement as determined by the **COUNSEL SUPPLIED LAW MATRIX**; or iii. Instances where a foreclosure sale was completed when the loan had not been in default for a sufficient period of time to authorize foreclosure, as determined by the terms of the mortgage or deed of trust, if any. b. Loss mitigation i. Situations where the borrower was granted a HAMP or proprietary modification and was performing as agreed under the terms of the modification at the time of the foreclosure sale (as evidenced by review of the servicing system notes and payment history ii. Situations where the borrower submitted a properly completed application for a loss mitigation program or loan modification program prior to foreclosure and the bank either a. Did not properly consider the application according to its own policies and procedures

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		or b. Approved the loss mitigation or loan modification but did not act in a timely fashion to stop the foreclosure sale
(d) Whether, with respect to non-judicial foreclosures, the procedures followed with respect to the foreclosure sale (including the calculation of the default period, the amounts due, and compliance with notice periods) and post-sale confirmation were in accordance with the terms of the mortgage loan and state law requirements.	Sample size: minimum 100 Risk-based sample determination: see Defined Populations above.	1. Key documents to be obtained from Citibank, read and analyzed, as it relates to non-judicial foreclosure activities, include copies of the: a. Original mortgage / deed of trust b. Notice of Default c. Notice of Sale d. Any post-sale confirmation to the borrower e. Supporting documentation for any calculations of amounts due done by outside counsel 2. Observations will be reported for the following: a. Inconsistencies between the total amounts demanded to avoid foreclosure per the servicing system and the amount due to avoid foreclosure as included in the "notice of default" letter as of issuance date, if listed; b. If applicable, any notice of sale including a balance due where such as balance did not accurately reconcile to the servicing system and / or related documentation c. If applicable, any post sale confirmation including a balance due where such as balance did not accurately reconcile to the servicing system and / or related documentation d. Situations where the default period had not been calculated correctly, as defined in the original mortgage or deed of trust e. Situations in which the period between the foreclosure legal notifications and foreclosure sale date did not meet or

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		exceed an established requirement; and f. Instances in which post-sale confirmations, if any were not issued and/or executed after an established requirement.
(e) Whether a delinquent borrower's account was only charged fees and/or penalties that were permissible under the terms of the borrower's loan documents, applicable state and federal law, and were reasonable and customary	Sample size: 3,670 Risk-based sample determination: see Defined Populations above.	1. As related to fees, key documents to be obtained from Citibank, read and analyzed include copies of the: a. Original Note / Mortgage / Deed of Trust b. Breach or acceleration letter c. Servicing System transaction history showing assessment of late charges d. Servicing System fee history showing history of fees assessed and billed to the borrower e. IClear invoices (or similar) for fees charged to borrower, whether or not recorded in the servicing system f. **COUNSEL SUPPLIED FEE MATRIX** of any statutory maximums on fees, late charges, and penalties. A list of **potential fees** is attached hereto as Exhibit A. Any state fee caps preempted by the National Bank Act (12 U.S.C. §§ 24 (7th), 85) and OCC regulations (i.e., 12 CFR 7.4001 and 12 CFR 7.4002) in existence at the time will not be considered for purposes of the review. 2. With respect to the **COUNSEL SUPPLIED FEE MATRIX**, Observations will be reported for those instances in which the fees charged by Citibank were in excess of the permissible fees/penalties for the following fees: a. Fees, late charges and penalties as detailed on the breach / acceleration letter; and b. Any fees, late charges or penalties assessed after the date of the breach / acceleration letter. 3. With respect to the original loan documents,

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		observations will be reported for those instances where: a. Late charges assessed the borrower exceeded the contractual maximum late charge as specified in the note b. Any other charges contractually limited by the note, mortgage, or deed of trust, if any, that exceeded the amount contractually agreed upon 4. Fees and penalties assessed to borrowers will be evaluated to see where they are reasonable and customary as defined in Exhibit C. Any inconsistencies will be reported as an Observation. A Difference will be reported as 1) when the borrower paid an excessive fee; or 2) when unpaid excessive fees exceed any deficiency resulting from the foreclosure sale.
(f) Whether the frequency that fees were assessed to any delinquent borrower's account (including broker price opinions) was excessive under the terms of the borrower's loan documents and applicable state and federal law.	Sample size: 3,670 Risk-based sample determination: see Defined Populations above.	1. As related to fees, key documents to be obtained, read and analyzed include copies of the a. Original Note / Mortgage / Deed of Trust b. Breach or acceleration letter c. Servicing System transaction history showing assessment of late charges d. Servicing System fee history showing history of fees assessed and billed to the borrower e. IClear invoices (or similar) for fees charged to borrower but not recorded in the servicing system f. **COUNSEL SUPPLIED FEE MATRIX** of any statutory maximums on fees, late charges, and penalties. A list of potential fees is attached hereto as Exhibit A. Any state fee caps preempted by the National Bank Act (12 U.S.C. §§ 24 (7th), 85) and OCC regulations (i.e., 12 CFR §§ 7.4001 and 12 CFR 7.4002) in existence at the time will not be considered for purposes of the review.

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		2. Frequency of Fee Assessment - With respect to the **COUNSEL SUPPLIED FEE MATRIX**, Observations will be reported for instances in which the frequency of the assessment of fees by Citibank exceeded an established requirement for the following fees: a. Fees, late charges and penalties as detailed on the breach / acceleration letter; and b. Any fees, late charges or penalties assessed after the date of the breach / acceleration letter. 3. With respect to the original note , mortgage and or deed of trust, observations will be reported: a. For any late charges exceeding the frequency of assessment contractually permitted in the original loan documents b. For any other fees or penalties contractually limited in the original loan documents, instances where the fee or penalty was assessed more often than contractually permitted Any inconsistencies will be reported as an Observation. A Difference will be reported as 1) when the borrower paid an excessive fee; or 2) when unpaid excessive fees exceed any deficiency resulting from the foreclosure sale.
(g) Whether Loss Mitigation Activities with respect to foreclosed loans were handled in accordance with the requirements of the Home Affordable Modification Program ("HAMP"), and consistent with the policies and procedures applicable to Citibank's proprietary loan modifications or other loss mitigation programs,	Sample size: 4,270 Risk-based sample determination: see Defined Populations above.	1. Key documents to be obtained from Citibank, read and analyzed, include: a. [redacted] system notes; b. [redacted]; c. [redacted]; d. [redacted] history; e. Account payment history; f. Borrower's income documentation; g. Credit Bureau Report; and h. Inputs supporting NPV calculations. A historical record of Policies & Procedure in force during the timeframe to be sampled will be provided

