

Consumer Relief

Eligibility: The Consumer Relief eligibility criteria shall reflect only the terms set forth below and the following principles and conditions: (1) Consumer Relief will not be implemented through any policy that violates the Fair Housing Act or the Equal Credit Opportunity Act; (2) Consumer Relief will not be conditioned on a waiver or release by a borrower, provided that waivers and releases shall be permitted in the case of a contested claim where the borrower would not otherwise have received as favorable terms or consideration; and (3) Eligible modifications may be made under the Making Home Affordable Program (including the Home Affordable Modification Program (“HAMP”) and the Housing Finance Agency Hardest Hit Fund) and any proprietary or other modification program.

Menu¹

<u>Menu Item²</u>	<u>Credit Towards Settlement</u>	<u>Minimum</u>
1. <u>Modification – Forgiveness/Forbearance^{3, 4, 5}</u>		
A. First Lien – Principal Forgiveness ⁶	\$1.00 Forgiveness = \$1.00 Credit 115% Early Incentive Credit ⁷ 115% Credit for incremental LTV reduction below 100%	

¹ Start date of crediting is 4/30/2014 (based on first payment date for completed modifications and other actions under this Menu). Consumer Relief to be completed no later than 12/31/2018. No Credit will be provided for a modification if payments are required unless the borrower makes the required scheduled payments under the modification to include trial period payments (the required scheduled payments for CMI are 3 payments; the required scheduled payments for CFS are 2 payments). With respect to earned forgiveness principal reduction modifications, credit can be immediate, provided the borrower makes the required payments (to include any trial payments) and the earned forgiveness period is a maximum of 3 years. If a borrower receives more than one form of consumer relief, Credit shall be provided for each form of relief, provided that the forms of relief must be segregated for purposes of determining Credit. The Credits for principal forgiveness modifications shall be net of any state or federal funds paid to Citi, such netting calculated on a basis consistent with the National Mortgage Servicing Settlement Consent Judgment entered into by Citi and various government parties on April 4, 2012 and filed in the U.S. District Court for the District of Columbia. Credit can be earned for all forms of relief in the 50 states, the District of Columbia, and the U.S. territories.

² Credit will be provided for any consumer relief completed by any subservicer pursuant to this Annex 2 and for loans sold to other servicers (including sales of servicing rights) where a modification is completed by the deadline set forth in footnote 1 for Citi to complete its Consumer Relief obligations, and provided that the agreement providing for such sale of servicing allows for the tracking and reporting of such subsequent Consumer Relief to the satisfaction of the Monitor. With respect to loans held in securitizations, Consumer Relief shall be credited in accordance with this Annex 2 from 4/30/2014 for all eligible modifications described in this “Menu,” provided that all principal forgiveness modifications performed on loans in securitizations shall be eligible only where: (1) the modification is permitted under the operative documents for the securitization; or (2) Citi has permission from the relevant investors and/or trustees to provide the principal reduction under the operative documents for the securitization or another agreement with trustees/investors.

³ For modifications and other actions under Menu Item 1, loan term can be shortened in lieu of payment reduction at the option of the borrower for borrowers who have evidenced good payment history. “At the option of the borrower” may entail offering the borrower with a term shortening modification and allowing the borrower to elect payment reduction. “Good Payment History” shall be defined as no payment 60 days or more past due in the last 12 months.

⁴ For Menu Items 1.A and 1.E, eligibility is limited to non-performing loans, loans in imminent default (as defined by Citi in its written policies with respect to its implementation of HAMP), high LTV loans, loans with rates substantially above Freddie Mac’s Primary Mortgage Market Survey (PMMS) and loans with troubled loan history. High LTV Loans are defined as loans at or above 100% LTV. Loans with troubled loan history are defined as loans where the borrower has missed two or more payments during the term of the loan. With respect to all other categories, eligibility is available to all borrowers unless otherwise limited under the Menu.

⁵ With respect to Menu Items 1 and 4A, credit will be provided for forgiveness of loan amounts for those loans in first lien position at the time of the consumer relief (excluding PACE, condo association fees, and other such liens that may take priority of liens without reference to the time of filing of these other such liens).

⁶ With respect to Credits achieved in Menu Items 1.A 1.B, 1.C, and 1.E, modifications must be for loans with an unpaid principal balance prior to capitalization at or below the local GSE conforming loan limit cap as of 4/30/2014.

