EXHIBIT 1

CONFIDENTIAL – PREPARED FOR SETTLEMENT PURPOSES ONLY
PROTECTED BY FEDERAL RULE OF EVIDENCE §408
AND ANALOGOUS STATE RULES OR LAWS

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ANA RAMIREZ, ISMAEL RAMIREZ, JORGE SALAZAR and EMANUEL FANNING on behalf of themselves and all others similarly situated, Plaintiffs, vs. GREENPOINT MORTGAGE FUNDING, INC. Defendant.	Case No. 08-cv-00369-TEH (WDB) CLASS ACTION

STIPULATION AND AGREEMENT OF SETTLEMENT

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STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement ("Agreement") is entered into by and between defendant, GreenPoint Mortgage Funding, Inc., ("Defendant" or "GreenPoint") and plaintiffs Ismael and Ana Ramirez and Jorge Salazar and Emanuel Fanning (collectively "Plaintiffs") on behalf of themselves and as putative representatives of the Settlement Class. This Settlement will fully and finally resolve the litigation pending between them in the United States District Court for the Northern District of California styled *Ramirez, et al. v. GreenPoint Mortgage Funding Inc.*, Case No. 08-000369 TEH.

I. RECITALS

WHEREAS, on January 18, 2008, Plaintiffs filed a Class Action Complaint in the Northern District of California, which they amended on March 13, 2008;

WHEREAS, the Action asserts that GreenPoint violated the Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.* ("ECOA"), and the Fair Housing Act, 42 U.S.C. § 3601 *et seq.* ("FHA"), in connection with the pricing of wholesale mortgage loans;

WHEREAS, GreenPoint denies any and all facts and claims alleged by Plaintiffs in the Action, and further denies that Plaintiffs or any members of the class they purport to represent have suffered any injury or damage;

WHEREAS, Plaintiffs and Settlement Class Counsel have conducted an investigation of the legal claims at issue, by review and analysis of more than 43,000 pages of documents and over 675 megabytes of data GreenPoint provided in discovery including, without limitation, data concerning the rates and terms of the loan accounts at issue together with extensive Rule 30(b)(6) depositions on the policies and practices complained of;

WHEREAS, the Parties exchanged rounds of expert reports by statistical and industry experts and conducted expert depositions;

WHEREAS, in August, 2009, the Parties had initial settlement negotiations, including a mediation session with the Honorable William Bettinelli (Ret.) of JAMS, and reached a settlement, which they withdrew before preliminary approval by consent of the Parties and the District Court;

WHEREAS, on July 20, 2010, the Court granted Plaintiffs' motion for class certification under Fed. R. Civ. P. 23(a) and (b)(3) and certified a class of "all African-American or Hispanic persons throughout the United States to whom GreenPoint originated a residential-secured loan in GreenPoint's wholesale lending channel between January 1, 2004 and January 1, 2008," *Ramirez et al., v. GreenPoint Mortgage Funding, Inc.*, 2010 WL 2867068 (N.D. Cal. July 20, 2010), the Court also appointed the law firms of Bonnett Fairbourn Friedman & Balint, P.C. and Roddy Klein & Ryan to serve as Co-Lead Interim Class Counsel, and the law firm of Chavez & Gertler to serve as Liaison Interim Class Counsel, *id.*, at *16;

WHEREAS, after the Court's class certification order, the Parties again conducted arm's length settlement negotiations, including a mediation session under the supervision of Edward Swanson, previously appointed as Special Master by the Court;

WHEREAS the Plaintiffs and Settlement Class Counsel have concluded that it would be in the best interests of the Settlement Class to enter into the Agreement in order to avoid the uncertainties of litigation and to assure benefits to the Settlement Class and that the settlement contemplated hereby is fair, reasonable, and adequate and in the best interests of all members of the Settlement Class; and

WHEREAS, GreenPoint vigorously and expressly denies all allegations of wrongdoing and liability, and has asserted numerous defenses, but nevertheless desires to settle the Action finally on the terms and conditions set forth herein solely for the purposes of avoiding the burden, expense, and uncertainty of continuing litigation, and to obtain the conclusive and complete dismissal of the Action and release of all Released Claims;

NOW, THEREFORE, in consideration of the promises and agreements set forth herein, it is hereby STIPULATED AND AGREED, subject to the District Court's approval, that each and every claim that has been alleged, or could have been alleged based on the facts alleged in this Action, shall be fully and finally settled and compromised and dismissed with prejudice, and shall be fully discharged and released, upon and subject to the following terms and conditions:

II. DEFINITIONS

2.1 "Agreement" means this Stipulation and Agreement of Settlement.