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such that each borrower had an adequate opportunity to apply for a Loss Mitigation option or program, any such application was handled properly, a final decision was made on a reasonable basis, and was communicated to the borrower before the foreclosure sale.		by Citibank. In the event of multiple loss mitigation attempts occurring on the same account, the most recent HAMP attempt, if any, and the most recent proprietary modification if made subsequent to the most recent HAMP modification will be reviewed. 2. HAMP Loss Mitigation a. With respect to the eligible HAMP population (i.e., which investors have opted into the program), Observations will be reported for the following based on a review of Servicing System notes: i. Lack of evidence of the offering of HAMP to eligible borrowers; ii. Lack of evidence of the review and/or analysis of information returned by the borrower for modification consideration; iii. Inconsistencies between HAMP eligibility and management's approval/rejection decision utilizing the information returned by the borrower; and iv. Evidence of notifications of approval or rejection were not provided to the borrower b. For HAMP modifications that were denied by the bank, DTI and NPV calculations will be validated, and any errors in calculation will be reported as an observation. 3. Proprietary Loss Mitigation a. With respect to proprietary loss mitigation population, which will be defined to include forbearance, loan modifications, short sales, cash for keys and deed in lieu- Observations will be reported for the following, based on a review of Servicing System notes: i. Lack of evidence of discussion about loss mitigation solutions

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		with eligible borrowers with whom contact had been made (taking into account any investor guidelines); ii. Lack of evidence of a qualification analysis for those borrowers who communicated interest in a loss mitigation solution; iii. Instances of loss mitigation denials being made contrary to the Bank's applicable Policies & Procedures in effect at the time; and iv. Evidence of notifications of approval or rejections that were not provided to the borrower in accordance with Citi's policies & procedures b. For proprietary modifications that were denied by the bank, DTI calculations and NPV inputs will be validated, if used in the consideration, and any errors in calculation will be reported as an observation. For purposes of completing the aforementioned Foreclosure Review, only the last HAMP modification and the final proprietary loss mitigation activity subsequent to the last HAMP modification, if any, will be evaluated. All other loss mitigation activities, HAMP or proprietary, will be excluded from evaluation.

Consent Order Requirements	Scoping Assumptions	Foreclosure Review Activities and Reporting Considerations *(Note that the Foreclosure Review activities and reporting considerations described herein are preliminary and illustrative only. The listing is not intended to be fully inclusive and will be subject to further revisions based on continued industry evaluations, benchmarking and/or specific facts and circumstances unique to Citibank and Citibank's operations, documentation and/or systems.)*
(h) Whether any errors, misrepresentations, or other deficiencies identified in the Foreclosure Review resulted in financial injury to the borrower or the mortgagee	Sample size: previous samples for Consent Order Requirements (a) - (g).	Observations related to steps performed within Consent Order Requirements (a) - (g) will be considered in relation to whether financial injury resulted to the borrower or mortgagee. Any Observation for which there is evidence, based on the procedures performed and supporting documentation that the Observation resulted in financial injury to the borrower or to the mortgagee will be reported as a Difference. Observations will be separately identified and reported from Differences. For each procedure, we will record each Observation and/or Difference. We will provide weekly status reports for number of loans sampled, and any Observations and/or Differences noted. Upon completion of our sample(s) and at the end of our review, we will provide a report with the results of all loans sampled and, by loan, any Observations and/or Differences noted.

Submission and Review of Post-Consent Order Complaints

Subsequent to the issuance of the Consent Order, the OCC has provided additional guidance to Citibank requiring a process for submission and review of borrower claims and complaints related to foreclosures during the Review Period. The OCC has provided guidance regarding a borrower outreach process for complaints to be established related to foreclosure actions initiated, pending or completed in 2009 or 2010. The process of submission and evaluation of borrower complaints as well as the borrower outreach process is to be established by Citibank and meet the objectives set forth in the guidance provided by the OCC.

Citibank has also been instructed by the regulator to participate in an approach to the borrower outreach and complaint intake process that is coordinated amongst the other servicers that are subject to the Consent Order ("Coordinated Approach"). The Coordinated Approach is being designed by these servicers, and is meant to provide consistency in design and execution of outreach and intake. The Coordinated Approach includes certain processes that will be executed by a common vendor on behalf of all servicers, and other processes that are to be executed by each servicer's respective vendor, but in a consistent manner.

The independent consultant's role is to advise on the type of process that Citibank may use for the borrower outreach complaint process and the related ongoing quality control and oversight processes designed to meet the objectives of the OCC's guidance, using the Advisory Process (as defined below). Specifically, the independent consultant is responsible for (i) advising on the development of the Coordinated Approach together with Citibank, (ii) advising on the development of Citibank-specific implementation of the Coordinated Approach and the aspects of the complaint process that are not covered by the Coordinated Approach, (iii) executing certain procedures to assess the bank's and the bank's vendors' execution of the outreach and intake processes, (iv) incorporating all applicable complaints into the Foreclosure Review, and (v) performing an independent review of each in-scope complaint and reporting any observations and differences, to include recommendations as to proposed remediation and/or compensation to be made to each borrower identified by PwC as one who suffered, or may suffer financial injury in accordance with the August 29, 2011 OCC and FRB Guidance on Financial Injury or Other Remediation. The independent consultant will also provide observations and recommendations to Citibank and the OCC designed to achieve the objectives of the notification process.

Pursuant to the OCC's guidance, the Foreclosure Review must include (i) all complaints received through the borrower outreach process established per this guidance, and (ii) complaints received from borrowers through any channel (e.g., directly by Citibank, attorneys general, state banking agencies and all other regulatory agencies) since January 1, 2011, that are regarding residential mortgage foreclosure actions that were initiated, pending, or completed in 2009 or 2010. Complaints for borrowers in active litigation must be included if they are otherwise in-scope. All in-scope complaints received through the borrower outreach process, from the launch of the outreach (with a launch target date no later than September 30, 2011) to the cut-off date (120 calendar days from the launch date), will be subjected to the Foreclosure Review.

The borrower outreach process is expected by the OCC to be a distinct, separate process from Citibank's existing customer service channel. Citibank will employ a vendor ("Complaint Intake Vendor") to assist with portions of the intake process, in line with the Coordinated Approach. The Complaint Intake Vendor will be engaged by and work at the direction of Citibank. PwC will have no contractual relationship with the Complaint Intake Vendor. All complaints received through the borrower outreach process will be logged by the Complaint Intake Vendor. Complaints filed through the borrower outreach process cannot be excluded from remedies provided by the Foreclosure Review unless a determination is made that the complaint is not in-scope, a process which will be subject to a review by the independent consultant as further discussed below. The independent consultant will obtain from Citibank and analyze a report which tracks the nature and resolution of each complaint received and periodically report data to the appropriate regulatory agency regarding (i) complaints received through the borrower outreach process, (ii) exclusions of complaints from the Foreclosure Review and the reason for exclusion, (iii) resolution of the complaint, and (iv) other data as further described herein.

