

# EXHIBIT I

**Exhibit I- Consent Judgment Violation Consumer Stories**

The stories below are a sample of the numerous complaints the Attorney General's Office has received regarding Defendants' violations of the Consent Judgment.

**CONSUMER 1**

1. These Las Vegas homeowners, who later became eligible for a modification under the Consent Judgment, first contacted Countrywide in October, 2008 to apply for a loan modification. They both worked in real estate and their incomes had dropped significantly. In addition, the monthly payment on their payment option adjustable rate mortgage jumped from \$1800 to \$2657. Two days after applying for the modification, they called to follow up and Countrywide told them that it did not have their documents. They re-faxed all of the documents.

2. The homeowners called Countrywide again three days later to confirm receipt of their documents. Countrywide told them that its review would take 30 to 90 days. When the homeowners called on November 3, 2008, a Countrywide representative told them that all of their documents were received and their modification was under review.

3. However, in December, 2008, when the homeowners called to check again on their status, they were advised that their modification was canceled because the bank had not received all of the necessary paperwork. They resubmitted their documents and were told in January 2009, that their application was being reviewed.

4. The homeowners solicited the help of a consumer credit counseling service. Together, they called Bank of America, which had purchased Countrywide, in February and Bank of America asked them to re-send their documents, which they did. On March 12, 2009, the homeowners called, and Bank of America again reported that it did not have their documents. The homeowners re-faxed them. In July, August, and September, Bank of America requested

updated financial information, which the homeowner sent.

5. In August, 2009, the homeowners received an unsigned Notice of Default/Election to Sell. When the wife called Bank of America, the bank told her that her modification was cancelled, but provided no reason. Bank of America also told her that she qualified for HAMP and requested her documents again. She sent the documents to the bank. The homeowner then began calling the bank on a weekly basis to check on the status of her modification. Bank of America told her each time that a decision had not been made.

6. On December 15, 2009, Bank of America told the homeowner that her modification request was cancelled in November and again provided no explanation. The homeowner sent her documents to Bank of America again to restart the process.

7. In December 2009, the homeowners filed an election to mediate. In April 2010, the homeowners participated in mediation in which Bank of America agreed to modify the terms of their loan by waiving fees and penalties, reducing the interest rate, and reducing their payments on a trial basis to \$2,278 beginning in May 2009. Further, according to the mediation agreement if the homeowners made their “trial payments ... Lender to consider Homeowners for permanent modification under investor guidelines, which are anticipated to result in a similar initial payment amount.”

8. On April 5, 2010, Bank of America’s representative sent the homeowners a forbearance agreement, not a trial modification, as promised. The forbearance agreement set the same monthly payment as the mediation agreement; however, it did not modify the terms of the loan, but only deferred payments. The homeowners tried repeatedly to reach Bank of America’s representative. They left several messages and received no return call. Within five days, the Special Forbearance Agreement expired.

9. In July, 2010, a Bank of America representative called the homeowners and informed them that they qualified for a loan modification and asked them to send updated documents, which they did. One week later, Bank of America called and asked that the documents be faxed again. The homeowners re-faxed their materials in August, 2010. They followed up with repeated phone calls, but never received a return call or any information on the status of their review. In a letter to the Attorney General's office dated October, 18, 2010, Bank of America explained that they closed the homeowners' file on August 9, 2010 because they did not receive the financial information requested.

## **CONSUMER 2**

10. In November 2009, these Las Vegas homeowners with a Qualifying Mortgage applied for a loan modification with Bank of America. On January 12, 2010, during a regular call to Bank of America to check the status of their request, Bank of America told the consumers' third party modification company that they would receive a decision by February 24th.

11. Instead, Bank of America sent the homeowners a Notice of Intent to Accelerate dated February 16, 2010, stating that they needed to pay \$2,439 to cure their default. At that time the homeowners were still current on their loan. When the homeowners called Bank of America, they were told, in order to keep their home, they needed to make additional payments. As instructed, the homeowners made extra payments on their mortgage over the next two months. They were only able to make two more payments in June and July before exhausting their savings.

12. From March through July, the homeowners, as well as their third party loan modification company, made regular calls to Bank of America to check the status of their modification. They were told their file was in review and that no negotiator was yet assigned. They sent updated documents as requested and, on July 14, 2010, Bank of America told them the review would be completed in 30 to 45 days. The consumers still have not received a decision.

13. In a September 29, 2010 letter from Bank of America to the Attorney General in response to the escalation of the homeowners' complaint, Bank of America explained that it denied the homeowners a NHRP modification because "[their] loan was less than 60 days delinquent." On information and belief, the homeowners

were Delinquent, as defined by the Consent Judgment, and should not have been denied a modification. Bank of America also noted that it requested documents several times from the homeowners but did not receive them. The homeowners and their third party agent responded to every document request and never had been advised of missing documents during their regular conversations with Bank of America.

**CONSUMER 3**

14. A former realtor whose income dropped with the collapse of the housing market owns a home in Las Vegas for which she has been trying to obtain a loan modification. She has a Pay Option ARM, one of the loan types covered by the Countrywide Consent Judgment. She first applied for a loan modification with Countrywide in May 2008 and waited 9 months without a decision, frequently calling to check on the status of her request.

15. After Bank of America acquired Countrywide, the homeowner began calling Bank of America to pursue her modification. Bank of America repeatedly advised that her modification was in review. In April 2009, Bank of America denied her modification because of an inconsistent appraisal. The appraiser had gone to the wrong house. She reapplied for a modification, but Bank of America denied her request again in August because she had not accepted an "AG offer," presumably a modification under the Consent Judgment. Bank of America had never offered her a modification.

16. In September 2009, the homeowner applied for a modification for a third time. She also received an unsigned Notice of Default/Election to Sell. She elected to mediate. In May, 2010, Bank of America attended the mediation without the required documents. The mediation was rescheduled for several days later. This time, Bank of America did not show up at all. Over the course of two years, the homeowner has called Bank of America twice a month and has faxed documents to the Bank more than a dozen times. Bank of America twice wrongfully denied her request and has kept her waiting more than a year for a decision on her most recent request.