2.2 "Action" means the above captioned action pending before the Hon. Judge Thelton E. Henderson, in the District Court for the Northern District of California.

2.3 "Amended Complaint" means the complaint to be filed in the District Court as set forth in Section 7.1 below.

2.4 "Confidential Information" means any and all documents produced as discovery materials by Defendant or its affiliates, parents or subsidiaries, including, without limitation all loan files, customer information, electronic data, data dictionaries, credit information, policies and procedures, marketing materials, internal memoranda, and other documents produced pursuant to the District Court's protective order, and all reproductions of these discovery materials, whether photocopies, scanned copies, electronic copies, printouts or copies created by any other method of reproduction; and all documents filed with the District Court under seal. Notwithstanding the above, all documents and information described in this paragraph that were filed in the public record during the course of this Action, unless currently under seal, shall not be deemed Confidential Information.

2.5 "Direct Mail Notice" means the method of notice set forth in Section 5.2 below.

2.6 "District Court" means the United States District Court for the Northern District of California, San Francisco Division.

2.7 "Equal Credit Opportunity Act" means 15 U.S.C. §§ 1691 et seq. and its implementing regulation, Regulation B, 12 C.F.R. Part 202.

2.8 "Effective Date" means five (5) business days after the Judgment has become Final.

2.9 "Fair Housing Act" means 42 U.S.C. §§ 3601 et seq.

2.10 "Final" means the date the Judgment becomes final for all purposes because either (i) no appeal has been filed and the time within which an appeal may be filed has lapsed, or (ii) if a timely appeal has been filed, the appeal is finally resolved, with no possibility of further appellate or other review, resulting in final judicial approval of the settlement.

2.11 "Final Approval Order" means the order to be entered by the District Court in the Action finally approving this settlement and resolving all issues between the Parties, as provided for in Section VIII below, substantially in the form attached hereto as Exhibit A.

2.12 "Final Fairness Hearing" means the hearing at which the District Court will consider and finally decide whether to approve the settlement provided for in this Agreement, enter Judgment and make such rulings as are contemplated by this Agreement.

2.13 "HMDA" means the Home Mortgage Disclosure Act, 12 U.S.C. §§ 2801 et seq.

2.14 "Defendant" means GreenPoint Mortgage Funding, Inc.

2.15 "Judgment" means a final judgment and order of dismissal with prejudice to be entered by the District Court concurrently with the Final Approval Order, substantially in the form attached hereto as Exhibit B.

2.16 "Mediator" means special master Edward Swanson, or if he becomes unable or unwilling to serve, such other person as may be mutually acceptable to the Parties, but in the absence of mutual agreement as to a substitute mediator, such United States Magistrate Judge as may be appointed by the District Court shall serve as "Mediator" for purposes of this Agreement.

2.17 "NCOA" means the National Change of Address system to provide updated address information that works directly with the United States Postal Service.

2.18 "Parties" means Defendant, Plaintiffs and, upon class certification for settlement purposes only as set forth herein, the Settlement Class.

2.19 "Plaintiffs" means named plaintiffs Ana Ramirez, Ismael Ramirez, Jorge Salazar and Emanuel Fanning individually and as putative representatives of the Settlement Class.

2.20 "Plaintiffs' Counsel" and "Class Counsel" mean Roddy Klein & Ryan, Bonnett, Fairbourn, Friedman & Balint, P.C., Chavez & Gertler LLP, Robbins Geller Rudman & Dowd LLP, Barroway Topaz Kessler Meltzer & Check, LLP and the National Consumer Law Center.

2.21 "Preliminary Approval Order" means an order to be entered by the District Court, as provided for in Section 7.2 below, substantially in the form attached hereto as Exhibit C.

2.22 "Released Claims" means the claims released by this Agreement as set forth in Section IV below.

2.23 "Released Party" means Defendant, as well as its current, former and future direct and indirect parent companies, affiliates, subsidiaries, agents, representatives, successors, predecessors-in-interest, related entities and each of their respective officers, directors, employees, attorneys, partners, insurers, vendors (including processing facilities) and assigns and all persons acting for or on their behalf.

2.24 "Residential Loan" means any residential closed-end real estate secured loan to any Settlement Class Member originated by the Defendant.

2.25 "Settlement Administrator" means A.B. Data Corporation as agreed by the Parties, subject to approval by the District Court.

2.26 "Settlement Class" and "Settlement Class Member" mean, include and refer to Plaintiffs and any other person and/or entity that falls within the definition of the Settlement Class, certified solely for purposes of this settlement, as provided for in Section 3.2 below.