The general framework for the complaint process is outlined below:

- Loan Population - Citibank will be responsible for identifying the loans that are responsive to the Consent Order and providing a detailed description of the process used to gather the data. PwC will understand the process used by Citibank to gather data related to such loans, and will perform procedures designed to evaluate that process.
- Notification Process / Borrower Communications
  - In conjunction with the other servicers, Citibank will design, develop and execute the Coordinated Approach to notify the borrowers associated with the loans identified as responsive to the Consent Order of their opportunity to submit a complaint and the process for doing so. At a minimum, this effort will include (1) direct mail to the best available address for the borrowers, (2) address tracing and re-mailing to those borrowers for whom mail is returned, (3) thorough tracing and reporting of all efforts used to reach borrowers, (4) public advertising of the complaint process, to potentially reach those borrowers who are not reachable through other means, and (5) through the use of internet websites.
  - With respect to direct mail, the OCC's current guidelines are as follows: (1) mail notifications will be subject to review by the OCC, (2), the OCC will contact state attorney generals, the Department of Justice, and other federal regulatory agencies and invite them to identify borrowers who filed a complaint with their office during the in-scope time period, and to submit any of those complaints for review and consideration as appropriate, and (3) Citibank will conduct outreach to neighbourhood and not-for-profit groups so that they may educate their constituents of the

borrower complaint process. Direct mailings will be conducted by the Complaint Intake Vendor in accordance with the schedule and process outlined by the Coordinated Approach.

- With respect to advertisements, the OCC's guidelines are that the advertising will be included in (1) national newspapers and/or prominent publications and (2) selected local newspapers based on geographical concentration of relevant borrowers. Advertisements will be designed and distributed in accordance with the schedule and process outlined by the Coordinated Approach.
- With respect to the internet channel and/or other advertising related matters, the OCC's current guidelines include the following: (1) a dedicated post office box to receive mailed responses from borrowers, (2) a dedicated website within Citibank's website domain where borrowers can submit a claim on-line; the website will contain information and processes for submission of complaints electronically with email acknowledgement of receipt of the complaint, (3) outreach programs through the internet, including email addresses, (4) consideration of the use of social media or social networks to publicize the complaint process or to facilitate submission of a complaint, and (5) a dedicated toll free number to be used by borrowers with complaints. The Coordinated Approach will provide requirements for the website, and an approach for the call center. The website and call center will be hosted by the Complaint Intake Vendor.
- Citibank anticipates that certain direct mail to in-scope borrowers could be returned if the borrower's mailing address was same as that of the related foreclosed property. Accordingly, a skip tracing process is expected to be put in place to handle returned mail and to trace the borrower's current address. It is required that a third party complaint administration vendor will execute this process. Related to return mail, the OCC has the expectation that (1) there will be a dedicated post office box for receiving returned mail, (2) the Complaint Intake Vendor will use skip tracing methods to identify the borrower's current address, and (3) multiple attempts will be made to locate and contact the borrower if communication is returned. Citibank will utilize a skip tracing process to be designed as part of the Coordinated Approach.
- PwC will leverage the Advisory Process (as defined below) to assist in providing input on the design and development of the Coordinated Approach, Citibank-specific implementation of the Coordinated Approach, and the aspects of the complaint process that are not covered by the Coordinated Approach, with respect to the notification process.
- The OCC's expectations with respect to the content of the notification material include at a minimum the following information: (1) why the borrower is being contacted, (2) how eligibility for the notification/contact was determined, (3) necessary information that Citibank will need from the borrower upon response, (4) the channels available for the borrower to contact Citibank, (5) the timeframe for filing a complaint with Citibank and, (6) what to expect from the complaint process, including when to expect a response.

- <u>Complaint Support and Intake Process</u>
  - In conjunction with the other servicers, Citibank will design, develop and execute the Coordinated Approach to receive the complaints relevant to the Foreclosure Review, using a Complaint Intake Vendor and Citibank resources that are dedicated to this effort. At a minimum, this effort will include, (1) establishing the means for the borrowers to gain clarity about their ability to make a complaint via a website or mail, (2) providing a structured intake process that will allow the borrower to categorize the nature of the complaint and provide relevant information and documentation to support the complaint, (3) developing a plan for status reporting to those borrowers who make a complaint through this process, (4) providing complete tracking and reporting of all contact with borrowers relating to the Foreclosure Review effort, and (5) developing a means for all complaints received and supporting documents to be incorporated into the Foreclosure Review.
  - This process will use the services of the Complaint Intake Vendor to receive complaint submissions, document and store such complaints, filter the nature/extent of the complaints, forward/transfer the complaints to Citibank for further analyses and a borrower follow-up process.

- PwC will advise Citibank regarding training with respect to the execution of the complaint intake process. This training would include assessment of, (1) key information to be collected, (2) information on the forwarding/transferring of in-scope complaints from the normal customer service process, and (3) relevant foreclosure complaint scripts, frequently asked questions and/or other materials.
- Citibank and the Complaint Intake Vendor will be responsible for executing the complaint intake process and providing updates and tracking to PwC, and conducting its own procedures to test the process. The intake process should provide a consistent sent of questions to be answered by the borrowers including, but not limited to, (1) current contact information, (2) eligibility determination questions, (3) the specific nature of the complaint, and (4) identification of any previous complaints by the borrower, where applicable.
- PwC will evaluate the complaint process, and will provide observations and recommendations to Citibank and the OCC to achieve the objectives of the complaint process. This may include, (1) monitoring a judgmental sample of calls by the customer service representatives to assess the appropriate handling of complaints, and providing feedback to the customer services representative team, (2) assessing performance data such as call wait times and dropped calls to determine the adequacy of technology resources and staffing levels, and (3) providing recommendations to update scripts and procedures as may be necessary for continued improvement of the complaint process.
- Citibank will also direct the Complaint Intake Vendor to provide updates and tracking to PwC for purposes of PwC's analyses related to the Foreclosure Review.
- With respect to the complaint resolution process, all complaints will need to be logged, including out-of-scope complaints. For complaints received by the Complaint Intake Vendor, this vendor will forward all complaints to Citibank. It is the responsibility of Citibank to prepare the case file and conduct the initial review of the complaint. Citibank will then forward the in-scope complaints, a report of Citibank's findings and its proposed resolution to PwC for independent review. PwC's review will be independent of any review previously prepared by Citibank. To the extent any immediate remedial action is required or desired by Citibank, such actions make be taken subject to subsequent independent review by PwC and any additional requirements of the Foreclosure Review remediation plan approved by the OCC.
- If the nature of the borrower inquiry does not pertain to in-scope mortgages/foreclosures, such borrower contact will be transferred to Citibank's existing customer service channels for review and resolution in accordance with existing Citibank processes.
- Citibank will be responsible for documenting and storing all complaints in a database that will be archived per Citibank's existing policies, and a written acknowledgement is expected to be provided to the borrower, within seven (7) calendar days of the receipt of the complaint by the Complaint Intake Vendor.
- Citibank will be responsible for conducting any follow-up with a borrower, as necessary. Effective receipt and handling of complaints will necessitate the Complaint Intake Vendor and Citibank to develop program -specific training and scripting, technology configurations and other elements previously discussed herein. PwC will advise Citibank regarding such matters as discussed herein.