⁷ Early Incentive Credit applies to all consumer relief activity offered or completed by 10/1/2015. Early Incentive Credit and other credits are cumulative (e.g., \$1.00 of principal forgiveness in an amount below 100% LTV completed prior to 10/1/2015 in a Participating State (as described below under “State-Specific Minimums”) where Citi has already met its state-specific minimum in an amount beyond that state-specific minimum would receive \$1.520875 Credit).

<u>Menu Item</u> ²	<u>Credit Towards Settlement</u>	<u>Minimum</u>
	\$1.00 Forgiveness on loans serviced by Citi but owned by other investors = \$0.50 Credit	
	\$1.00 Investor incentive payments (when paid) consistent with those paid in HAMP (if applicable) = \$1.00 Credit ⁸	
	Credit limited to principal forgiveness that reduces LTVs to equal to or less than 100%	
B Principal Forgiveness of Forbearance	\$1.00 Forgiveness = \$1.00 Credit	
	115% Early incentive Credit 115% Credit for incremental LTV reduction below 100%	
	\$1.00 Forgiveness on loans serviced by Citi but owned by other investors = \$0.50 Credit	
	\$1.00 Investor incentive payments (when paid) consistent with those paid in HAMP for principal reduction of first liens (if applicable) = \$1.00 Credit	
	Credit limited to principal reduction that reduces LTVs to equal to or less than 100%	
C. First Lien – Forbearance (Payment Forgiveness)	\$Forgiveness = Pre Mod Rate x Forborne UPB x Avg Life ⁹	
	115% Early Incentive Credit	
	\$1.00 Forgiveness on loans serviced by Citi but owned by other investors = \$0.50 Credit	
	\$1.00 Investor incentive payments (when paid) consistent with those paid	

⁸ With respect to investor incentive payments under Menu Item 1, Citi can apply for servicer and investor incentive payments under HAMP, but credit cannot be earned for these incentives.

⁹ Based on an average life of 8 years for the CMI portfolio and 12 years for the CFS portfolio. “CMI portfolio” refers to the portfolio serviced by CitiMortgage, Inc. “CFS portfolio” refers to the portfolio serviced by CitiFinancial Services, LLC, CitiFinancial Services, Inc. (Minnesota), CitiFinancial Company (Delaware), or CitiFinancial, Inc. (West Virginia).

<u>Menu Item</u> ²	<u>Credit Towards Settlement</u>	<u>Minimum</u>
D. Second Lien –Principal Forgiveness (including extinguishments)	<p>in HAMP (if applicable) = \$1.00 Credit</p> <p>Credit limited to principal reduction that reduces LTVs to equal to or less than 100%</p> <p><u>Performing (90 days or less past due on the related Second Lien) (MBA for CMI portfolio and OTS for CFS portfolio)</u>¹⁰: \$1.00 Forgiveness = \$1.00 Credit</p> <p>115% Early Incentive Credit</p> <p>\$1.00 Forgiveness on loans serviced by Citi but owned by other investors = \$0.50 Credit</p> <p>\$1.00 Investor incentive payments (when paid) consistent with those paid in HAMP (if applicable) = \$1.00 Credit</p> <p>Eligibility limited to borrowers with second lien UPBs at or below \$208,500 nationwide with the exception of Alaska, Guam, Hawaii and Virgin Islands, where eligibility is limited to borrowers with second lien UPBs at or below \$312,750.</p> <p>With respect to meeting the Menu Items 1 + 4A minimum, credit can only be earned for extinguishment. Credit can be earned towards the settlement outside of the Menu Items 1 + 4A minimum for principal reduction that is not equal to extinguishment.</p> <p><u>Seriously Delinquent & Non-Performing (> 90 days past due on the related Second Lien) (MBA for CMI portfolio and OTS for CFS portfolio)</u>: \$1.00 Forgiveness = \$0.40 Credit 115% Early Incentive Credit</p> <p>\$1.00 Investor incentive payments (when paid) consistent with those paid in HAMP (if applicable) = \$1.00 Credit</p>	

¹⁰ “MBA” refers to the Mortgage Bankers Association definition of delinquency. “OTS” refers to the Office of Thrift Supervision definition of delinquency.

