

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

August 6, 2012

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

Deadline to Request Independent Foreclosure Review Extended to December 31

Borrowers seeking a review of their mortgage foreclosures under the federal banking agencies' Independent Foreclosure Review now have until December 31, 2012, to submit their requests.

The Office of the Comptroller of the Currency (OCC) and the Board of Governors of the Federal Reserve System (Federal Reserve) on August 2, 2012 announced that the deadline for submitting requests for review under the Independent Foreclosure Review has been extended. The new deadline provides additional time for borrowers to request a review if they believe they suffered financial injury as a result of errors in foreclosure actions on their homes in 2009 or 2010 by one of the servicers covered by enforcement actions issued in April 2011.

The deadline extension provides more time to increase awareness about the Independent Foreclosure Review and how eligible borrowers may request a review, and to encourage the broadest participation possible. The agencies will work with the servicers to expand their outreach and marketing efforts through the end of the year to encourage as much participation as possible.

As part of enforcement actions issued in April 2011, the agencies required 14 large mortgage servicers to retain independent consultants to conduct a comprehensive review of foreclosure activity in 2009 and 2010 to identify borrowers who may have been financially injured due to errors, misrepresentations, or other deficiencies in the foreclosure process. If the review finds that financial injury occurred, the borrower may receive remediation such as lump-sum payments, suspension or rescission of a foreclosure, a loan modification or other loss mitigation assistance, correction of credit reports, or correction of deficiency amounts and records. Lump-sum payments can range from \$500 to, in the most egregious cases, \$125,000 plus equity, according to guidance issued by the agencies.

Requesting a review does not preclude borrowers from taking other actions related to their foreclosures. A servicer is not permitted to require a borrower to sign a waiver of the borrower's ability to pursue claims against the servicer in order to receive compensation under the Independent Foreclosure Review.

There are no costs associated with being included in the review. More information, including how to apply online, is available at <http://www.independentforeclosurereview.com>

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact:

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Banking Supervision and Regulation
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