2.27 "Settlement Fund" means the amounts paid as described in Section 3.4 below.

III. TERMS OF THE SETTLEMENT

3.1 Certification Of Settlement Class For Settlement Purposes Only. Defendant maintains that it has valid grounds for appealing the District Court's class certification decision. However, solely for purposes of avoiding the expense and inconvenience of further litigation, Defendant does not oppose the certification for settlement purposes only of the Settlement Class. No agreements made by Defendant in connection with the settlement may be used by Plaintiffs, any Settlement Class Member, or any other person, to establish any of the elements of class certification, other than for settlement purposes. Preliminary certification of a Settlement Class shall not be deemed a concession that certification of a class is appropriate, nor is Defendant estopped from challenging class certification in further proceedings if the settlement is not finally approved. Nor shall this agreement be deemed to limit the Plaintiffs, in the event that the Settlement Class is not certified, from later seeking certification of a different class in any litigation pursuant to Fed. R. Civ. P. 23. No agreements made by the Plaintiffs in connection with settlement may be used by the Defendant to defend against such certification.

3.2 Definition Of The Settlement Class. Solely for purposes of this Settlement, the Parties agree to preliminary certification of the following Settlement Class:

> All African-American or Hispanic persons throughout the United States to whom GreenPoint originated a residential-secured loan in GreenPoint's wholesale lending channel between January 1, 2004 and January 1, 2008.

Based on a review of its records, GreenPoint estimates that under this definition, the Settlement Class includes approximately 94,000 members.

Certification of the Settlement Class will be sought pursuant to Federal Rule of Civil Procedure (b)(3), and all Settlement Class Members shall have the right to exclude themselves by way of the opt-out procedure set forth in the Preliminary Approval Order.

3.3 Identification Of The Settlement Class. Settlement Class Members will be identified by Defendant based on the data previously provided to Plaintiffs in discovery. Defendant will, no later than thirty (30) days following entry of an order preliminarily approving the settlement, supplement this data with the name, account number and most recent address available in Defendant's records of each member of the Settlement Class.

3.4 Settlement Fund.

a. Distribution Of The Settlement Fund. Defendant will pay fourteen million, seven hundred and fifty thousand dollars ($14,750,000) for the benefit of the Settlement Class (the "Settlement Fund"), such Settlement Fund to be paid within five (5) days of the Effective date. Interest on the Settlement Fund, once created, will accrue for the benefit of the Settlement Fund. The Settlement Fund will be distributed as follows:

First, to pay the costs of class notice and settlement administration not previously paid by Defendant;

Second, to pay named Plaintiffs' service awards as approved by the District Court;

Third, for the foreclosure prevention counseling services described in section 3.5 below;

Fourth, to pay attorneys' fees and costs as approved by the District Court;

Fifth, to be divided *pro rata* among class members filing claims; and

Sixth, if any residual remains because claimants do not timely negotiate their settlement checks or because the Settlement Fund is not otherwise fully expended, said amounts will be paid in equal amounts to the National Counsel of La Raza and the National Urban League in the form of an award in the nature of *cy pres* to further their existing housing counseling programs.

b. No portion of the Settlement Fund will revert to Defendant.

c. Payment To Claimants. Valid claims shall be paid within forty-five (45) days after the Effective Date by check mailed to the Claimant at the address provided in the claim form (or to any later forwarding address provided by the Claimant to the Settlement Administrator). If checks are not cashed within six months of the check issue date, such checks will not be re-issued and the money in question will be distributed instead by way of the *cy pres* distribution described in Section 3.4(a), *supra*.

d. Quarterly Reports Regarding Distribution Of Settlement Fund. The Settlement Administrator will provide quarterly reports to Class Counsel and counsel for Defendant on the distribution of the Settlement Fund until such time as the Settlement Fund is fully paid to eligible recipients and depleted.

e. Credit For Advances On Behalf Of The Settlement Fund. Advances by Defendant of any notice and administration costs or expenses paid directly to the Settlement Administrator prior to the Effective Date are to be treated as contributions to the Settlement Fund as set forth above in Section 3.4(a) and shall be credited in their entirety (100%) towards Defendant's obligation thereunder.