<u>Menu Item</u> ²	<u>Credit Towards Settlement</u>	<u>Minimum</u>
E. Balance Forgiveness-First Lien	<p>Eligibility limited to borrowers with second lien UPBs at or below \$208,500 nationwide with the exception of Alaska, Guam, Hawaii and Virgin Islands, where eligibility is limited to borrowers with second lien UPBs at or below \$312,750.</p> <p>With respect to meeting the Menu Items 1 + 4A minimum, credit can only be earned for extinguishment. Credit can be earned towards the settlement outside of the Menu Items 1 + 4A minimum for principal reduction that is not equal to extinguishment.</p> <p>\$1.00 Forgiveness = \$1.00 Credit</p> <p>115% Early incentive Credit 115% Credit for incremental LTV reduction below 100%</p> <p>\$1.00 Forgiveness on loans serviced by Citi but owned by other investors = \$0.50 Credit</p> <p>\$1.00 Investor incentive payments (when paid) consistent with those paid in HAMP (if applicable) = \$1.00 Credit</p> <p>Credit limited to balance forgiveness that reduces LTVs to equal to or less than 100%</p>	
F. Balance Forgiveness-Second Liens (including extinguishments)	<p><u>Performing (90 days or less past due on the related Second Lien)</u> <u>(MBA for CitiMortgage and OTS for CFS)</u></p> <p>\$1.00 Forgiveness = \$1.00 Credit</p> <p>115% Early incentive Credit</p> <p>\$1.00 Forgiveness on loans serviced by Citi but owned by other investors = \$0.50 Credit</p> <p>\$1.00 Investor incentive payments (when paid) consistent with those paid in HAMP (if applicable) = \$1.00 Credit</p> <p>Eligibility limited to borrowers with second lien UPBs at or below \$208,500 nationwide with the exception of</p>	

<u>Menu Item</u> ²	<u>Credit Towards Settlement</u>	<u>Minimum</u>
	Alaska, Guam, Hawaii and Virgin Islands, where eligibility is limited to borrowers with second lien UPBs at or below \$312,750.	
	With respect to meeting the Menu Items 1 + 4A minimum, credit can only be earned for extinguishment. Credit can be earned towards the settlement outside of the Menu Items 1 + 4A minimum for balance reduction that is not equal to extinguishment.	
	<u>Seriously Delinquent & Non-Performing (> 90 days past due on the related Second Lien)</u> <u>(MBA for CitiMortgage and OTS for CFS)</u>	
	\$1.00 Forgiveness = \$0.40 Credit 115% Early incentive Credit	
	Eligibility limited to borrowers with second lien UPBs at or below \$208,500 nationwide with the exception of Alaska, Guam, Hawaii and Virgin Islands, where eligibility is limited to borrowers with second lien UPBs at or below \$312,750.	
	With respect to meeting the Menu Items 1 + 4A minimum, credit can only be earned for extinguishment. Credit can be earned towards the settlement outside of the Menu Items 1 + 4A minimum for balance reduction that is not equal to extinguishment.	
G. Assistance for Borrowers to Refinance Outside Citigroup	\$1.00 Forgiveness/Extinguishments otherwise eligible under Menu Items 1 or 2A = \$1.00 Credit	
	\$1.00 Closing Costs Paid on behalf of Borrowers to a third-party originator = \$1.00 Credit	
	\$1.00 Other Costs Paid on behalf of Borrowers such as to lienholders other than Citi to facilitate refinancing = \$1.00 Credit	
	\$1.00 of cost of HUD approved counseling Citi is not otherwise obligated to provide = \$1.00 Credit	

<u>Menu Item²</u>	<u>Credit Towards Settlement</u>	<u>Minimum</u>
	115% Early incentive Credit	
H. Junior Liens (Liens less than 2nd Lien position) and Outstanding	\$1.00 Forgiveness = \$0.40 Credit	
	115% Early incentive Credit	
Unsecured Mortgage Debt Principal Forgiveness/ Extinguishment	Eligibility limited to borrowers with UPBs at or below \$208,500 nationwide with the exception of Alaska, Guam, Hawaii and Virgin Islands, where eligibility is limited to borrowers with UPBs at or below \$312,750.	
	With respect to meeting the Menu Items 1 + 4A minimum, credit can only be earned for extinguishment. Credit can be earned towards the settlement outside of the Menu Items 1 + 4A minimum for principal or balance reduction that is not equal to extinguishment.	
		Menu Items 1 + 4A Credit Minimum = \$820 million
		With respect to Menu Item 1, to the extent Credit is derived from CMI borrowers, 50% of the CMI borrower derived Credit must be from HHA areas ¹¹

¹¹ Hardest Hit Areas are defined by HUD. The list is available on the HUD website at <http://www.huduser.org/NSP2/excel/Total US.zip>.