- Response
  - All complaints are to receive a written response from Citibank within an appropriate timeframe to be determined. In the written response, borrowers will be provided information that outlines the results of the analysis and that addresses all issues contained within the complaint submitted by the borrower. If the result of Citibank's analysis determines that remediation is required, the borrower will be informed of this in a written response and will state that a remediation is forthcoming within a specified time period following approval by Citibank.
  - Citibank and its Complaint Intake Vendor will be responsible for the infrastructure required to handle the complaints, and it is the OCC's expectation that the infrastructure would include,

(1) configuration of call center technology, (2) a web form for complaints intake, and (3) a database to document complaints received. The OCC expects high complaint intake volumes and accordingly, the infrastructure should be prepared to handle such volumes.

  - On a monthly basis, Citibank must report internally and to the OCC, in a standardized format that includes loan level information and aggregate volume tracking, the following data points: (1) number of complaints received, (2) type or nature of complaints received, (3) number of complaints in-scope and out-of-scope, (4) number of complaints acknowledged, (5) number of complaints in process, (6) number of complaints not yet analyzed, (7) number of complaints responded to, (8) complaints disposition, (9) number of complaints requiring remediation, (10) number of complaints remediated, (11) aging reports as warranted/where applicable, and (12) a comments section to provide other pertinent information, as applicable.

- Incorporation of Written Complaints into the Foreclosure Review Process by the Independent Consultant
  - For all complaints received meeting the aforementioned criteria, PwC will perform only the applicable Foreclosure Review procedure (a) - (h) as described above that is specific to the nature of the borrower's complaint and evaluate only that specific Consent Order requirement where the nature of the complaint is specific to a given Consent Order requirement. If the complaint is not specific and/or multiple Consent Order requirements are specified in the complaint, an assessment of Foreclosure Review procedures (a) - (h) will be performed.

Any direct communication with the borrower will be conducted by Citibank or its Complaint Intake Vendor.

Ancillary to the provision services described above, PwC will use the following "Advisory Process" to create the deliverables that will be used by Citibank specific to the complaint process:

1. Where available, PwC will provide initial generic examples of the deliverable based on initial understanding of the objectives of the assignment.

2. PwC will meet with Citibank management to discuss the sample deliverable or the expected content of the first draft of a deliverable where no sample exists, to firm up PwC's understanding of the objectives, and to discuss how the generic deliverable should be adjusted/drafted to make it Citibank specific. In the discussions, PwC will utilize its experience and knowledge of leading practices to facilitate Citibank management in making the decisions, determinations, etc. that Citibank deems necessary for inclusion in the document.

3. Following these discussions, PwC will revise the generic document as agreed with Citibank management, and/or create a first draft of a Citibank-specific deliverable for Citibank management to review.

4. Citibank management will take the initial draft, and apply its in-house expertise and experience to either make those changes that they consider necessary or to provide comments/instructions to PwC regarding such changes to be made by PwC.

5. PwC will review the amended deliverable or Citibank's comments/instructions and make observations/recommendations.

6. Based upon Citibank management's decisions regarding PwC's observations/recommendations, PwC will incorporate changes into the document.

7. Citibank management will decide on the final content, adopt the document as its own and approve/finalize.

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Access to Information and Privileged Information

We understand that we will be required to execute a written agreement with the OCC providing for the OCC's prompt and complete access to documents and information created by or in the possession of any of the parties with respect to the Foreclosure Review. Pursuant to the applicable regulatory requirements, submission of any information required by the OCC does not waive or otherwise affect any claim of privilege by Citibank, Citibank's external counsel, PwC and Independent Counsel. The OCC will maintain requested information as confidential, non-public supervisory information, and will review any request for access to such information in accordance with the requirements of the OCC's applicable rules. Should the OCC receive a governmental or third party subpoena for such information, the OCC will notify Citibank, Citibank's external counsel, PwC and Independent Counsel so that these parties may act to protect any claim of privilege with respect to such information.

Progress Reporting and Communications with the OCC

We understand that the OCC will want to receive periodic updates throughout the timeline of this engagement with respect to the progression of the Foreclosure Review Services discussed herein as it relates to the initial base sample and risk-based sample population testing, the post-Consent Order claim/complaint process and/or other specific aspects of this engagement. These updates are likely to be facilitated through the use of written updates as well as through in-person meetings between the OCC and PwC. As previously indicated in the *Independence of PwC as Independent Consultant* section of this engagement letter, we understand that the conduct of the Foreclosure Review shall be subject to the monitoring, oversight and direction of the OCC. PwC agrees to promptly comply with all written comments, directions and instructions of the OCC concerning the conduct of the Foreclosure Review consistent with professional standards, and that it will promptly provide any documents, workpapers, materials or other information requested by the OCC, regardless of any claim of privilege or confidentiality (but subject to any such claims). Additionally, PwC agrees to provide regular progress reports, updates and information concerning the conduct of the Foreclosure Review to the OCC, as directed by the OCC.

Upon approval of the engagement letter by the OCC, PwC will commence meetings with the OCC regarding the form, nature, extent and frequency of the progress reporting and regular communications with the OCC.

Deliverables

For purposes of the Agreement, "Deliverables" refers to all documents and presentations that include recommendations or observations based on services rendered by PwC and submitted to You in final form.

We expect to provide You with Deliverables prepared for and delivered to You under this Agreement, including the following: PwC will prepare a written report regarding the Foreclosure Review ("Foreclosure Report"), which shall be completed no later than within 30 days of completion of the Foreclosure Review Fieldwork Period. The report will separately identify Observations and Differences, including the borrower or mortgagee for whom each Difference resulted and those Observations that did not result in a Difference. Neither Observations nor Differences will be extrapolated to the population. It is expected that immediately upon completion, the Foreclosure Report will be submitted to the Deputy Comptroller, Examiner-in-Charge, and the Bank's Board of Directors. We will make any workpapers associated with the Foreclosure Review available to You, the OCC and the Federal Reserve upon request, which PwC understands will be subject to the OCC's and the Federal Reserve's customary examination privilege, and that the provision of such materials to the OCC or the Federal Reserve will not waive any privilege or related defense that can be asserted by the Bank or by Independent Counsel.

You will own all Deliverables except as follows: we own our working papers, preexisting materials and any general skills, know-how, processes, or other intellectual property (including a non-Bank specific version of any Deliverables) which we may have discovered or created as a result of the Services. You have a nonexclusive, non-transferable license to use such materials included in the Deliverables for your own internal use as part of such Deliverables, or in connection with any regulatory oversight or regulatory enforcement activities associated with matters covered by the Foreclosure Review, or with prior notification to PwC, in response to any court order, any litigation discovery request or other formal legal process (*e.g.*, subpoena in an administrative hearing process) to which the materials are responsive.

In addition to Deliverables, we may develop software or other electronic tools to assist us with an engagement. If we make these available to You, they are provided "as is" and your use of these tools is at your own risk.

