



Comptroller of the Currency  
Administrator of National Banks  
US Department of the Treasury

## Borrowers' Quick Reference Guide to the Financial Remediation Framework

On June 21, 2012, the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System released a financial remediation framework that provides examples of errors in foreclosures covered by the regulators' consent orders that require compensation or other remediation as directed in the regulators' April 2011 orders. The consultants will use the framework to recommend remediation for financial injury identified during the Independent Foreclosure Review. The servicers will prepare remediation plans based on the consultants' recommendations. The federal banking regulators must approve each servicer's remediation plan. The framework helps ensure that similarly situated borrowers receive similar treatment.

Remediation may include suspending a pending foreclosure or rescinding a completed foreclosure, providing lump-sum payments, reimbursing improper fees plus interest, providing a loan modification, and correcting credit reports and other errors in the borrowers' records.

Lump sum payments can range from \$500 to \$125,000 plus equity in the most egregious cases. The remediation amounts contained in the financial remediation framework are intended to reflect financial harm caused by errors in the foreclosure and loss mitigation process.

Examples of actions that may require financial remediation or compensation include:

- Foreclosing on a borrower in violation of the Servicemembers Civil Relief Act;
- Foreclosing on a borrower who was not in default on the mortgage;
- Failing to convert a qualified borrower to a permanent modification after successful completion of a written modified payment plan that was supposed to lead to permanent modification;
- Foreclosing on a borrower prior to expiration of a written modified payment plan that leads to permanent modification, while borrower was performing all requirements of the written plan;
- Denying a borrower's loan modification application that should have been approved;
- Failing to offer loan modification options as required by an applicable program;
- Giving a borrower a loan modification with a higher interest rate than should have been charged under the relevant loan modification program;
- Foreclosing on a borrower in violation of federal bankruptcy laws;
- Not providing a borrower with proper notification during the foreclosure process; and
- Committing errors that did not result in foreclosure, but resulted in other financial injury.

The examples cover many categories, but do not address all possible scenarios. Not all errors result in financial injury.

### Anticipated questions and answers

- *When do I need to request a review to qualify for compensation for errors on my foreclosure?*  
The deadline for requesting a free review has been extended to December 31, 2012.
- *How can I request a review?*  
You can check your eligibility and complete a request for review online at [www.independentforeclosurereview.com](http://www.independentforeclosurereview.com) (<http://www.independentforeclosurereview.com>). You may also request a form by calling 1-888-952-9105 and return it by mail.
- *Who is eligible?*  
To be eligible, the mortgage must have been active in the foreclosure process between January 1, 2009, and December 31, 2010, the property securing the loan must have been the primary residence, and the mortgage must have been serviced by one of the servicers listed [www.independentforeclosurereview.com](http://www.independentforeclosurereview.com) (<http://www.independentforeclosurereview.com>).
- *How much money can I get for errors on my foreclosure?*  
Remediation depends on the financial injury that occurred. Consultants will use the framework provided by the regulators to recommend compensation or other remediation for financial injuries they find. Remediation may include suspending a pending foreclosure or rescinding a completed foreclosure, providing lump-sum payments, reimbursing improper fees plus interest, providing a loan modification, and correcting credit reports and other errors in the borrowers' records. Lump sum payments can range from \$500 for lesser injuries to \$125,000 plus equity in the most egregious cases.
- *How much does the review cost me?*  
It is free.
- *When will I receive the remediation or compensation for errors on my foreclosure?*  
Reviews are comprehensive, fair, and impartial. They will take several months to complete. Consultants will make recommendations for remediation based on their findings. These recommendations will be incorporated into servicers' remediation plans that the servicers' primary regulator must approve before compensation or other remedy will be made.
- *How will I be notified of the results of the review?*  
Borrowers who ask for a review will receive a letter advising them of the results.

## Exhibit 2

- *Could borrowers be eligible for remediation, even if they didn't file a request for review?*  
Yes. Consultants are also reviewing files from every servicer to find borrowers who suffered financial injury because of foreclosure errors. Servicers will be required to compensate all injured borrowers identified as part of this review.
  
- *What can I do if I disagree with the decision? Can I appeal?*  
The results of the Independent Foreclosure Review are considered final, and there is no process for appeal of the findings or the remediation offered. The results of the Independent Foreclosure Review are not intended to have an impact on any other options the borrower may pursue related to their mortgage loan. Examiners from the OCC and FRB are overseeing the process to ensure reviews are conducted in a fair and impartial manner.
  
- *Does requesting a review prevent me from suing the servicer? Will I be required to waive my rights to sue by accepting compensation?*  
Submitting a request for review does not preclude borrowers from pursuing other legal remedies available related to their foreclosure. Servicers may not ask a borrower to release any claims in order to receive remediation payments.
  
- *I did not lose my home to foreclosure, but there were still errors in the process. Can I be compensated for those errors?*  
Yes. The Independent Foreclosure Review is reviewing both completed foreclosures and any foreclosures that were in process in 2009 or 2010. You do not have to have lost your home to qualify.
  
- *I lost my home to foreclosure and was evicted, any chance in getting it back?*  
Maybe. The framework includes several scenarios where remediation includes suspending or rescinding a foreclosure and restoring ownership of the home if possible. More information on this issue is available in categories 1 through 5 of the framework and question 17 of extensive frequently asked questions.

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