2. Rate Reduction/Refinancing¹²

A. Rate Reduction¹³

For rate reductions >200 bps and <400 bps:
 $\$Credit = Rate\ Reduction \times Avg.\ Life^{14}$
 x
 \$UPB (post mod interest bearing UPB if applicable)

Menu Item 2A Credit Minimum = \$299 million

For rate reductions equal to or greater than 400 bps:
 $\$Credit = Rate\ Reduction \times Avg.\ Life^{15}$
 x\$UPB (post mod interest bearing UPB if applicable) x 1.25

\$1.00 Other Costs Paid on behalf of Borrowers such as to lienholders other than Citi to facilitate refinancing = \$1.00 Credit

\$1.00 Closing Costs Paid on behalf of Borrowers to a third-party originator = \$1.00 Credit

115% Early incentive Credit
 115% Credit for LTV reduction below 100%

Eligibility for credit to include rate reductions facilitated by Citi for borrowers refinancing through third parties

\$1.00 Principal Forgiveness or Balance Forgiveness to facilitate a refinancing = \$1.00 Credit

Credit for Principal Forgiveness or Balance Forgiveness under this Menu Item 2A is limited to a maximum of \$74 million. Credit in excess of \$74 million to facilitate a refinancing will receive credit under Menu Item 1.

¹² All rate reduction and refinancing under any Menu Item must be provided at no cost to the borrower, excluding any tax consequences which shall be the responsibility of the borrower.

¹³ With respect to Menu Item 2.A, principal reduction and balance reduction is available to all borrowers regardless of loan performance status.

¹⁴ Based on an average life of 8 years for the CMI portfolio, and 12 years for the CFS portfolio.

¹⁵ Based on an average life of 8 years for the CMI portfolio, and 12 years for the CFS portfolio.

B. Cross-Servicer HARP

$$\text{\$Credit} = \text{Rate Reduction} \times \text{Avg. Life}^{16} \times \text{\$UPB}$$

115% Early incentive Credit

¹⁶ Based on an average life of 5 years.

3. **Low to Moderate Income Lending**

A. Low to Moderate Income and Other Lending \$1.00 of Down Payment Assistance = \$1.00 Credit

\$1.00 Reasonable and Customary Closing Costs Paid on behalf of Borrowers = \$1.00 Credit (up to a maximum of \$5,000 per borrower)

\$1.00 Other Costs Paid on behalf of Borrowers such as to other lienholders = \$1.00 Credit

\$1.00 of cost of HUD approved counseling Citi is not otherwise obligated to provide = \$1.00 Credit

Eligibility is limited to (1) borrowers in HHA; (2) borrowers who lost homes to foreclosure or short sales; and (3) first time LMI homebuyers¹⁷

115% Early Incentive Credit

¹⁷ Any LMI loan must be made to borrowers with income at or below 100% of the area median income (“AMI”) and originated after 4/30/2014. AMI shall be as calculated in accordance with the parameters used by the U.S. Department of Housing and Urban Development.

4. **Community Reinvestment and
Neighborhood Stabilization**

A. Forgiveness of principal associated with a property where foreclosure is not pursued and liens are released A. \$1.00 Forgiveness = \$1.00 Credit¹⁸

B. Cash costs paid for demolition and property remediation of abandoned and uninhabitable residential properties as part of a comprehensive local strategy to stabilize neighborhoods B. \$1.00 payment = \$1.00 Credit
\$1.00 reasonable remediation costs = \$1.00 Credit

C. Mortgages or REO properties donated to accepting municipalities, land banks, or non-profits or to servicemembers with disabilities or relatives of deceased servicemembers C. \$1.00 property value¹⁹ = \$1.00 Credit
\$1.00 reasonable rehabilitation costs = \$1.00 Credit

D. Donations to capitalize certified Community Development Financial Institutions (“CDFIs”)²⁰, land banks subject to state or local regulation, or community development funds administered by non-profits or local governments D. \$1.00 payment = \$2.00 Credit

Menu Item 4D Minimum = \$25 million payment

¹⁸ Citi will, in good faith, endeavor to keep the credit earned for Menu item 4A to under \$553 million credit.