Notwithstanding anything to the contrary in this Agreement, You shall retain ownership of all of your own materials, proprietary information and intellectual property, including such materials, proprietary information or intellectual property used in connection with the Foreclosure Review or in the creation of the Foreclosure Report or other Deliverables, and we shall not obtain any right, title or interest in such materials, proprietary information or intellectual property.

Use of Deliverables

PwC is providing the Services and Deliverables solely for your use and benefit as described in this Agreement. The Services and Deliverables are not intended for a third party's use, benefit or reliance. Except as otherwise provided in this Agreement, PwC disclaims any contractual or other responsibility or duty of care to others based upon these Services or Deliverables or advice we provide. Except as described below, You shall not discuss the Services with or disclose Deliverables to any third party, or otherwise disclose the Services or Deliverables without PwC's prior written consent.

Notwithstanding anything to the contrary in this Agreement, You may discuss the Services and/or disclose the Deliverables to (i) relevant regulatory bodies with jurisdiction over the Bank, including the OCC or the Federal Reserve, or (ii) to counsel retained by the Bank in connection with or related to the Foreclosure Review, without PwC's prior written consent (including in connection with any regulatory oversight or regulatory enforcement activities associated with matters covered by the Foreclosure Review, or with prior notification to PwC, in response to any court order, any litigation discovery request or other formal legal process (*e.g.*, subpoena in an administrative hearing process) to which the materials are responsive). The Bank may provide the Deliverables to the relevant regulatory bodies described above, including the OCC and the Federal Reserve, which will be granted full and timely access to the Deliverables (and PwC's related workpapers upon request), which PwC understands will be subject to the OCC's and the Federal Reserve's customary examination privilege and that the provision of such materials to the OCC or the Federal Reserve will not waive any privilege or related defense that can be asserted by Citibank or by its counsel

You may disclose any materials that do not contain PwC's name or other information that could identify PwC as the source (either because PwC provided a Deliverable without identifying information or because You subsequently removed it) to any third party if You first accept and represent them as its own and You make no reference to PwC in connection with such materials.

Estimated Timeline

Project steps	Week -1	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22
Sign Letter and Confirm Scope																							
Evidence of Regulatory Body Approval within 5 Days of Being Engaged																							
Citibank to prepare populations for sample selection																							
PwC to select samples for each Consent Order Requirement																							
Citibank to compile supporting documentation for selected samples																							
PwC to perform initial sample review																							
Complete workpapers and Foreclosure Report																							

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Our ability to achieve the proposed timeline may be impacted by the sample size, and Citibank's ability to provide the necessary documentation in a timely manner. We will provide a dedicated team to complete all procedures for the seventeen (17) sub-samples described in the "Sampling Methodology" section in 120 days as required by the OCC. In the event that we anticipate that our timelines will be impacted we will notify You immediately. Any subsequent "deep-dive" samples or additions to scope will likely require additional time, resources, fees and expenses. If such scope addition(s) arise, we will provide time, fee and expense estimates to you once we understand the additional review requirements.

Other Terms and Conditions

[redacted]

Indemnification

[redacted]

Your Responsibilities

Our role is advisory only. You are responsible for all management functions and decisions relating to this Agreement, including evaluating and accepting the adequacy of the scope of the Services in addressing your needs. You are also responsible for the results achieved from using the Services or Deliverables, and for implementing any plans or recommendations provided by PwC hereunder. It is your responsibility to establish and maintain your internal controls. You will designate a competent member of your management to oversee the Services. We expect that You will provide timely, accurate and complete information and reasonable assistance, and we will perform the engagement on that basis. In addition:

- The Bank will supply to Independent Counsel a matrix ("CITI SUPPLIED LAW MATRIX") of State laws drafted by outside counsel Hudson Cook; an outside counsel prepared matrix ("CITI SUPPLIED FEE MATRIX") of State fees; and the Servicemembers Civil Relief Act ("SCRA"), and the U.S. Bankruptcy Code during the first week of the engagement.
- The Bank will provide all necessary population information in order to identify and facilitate sample selection during the first week of the engagement. Citibank is responsible for the integrity of the population files used to identify the sub-samples.
- For those foreclosure actions selected in the samples, the Bank will provide all documentation necessary to evaluate the action against the criteria - and such documentation will be accurate and complete in all material respects. Due to the large number of files, we understand that the Bank anticipates a minimum of approximately [redacted] are necessary to provide the documentation.
- The Bank is responsible for the accuracy of all data provided to PwC as part of this engagement as well as the accuracy of any data embedded within the source systems that generate information provided to PwC as part of this engagement.
- The Bank is responsible for any potential remediation of Observations identified as part of the review.
- The Bank will provide sufficient facilities for PwC to execute their assigned tasks. This may include, but is not limited to, desks, telephones and networking facilities.
- All assessments will assume that the documentation presented to the review team prior to the initiation of work efforts is the only available documentation, except as otherwise agreed to by the parties. All assessments will be performed based on the point in time of the initiation of our review activities.

PwC's Team Structure and Roles

The team that PwC will commit to this engagement has a combination of knowledge and experience with mortgage servicing, default management and, in particular, foreclosures. Additionally, the PwC engagement team will be complemented with resources with significant experience in the evaluation of and testing of mortgage servicers' compliance with a variety of previously established industry servicing criteria - including but not limited to loss modification programs (e.g., Regulation AB, the Uniform Single Attestation Program ("USAP"), HUD, etc.). With respect to Consent Order activities, this Foreclosure Team will work exclusively on this Foreclosure Review, and PwC will ensure that all necessary resources are dedicated to the Foreclosure Review.

Prior to PwC's engagement with respect to the Consent Order responses ("Advisory Work"), PwC was engaged to assist Citibank, N.A., with preparations for the Foreclosure Review. Since being engaged with respect to the Advisory Work, PwC has maintained separate and independent teams for the Foreclosure Review (Foreclosure Review Team) and for the Advisory Work (Advisory Work Team). All members of the Foreclosure Review Team and of the Advisory Work Team are subject to the policies and procedures outlined in Exhibit B - Team Confidentiality and Separation Requirements.

Fees and Expenses

Our fee estimate is based on the time required by our professionals to complete the engagement. Individual hourly rates vary according to the experience and skill required. PwC's fees are based on the time required by the individual specialists assigned to the engagement. Our fees for the above work will be billed on a time and materials basis and will apply rates which will not exceed the following:

Level	Not-to-exceed Hourly Rate	Number of Resources	Hours	Total Professional Fees
Partner	[redacted]	2	[redacted]	[redacted]
Senior Managing Director	[redacted]	2	[redacted]	[redacted]
Director	[redacted]	3	[redacted]	[redacted]
Manager	[redacted]	15	[redacted]	[redacted]
Senior Associate	[redacted]	35	[redacted]	[redacted]
Associate	[redacted]	106	[redacted]	[redacted]
Total		**163**	[redacted]	[redacted]

[redacted] [1]. These fees are for the review of the initial sample only, including an independent Quality Assurance review requested by the OCC, as well as compiling workpapers and a report of the observations from the review. These fees do not contemplate additional procedures that may be required by the recently issued guidance contained in Exhibit C: *"OCC and FRB Guidance - Financial Injury or Other Remediation,"* if any. If supplemental sampling is required as a result of the initial review, we will provide an additional fee estimate prior to the commencement of any work.

Overall fees associated with this engagement are dependent upon multiple key variables including but not limited to the following: overall sample sizes, extent of Consent Order requirements to be assessed for all sample sizes, the hours required to complete the Consent Order requirement file review for any given sample, the volume of claim/complaint activity associated with the post-Consent Order complaint process, and the number of PwC team members involved with the engagement.

Preliminary estimates of sample sizes are included in this engagement letter where possible. Likewise, preliminary indications of which Consent Order requirements are in-scope for each sub-sample is also included in this engagement letter. As of the date of the preparation of this engagement letter, it is currently estimated that the time to complete the necessary file review for Consent Order requirements a) through h) for any given sample can range from 10 - 20 hours. Complaint volume expectations are currently unknown and will be determined upon commencement of the activities previously discussed within this engagement letter. Our estimate for reviewing procedures (a)-(h) for 1,000 complaints is approximately [redacted]

PwC also will bill You for our reasonable out-of-pocket expenses, any applicable sales, use or value added tax, and internal per-ticket charges for booking travel. Invoices are due within 30 days of the invoice date. Reasonable out-of-pocket expenses will include any fees and/or related reasonable out-of-pocket expenses of external counsel to be engaged by PwC and/or any other professional advisors deemed necessary to meet the OCC requirements as described within the Consent Order and/or related verbal and written guidance.

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[1] The range is based on several key assumptions. Once fieldwork has begun, we will refine the estimate as necessary, and communicate it with the client.

Dispute Resolution

Any unresolved dispute relating in any way to the Services or this Agreement shall be resolved by arbitration. The arbitration will be conducted in accordance with the Rules for Non-Administered Arbitration of the International Institute for Conflict Prevention and Resolution then in effect. The arbitration will be conducted before a panel of three arbitrators. The arbitration panel shall have no power to award non-monetary or equitable relief of any sort. It shall also have no power to award damages inconsistent with the Limitations of Liability provisions below. Judgment on any arbitration award may be entered in any court having jurisdiction. All aspects of the arbitration shall be treated as confidential. You accept and acknowledge that any demand for arbitration arising from or in connection with the Services must be issued within one year from the date either You became aware or should reasonably have become aware of the facts that give rise to our alleged liability and in any event no later than two years after any such cause of action accrued.

This Agreement and any dispute relating to the Services will be governed by and construed, interpreted and enforced in accordance with the laws of the State of New York, without giving effect to any provisions relating to conflict of laws that require the laws of another jurisdiction to apply.

Other PwC Firms

PwC is the U.S. firm of the global network of separate and independent PricewaterhouseCoopers firms (exclusive of PwC, the "Other PwC Firms"). During its performance of the Services, PwC may, subject to applicable objectivity and independence requirements, (i) draw on the resources of and subcontract to its subsidiaries, Other PwC firms and/or third party contractors (which provide PwC internal business, administrative, technical, outsourcing, regulatory compliance functions or other "back office" support in connection with the Services), and/or (ii) subcontract to other third party subcontractors, in each case of (i) or (ii), within or outside of the United States (and in each case of (i) or (ii), a "PwC Subcontractor"). You agree that PwC may provide information PwC receives in connection with this Agreement to the PwC Subcontractors for such purposes. PwC will be solely responsible for the provision of the Services (including those performed by the PwC Subcontractors) and for the protection of information provided to the PwC Subcontractors. The PwC Subcontractors and theirs and PwC's partners, principals or employees (collectively the "Beneficiaries") shall have no liability or obligations arising out of this Agreement. You agree to: (a) bring any claim or other legal proceeding of any nature arising from the Services against PwC and not against the Beneficiaries; and (b) ensure or procure your consolidated subsidiaries or affiliates receiving services under this Agreement ("your Subsidiaries") do not assert any such claim or other legal proceeding against PwC or the Beneficiaries. The delivery of the Services is governed by the terms of this Agreement (including the liability limitations herein); your Subsidiaries should notify You of any disputes or potential claims arising from the Services. PwC disclaims any contractual or other responsibility or duty of care to any of your subsidiaries or affiliates that do not receive Services under this Agreement and are not bound to the terms and conditions of the Agreement. PwC agrees to: (a) bring any claim or other legal proceeding of any nature arising from the Services against You and not against your Subsidiaries or your directors, officers or employees; and (b) ensure or procure that none of PwC's subsidiaries or the Beneficiaries assert any such claim or other legal proceeding against You, your employees, or your Subsidiaries or your Subsidiaries' directors, officers or employees. While PwC is entering into this Agreement on its own behalf, this section also is intended for the benefit of the Beneficiaries.

Other Matters

PwC is owned by professionals who hold CPA licenses as well as by professionals who are not licensed CPAs. Depending on the nature of the services we provide, non-CPA owners may be involved in providing Services to You now or in the future.

No party to this Agreement may assign or transfer this Agreement, or any rights, obligations, claims or proceeds from claims arising under it, without the prior written consent of the other parties, and any assignment without such consent shall be void and invalid. If any provision of this Agreement is found to be unenforceable, the remainder of this Agreement shall be enforced to the extent permitted by law. If we perform the Services prior to both parties executing this Agreement, this Agreement shall be effective as of the date we began the Services. Your Client agrees we may use their name in experience citations and recruiting materials. This Agreement supersedes any prior understandings, proposals or agreements with respect to the Services, and any changes must be agreed to in writing through an amendment to this Agreement or a change order.

By entering into this Agreement, You are binding your Subsidiaries to the extent that you have authority to do so. We disclaim any contractual or other responsibility or duty of care to any other subsidiaries or affiliates.

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We are pleased to have the opportunity to provide services to You. If you have any questions about this Agreement, please discuss them with [redacted] or [redacted]. If the Services and terms outlined in this Agreement are acceptable, please sign one copy of this Agreement in the space provided and return it to the undersigned. You may return the signed copy to me by mail or air courier to [redacted] PricewaterhouseCoopers LLP, [redacted] by facsimile to my attention at [redacted] or attached as a pdf, jpeg or similar file type to an e-mail to me at [redacted]
Very truly yours,

By: [redacted]

Date: September 2, 2011

PricewaterhouseCoopers LLP

ACKNOWLEDGED AND AGREED:

Citibank, N.A. [redacted]

Signature of client official:

Please print name:

Title:

Date: September 26, 2011

Exhibit A - Permissible Fees

The potential fees include:

- advertising / publication fee
- appraisal / BPO costs
- attorneys' fees
- copying costs
- court / filing fees
- statutory mailing costs
- mailing / courier fees
- NSF fees
- posting notice of default / sale
- postponement fee
- process / service / summons fee / costs
- property inspection fees
- property preservation fees
- recording / reconveyance fees
- rescission fees
- sale fees
- sheriff's fees for conducting sale
- sheriff's fees for securing property
- skip trace fees
- title / deed costs
- trustee fees
- trustee sale guarantee ("TSG") fees / title elimination fees

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Exhibit B - PwC Foreclosure Review Team Confidentiality and Separation Requirements

PwC has been engaged by Citigroup in support of its response to the mortgage servicing Consent Orders issued by the Federal Reserve Bank (FRB) and the Office of the Comptroller of the Currency (OCC). The OCC Consent Order includes Article VII - Foreclosure Review which requires the engagement of an "Independent Consultant" to conduct an independent review of certain foreclosure actions (Foreclosure Review).