¹⁹ Any property value used to calculate credits for this provision shall have a property valuation meeting the standards acceptable under the Making Home Affordable programs received within three months of the transaction.

²⁰ The list of Community Development Institutions certified by the CDFI Fund of the U.S. Treasury is available on the Treasury Department website at [http://www.cdfifund.gov/what we do/programs_id.asp?programID=9](http://www.cdfifund.gov/what_we_do/programs_id.asp?programID=9).

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E. Donations to state-based Interest on Lawyers' Trust Account (IOLTA) organizations (or other statewide bar-association affiliated intermediaries) that provide funds to legal aid organizations, to be used for foreclosure prevention legal assistance and community redevelopment legal assistance

E. \$1.00 payment = \$2.00 Credit

Menu Item 4E Minimum = \$15 million payment

F. Donations to HUD-approved housing counseling agencies to provide foreclosure prevention assistance and other housing counseling activities²¹

F. \$1.00 payment = \$2.00 Credit

Menu Item 4F Minimum = \$10 million payment

115% Early Incentive Credit for Menu Items 4A-F

²¹ The list of HUD-approved housing counseling agencies is available on the HUD website at <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>.

5. Affordable Rental Housing

For Critical Need Family Housing²² developments:
\$1.00 Loss²³ = \$3.75 Credit

For other developments:
\$1.00 Loss = \$3.25 Credit

115% Early incentive Credit

Credits for Critical Need Family Housing developments and for other developments will be given for developments that are equivalent to affordable housing developed through LIHTC. For example, developments eligible for credits (i) must have at least 20% of the residential units affordable up to 50% AMI or at least 40% of the units affordable up to 60% AMI, (ii) must have a Land Use Restriction Agreement for at least 30 years, and (iii) must agree to accept Housing Choice vouchers. Other features also must be equivalent to affordable housing developed through LIHTC.

Menu Item 5 Minimum = \$180 million Loss

With respect to Menu Item 5, at least 50% of units generating credit must be in Critical Need Family Housing developments. Each year, at least 40% of all units generating credit in Critical Need Family Housing developments must have 2 or more bedrooms. Each year, at least 10% of all units generating credit in Critical Need Family Housing developments must have 3 or more bedrooms.

To earn credit, developments must meet the same affirmative marketing standards as are set forth in 24 C.F.R. 200.620.

²² “Critical Need Family Housing” is defined as housing developments selected by Citi that (i) are located within Small Area DDAs or State-Defined High Opportunity/Low Poverty Areas, and (ii) none of the units have age restrictions for any of the occupants. For these purposes, “Small Area DDAs” are Small Area Difficult Development Areas defined by HUD as set forth in 78 Fed. Reg. 69,113 (Nov. 18, 2013), and “State-Defined High Opportunity/Low Poverty Areas” refers to “high opportunity” or “low poverty” areas as defined in State Qualified Allocation Plans (for those states that use such designations). The list of Small Area DDAs for 2014 for purposes of this agreement shall be the list of Hypothetical Small Area DDAs for 2014 that was transmitted to Citi by the Department of Justice on July 11, 2014. The list of Small Area DDAs for subsequent years will be available on HUD’s website.

²³ Loss is measured as the difference between the fair value and par value, as reflected on the books and records of Citi, on the origination date of the subordinated loan made to facilitate the construction, rehabilitation or preservation of affordable rental multi-family housing. Credit will only be given up to \$100,000 per affordable housing unit. Origination date is defined as the date the commitment to lend is issued. For crediting purposes, origination date is the determinative date for crediting as described above. If Citi’s Loss is substantially reversed due to circumstances such as cancellation of the project during the term of this Annex 2, Citi’s credit shall be calculated on the actual Loss incurred. The Credit shall be reduced to \$3.25 for \$1.00 Loss if the location of the project is moved outside a Small Area DDA or State-Defined High Opportunity/Poverty Area.

State-Specific Consumer Relief

Minimum credit, which can be derived from any Menu Item (1-5 above), must be earned in the following Participating States and denominations: \$90 million for California, \$90 million for New York, \$40 million for Illinois, \$10 million for Massachusetts, and \$10 million for Delaware.

115% Additional Credit for Credit Amounts in Menu Items 1, 2, 3, and 4A-C in excess of the Minimum Amounts for each Participating State.

Additional Parameters

Citi shall not be responsible for any tax consequences to borrowers of the Consumer Relief described in the Menu, but Citi is required to clearly disclose to borrowers to tax consequences of any relief offered, and recommend that borrowers seek appropriate counsel as needed.

Required Outreach

Citi agrees to hold four Road to Recovery events each year for the term of the agreement. These events will be carried out on a rotational basis to provide geographically dispersed borrower access, with priority given to the Hardest Hit Areas and Participating States. In preparation for each event, Citi will conduct targeted borrower outreach through personalized invitational letters, emails and/or outbound phone calls with eligible customers. The multi-lingual event team will conduct this outreach in English, Spanish, and, on a best efforts basis, other languages to encourage customers to make appointments in advance. As part of this preparation, Citi will notify the State Attorneys General, State Housing Finance Authorities and local not-for-profits of the schedule of events to build further awareness and encourage increased participation. Specialists in both loss mitigation and refinancing programs will be on-site at each event to provide a setting where a customer can be guided across the full range of customer relief alternatives. In addition, specialists in new mortgage origination will be available to assist any borrowers in Hardest Hit Areas, borrowers who lost homes to foreclosure or short sales, and first time low-to-moderate income homebuyers who may be interested in purchasing a new home. Multilingual translation and interpretation services for Spanish, and, on a best efforts basis, other languages, will be offered and available to customers requesting such support. In addition to Citi-sponsored Road to Recovery events, Citi will continue to provide a qualified staff of agents to participate in and support additional events annually across the nation sponsored by national intermediaries and local not-for-profits throughout the term of the agreement, as invited. Finally, Citi will prepare a short, plain-language document (translated into Spanish, Chinese, Tagalog, Vietnamese, and Korean), available online, that can be distributed by third parties to explain to customers the forms of relief available under this agreement. Citi shall translate this document into other languages as appropriate on a best efforts basis.

The Monitor will evaluate and certify Citi's compliance with the Required Outreach set forth above using a methodology similar to the methodology employed to determine Citi's compliance with the remainder of this Annex.

Credit Minimums, Reporting Requirements, and Liquidated Damages

Citi shall endeavor to satisfy the Consumer Relief obligations set forth in this Annex 2 by 7/1/2017, but shall have until 12/31/2018 to complete all Consumer Relief. An independent Monitor acceptable to the parties and paid for by Citi, shall be appointed to publicly: 1) report progress towards completion, including reporting on overall progress on a quarterly basis commencing no later than 180 days after the date of this Agreement; 2) report on Credits earned as promptly as practicable following the date the Monitor has confirmed the methodology for validation of Credits under this Menu; and 3) ultimately determine and certify Citi's compliance with the terms of this Borrower Relief obligation. If the Monitor determines that a shortfall in that obligation remains as of 12/31/2018, Citi shall make a compensatory payment in cash in an amount equal to the shortfall (the "Liquidated Damages") to Neighborworks America, to provide

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housing counselling, neighborhood stabilization, foreclosure prevention or similar programs. The payment of Liquidated Damages shall be the sole remedy for any failure to complete the Consumer Relief. The calculations regarding the Credit Minimums shall be performed by the Monitor and the Monitor shall determine at the end of the period whether there are Liquidated Damages and, if so, the amount due.

The Monitor shall provide Citi with flexibility on the evidencing requirements for non-CitiMortgage mortgage loans where the standard evidence is unavailable and Citi is able to provide alternative evidence that enables the Monitor to satisfactorily carry out his duties under this Annex. For example, the Monitor may (but is not required to) determine that balance forgiveness may be evidenced by transaction screenshots, before and after statements and/or 1099c statements.

For categories 1, 2, 3, 4.A, 4.B, 4.C, and 5, Citi is required to report data to the Monitor at the census block level.

Credit earned is contingent upon satisfactory reporting of data and performance of required outreach.