Prior to PwC's engagement with respect to the Consent Order responses ("Advisory Work"), PwC was engaged to assist Citibank, N.A., with preparations for the Foreclosure Review. Since being engaged with respect to the Advisory Work, PwC has maintained separate and independent teams for the Foreclosure Review (Foreclosure Review Team) and for the Advisory Work (Advisory Work Team). All members of the Foreclosure Review Team and of the Advisory Work Team are subject to the policies and procedures outline below.

Policies

With respect to the Foreclosure Review and the Advisory Work, PwC has in place and will maintain an ethical wall (e.g. firewall) that is comprised of the following features:

[redacted]

Procedures to Implement Policies

The foregoing policies are implemented by:

- Providing a copy of this policy memorandum to each member of the Foreclosure Review Team and each member of the Advisory Work Team.
- Sending periodic reminders to each active member of the Foreclosure Review Team and the Advisory Work Team of the policy and the team member's obligations under this policy.
- Tracking and monitoring the staffing of the Foreclosure Review Team and the Advisory Work Team through the central PMO team supporting Project Chorus to manage the deployment of PwC personnel consistent with this policy.

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Exhibit C - OCC and FRB Guidance - Financial Injury or Other Remediation

OCC and FRB Guidance - Financial Injury or Other Remediation

The April 13, 2011 Consent Orders require the Independent Consultants (ICs) to make certain findings in conjunction with the Foreclosure Reviews and to prepare a report of their findings ("Foreclosure Report").[2] The Consent Orders first require the IC to make a determination as to whether the servicer committed any "errors, misrepresentations, or other deficiencies" (as defined in Section II); and second, whether any such errors, misrepresentations, or other deficiencies "resulted in financial injury" to the borrower or mortgagee/owner of the mortgage loan. For this purpose, "financial injury" to the borrower or the mortgagee is defined as monetary harm directly caused by errors, misrepresentations or other deficiencies identified in the Foreclosure Review. Monetary harm does not include physical injury, pain and suffering, emotional distress or other non-financial harm or financial injury that did not result as a direct consequence of errors, misrepresentations or other deficiencies identified in the Foreclosure Review. However, financial injury does include monies actually expended by the borrower or mortgagee that directly relate to the foreclosure action, proceeding, or sale and otherwise would not have been required but for the error, misrepresentation or other deficiency by the servicer identified in the Foreclosure Review.

The Consent Orders require each institution to submit a plan, subject to approval by the OCC and/or FRB, to compensate or remediate financially injured borrowers, based on the findings contained in the IC's Foreclosure Report. While the Consent Orders contemplate compensating harmed borrowers who have suffered financial injury, the Orders also contemplate remedial action other than, or in addition to, compensation in other appropriate circumstances. As such, for each file reviewed in the Foreclosure Review, the IC must first identify (and include in the Foreclosure Report) their findings regarding any servicer error, misrepresentation, or other deficiency. The IC must then identify (and also include in the Foreclosure Report) any financial injury that has been suffered by the borrower as a result of the identified error, misrepresentation, or other deficiency and any financial injury that may be suffered by the borrower absent action by the servicer to remediate or cure the identified error, misrepresentation, or other deficiency. The IC Foreclosure Report must include recommended remediation to be made and/or compensation to be paid by the institution to borrowers who the IC has identified as having suffered financial injury or who may suffer financial injury.

[2] *See* Article VII paragraphs 3(a)-(g) and (4) for the OCC Consent Orders; Paragraphs 16(a)-(g) and 17 for the Consent Orders issued to the institutions that were previously subject to regulation by the OTS; and Paragraphs 3(a) and (b) for the FRB Consent Orders.

The following scenarios provide guidance as to what may constitute financial injury that requires compensation to the borrower or where other borrower remediation by the servicer may be required to avoid financial injury. These scenarios are not exhaustive, and should be viewed as setting forth the principles that ICs should apply when determining financial injury attributable to errors, omissions, or other deficiencies by the servicer. The IC's determination regarding the presence or absence of financial injury or whether compensation or other remediation is required must, of course, take into account and be based on the specific facts and circumstances surrounding each borrower's individual case.

I. Financial Injury Present or Other Remediation Required

Errors, misrepresentations, or other deficiencies that may result in financial injury and may require compensation to the borrower or action by the servicer to remediate or cure the error, misrepresentation, or deficiency, include the following. The OCC and FRB stress that this list is not intended to be exhaustive, but rather contains examples highlighting the principles that the ICs should use when assessing financial injury. In these examples, if a sale of the borrower's home already has occurred, the IC must determine whether the servicer should compensate the borrower for financial injury and if any other action by the servicer is required to remediate or cure the error, misrepresentation, or deficiency. If the sale has not yet occurred, the IC must also determine whether any payment to compensate for financial injury or other action by the servicer is required to remediate or cure the error, misrepresentation, or deficiency.

1) The borrower was not in default pursuant to the terms of the note and mortgage at the time the servicer initiated the foreclosure action.

2) The servicer initiated foreclosure or conducted a foreclosure sale in advance of the time allowed for foreclosure under the terms of the note and mortgage or applicable state law.

3) The borrower submitted payment to the servicer sufficient to cure the default pursuant to the terms of the note and mortgage, but the servicer returned the payment in contravention of the terms of the note or mortgage, state or federal law, or the servicer's stated policy covering payments when in default.

4) The servicer misapplied borrower payments, did not timely credit borrower payments (including failure to properly account for funds in suspense), or did not correctly calculate the amount actually due from the borrower, in contravention of the terms of the note and mortgage, state or federal law, investor requirements, or the servicer's stated policy covering application of payments.

5) The borrower paid a fee or penalty that was impermissible, as defined in Section II.

6) A deficiency judgment was obtained against the borrower that included the assessment of a fee or penalty that was impermissible, as defined in Section II.

7) The servicer placed an escrow account on the borrower's mortgage and the placement resulted in monies paid by the borrower into escrow in contravention of the terms of the note or mortgage, state or federal law, or the servicer's stated policy covering escrow accounts.

8) The servicer placed insurance on the borrower's mortgage and the placement resulted in monies paid by the borrower towards insurance in contravention of the terms of the note or mortgage, state or federal law, or the servicer's stated policy covering placed insurance.

9) The servicer miscalculated the amount due on the mortgage and secured a judgment against the borrower for an amount greater than the borrower owed.

10) A borrower's remittance of funds to a third party acting on behalf of the servicer (e.g. law firm) was not credited to the borrower's account.

11) The borrower was performing under the terms of an approved trial loan modification or an approved permanent loan modification, but the servicer proceeded to foreclosure in contravention of the terms of the modification offered by the servicer to the borrower.[3]

12) A borrower was denied a modification in contravention of the terms of the governing modification program or the servicer's stated policy covering modifications.

13) There is evidence that the borrower provided or made efforts to provide complete documentation necessary to qualify for a modification within the period such documentation was required to be provided by the governing modification program and the servicer denied the loan modification in contravention of the terms of the governing modification program or the servicer's stated policy covering modifications.

14) The servicer initiated foreclosure or completed a foreclosure sale without providing adequate notice as required under applicable state law.

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[3] The requirement for the Independent Consultants, pursuant to this Guidance in connection with the Consent Order Foreclosure Review, to evaluate and make determinations regarding financial injury in circumstances where a borrower is denied a federal or proprietary loan modification is not intended to suggest that the borrower has a legal right or entitlement to receive a loan modification from the servicer.

15) The servicer foreclosed on or sold real property owned by an active military servicemember in violation of the Servicemembers Civil Relief Act (SCRA). (This provision applies to loans originated before the servicemember's active military service and prohibits foreclosures and foreclosure sales of such property at any time during the borrower's period of active military service and for 9 months thereafter, unless an exception applies pursuant to the SCRA).

16) The servicer did not lower the interest rate in accordance with the requirements of the SCRA on a mortgage loan entered into by a military servicemember, or by the servicemember and his or her spouse jointly. (This provision applies where the borrower provided written notice of military service pursuant to the SCRA for loans originated before the borrower entered into military service; the effective rate on the loan must be lowered to a rate not in excess of 6% per year during the borrower's period of military service and for 1 year thereafter, unless an exception applies pursuant to the SCRA).

17) The servicer failed to honor a borrower's bona fide efforts to redeem a sale under applicable state law during the redemption period.

18) The borrower was protected by the automatic stay under the bankruptcy code and a court had not granted a request for relief from the automatic stay or other appropriate exception under the bankruptcy code.

19) The borrower was making timely pre-petition arrearage payments required under an approved bankruptcy plan and was current with their post-petition payments.

20) The borrower: 1) purchased a borrower payment protection plan; 2) was or should have been receiving benefits under the plan; and 3) those benefits were **not applied pursuant to the contract terms**.

21) The servicer was not the proper party, or authorized to act on behalf of the proper party, under the applicable state law to foreclose on the borrower's home and this resulted in or may result in multiple foreclosure actions or proceedings.

22) The servicer failed to comply with applicable legal requirements, including those governing the form and content of affidavits, pleadings or other foreclosure-related documents (to include improperly notarized documents or the practice of "robo-signing" generally), where such failure directly contributed to: (1) the borrower paying fees, charges, or costs, or making other expenditures that otherwise would not have been paid or made; or (2) the initiation of a foreclosure action or proceeding against a borrower who

otherwise would not have met the requirements for initiating such an action or proceeding.

II. Other Definitions

"**Certain residential foreclosure actions**" – The term "certain residential foreclosure actions" means foreclosure actions initiated or completed on owner-occupied,1-4 family dwellings by divisions of the institution that process first lien mortgage foreclosures. This term includes mortgages secured by individual condominium dwelling units and individual cooperative housing units. This term also includes mobile homes, house boats, and other owner-occupied dwellings that are treated as "real estate" or "real property" under applicable state law pertaining to foreclosure.

"**Impermissible**" – The term "impermissible" as applied to a fee and/or penalty charged to a borrower's account, means a fee or penalty that is any one or more of the following:

1) Exceeds the limits established by applicable state law, federal law or the borrower's mortgage instruments, including as to type, amount, or sum of fees and/or penalties.

2) In the case of the OCC Consent Orders, is not "**reasonable and customary**," or a fee that is assessed at an "**excessive**" frequency. The term "**reasonable and customary**" as applied to a fee and/or penalty charged to a delinquent borrower's account means that institutions may only assess a fee for services actually rendered, and may only assess a fee or collect a monetary penalty that does not exceed the lesser of (a) any fee limitation or allowable amount for service under applicable state or federal law; (b) any published, pre-established fee limitation or allowable amount for the service under the guidelines for the applicable government-sponsored enterprise investing in the loan or the government agency insuring the loan; and (c) the market rate for the service (as defined under the amount or rate that is "**customarily charged in the market for such fee or penalty**" below). The term **"excessive"** means any fee that exceeds the amount permitted by the borrower's loan documents, by applicable state or federal law, or investor requirements. Excessive frequency of a fee means the same or a similar fee that is more than necessary or appropriate for completion of the underlying service.

3) In the case of the FRB Consent Orders, is "**otherwise unreasonable**." A fee or penalty is "**otherwise unreasonable**" if it was assessed: (a) for the purpose of protecting the secured party's interest in the mortgaged property, and the fee or penalty was assessed at a frequency or rate, was of a type or amount, or was for a purpose that was in fact not needed to protect the secured party's interest; (b) for

services performed and the fee charged was substantially in excess of the fair market value of the service; (c) for services performed, and the services were not actually performed; or (d) at an amount or rate that exceeds what is customarily charged in the market for such a fee or penalty, and the mortgage instruments or other documents executed by the borrower did not disclose the amount or rate that the lender or servicer would charge for such a fee or penalty.

i) A fee charged for services performed is not **"substantially in excess of the fair market value of the service"** if it exceeds by no more than 10 percent the maximum allowable fee under the "**applicable investor guide**" or, if there is no "**applicable investor guide**", the guide published by Fannie Mae or Freddie Mac that would apply if Fannie Mae or Freddie Mac were the investor.
ii) A fee or penalty does not **"exceed"** the amount or rate that is **"customarily charged in the market for such fee or penalty"** if the fee or penalty does not exceed the maximum allowable fee under the "**applicable investor guide**" or, if there is no "**applicable investor guide**", the guide published by Fannie Mae or Freddie Mac that would apply if Fannie Mae or Freddie Mac were the investor.
iii) "**Applicable investor guide**" means investor guides issued by Fannie Mae, Freddie Mac, the Veterans Administration, and the Department of Housing and Urban Development.

"**Errors, misrepresentations, or other deficiencies**." The terms "errors, misrepresentations, or other deficiencies" means those matters discovered during the Foreclosure Review as set forth in Article VII(3)(a)-(g) of the OCC's Orders, OTS Order paragraph 16(a)-(g), and Paragraphs 3(a)(i)-(vii) of the Board's Orders. "Errors" includes miscalculation of fees or other charges, where the total aggregate miscalculated fees or charges applied to the borrower exceeds $99.00.