3.5 Foreclosure Prevention Counseling Services.

a. $150,000 of the Settlement Fund will be designated for Neighborhood Housing Services of Chicago, a national non-profit housing counseling agency, to provide foreclosure prevention counseling to eligible class members who currently have loans originated by Defendant being serviced by an entity that either directly or indirectly received a transfer of the servicing rights on the loan from Defendant or a related entity.

b. The foreclosure prevention counseling services available to class members will be provided by telephone (through a toll-free number on a national basis). Foreclosure prevention counselors providing services to eligible class members will communicate with class members about the servicer-specific loan modification options available to them (including any available HAMP options). Foreclosure prevention counselors will facilitate foreclosure avoidance by providing options counseling to homeowners who are delinquent on their Defendant originated mortgages and by acting as an intermediary between class members and their respective loan servicers, to ensure that all applications for loss mitigation relief are accurate and complete and submitted properly to servicing entities under the servicing entities' respective guidelines. Foreclosure prevention counselors will be available to assist class members with any follow up issues that may arise in connection with their loss mitigation applications.

c. Foreclosure prevention counseling services will be available to class members for up to one year from the Effective Date.

d. The housing counseling agency shall be strictly limited by the funding agreement to those services described above and shall not be permitted, under any circumstances, to recommend litigation or to offer referrals to lawyers or other parties for litigation.

3.6 Named Plaintiffs' Service Payments: Plaintiffs will apply to the District Court for Named Plaintiff Service Payments in the total amount of no more than $18,000 (to be allocated at no more than $8,000 for each original named plaintiff household and no more than $2,000 for each named plaintiff household added by amendment). Defendant will not oppose such motion. Named Plaintiff Service Payments will be paid from the Settlement Fund provided under paragraph 3.4.

3.7 Attorneys' Fees and Costs: Plaintiffs will apply to the District Court at least twenty (20) days prior to the deadline for filing objections to the Settlement for an award of attorneys' fees in the total amount of no more than 25% of the Settlement Fund provided under paragraph 3.4 plus actual costs in the total amount of no more than $450,000 and Defendant will not oppose such motion. Attorneys' fees and costs, in the amounts awarded by the District Court, will be paid from the Settlement Fund provided under paragraph 3.4.

IV. RELEASE AND DISMISSAL

4.1 Release. As of the Effective Date of the Agreement, Plaintiffs and each member of the Settlement Class, their respective heirs, executors, administrators, representatives, agents, attorneys, partners, successors, predecessors-in-interest, assigns and all persons acting for or on their behalf, shall be deemed to have fully, finally and forever released all claims, causes of action, or liabilities, whether arising under local, state, or federal law, whether by statute, regulation, contract, common law, equity or otherwise, whether known or unknown, suspected or unsuspected, asserted or unasserted, foreseen or unforeseen, actual or contingent, liquidated or unliquidated, as alleged or as could have been alleged based upon the facts asserted in the Amended Complaint as to the Released Party. Without limiting the foregoing, the Released Claims specifically extend to claims that Settlement Class Members do not know or suspect to exist in their favor at the time that the settlement, and the releases contained therein, becomes effective.

This paragraph constitutes a waiver of Section 1542 of the California Civil Code and any similar or comparable provisions, rights and benefits conferred by the law of any state or territory of the United States or any jurisdiction, and any principle of common law, which provide:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs and each Settlement Class Member understand and acknowledge the significance of these waivers of California Civil Code Section 1542 and/or of any other applicable law relating to limitations on releases. In connection with such waivers and relinquishment, Plaintiffs and each Settlement Class Member acknowledge that they are aware that they may hereafter discover facts in addition to, or different from, those facts which they now know or believe to be true with respect to the subject matter of the settlement, but that they release fully, finally and forever all Released Claims, and in furtherance of such intention, the release will remain in effect notwithstanding the discovery or existence of any such additional or different facts.

4.2 Dismissal. Upon entry of the Final Approval Order, Plaintiffs shall take all actions necessary to dismiss this litigation with prejudice.

V. NOTICE AND SETTLEMENT ADMINISTRATION

5.1 Costs Of Notice And Administration. The costs of notice and administration shall be paid from the Settlement Fund as described in Section 3.4 above. Defendant will advance funds to pay reasonable costs of notice and administration, to the extent such costs are payable prior to the

Effective Date, subject to credit for such payments as against the Defendant's obligations to the Settlement Fund as described in section 3.4, above.

5.2 Class Notice. Direct Mail Notice consistent with the due process requirements of Fed. R. Civ. P. 23 shall be provided within thirty (30) days following entry of the Preliminary Approval Order, as follows:

a. Direct Mail Notice, substantially in the form attached hereto as Exhibit D that is approved by the District Court, will be mailed, via first class mail, to Settlement Class Members at the most recent address shown in Defendant's electronic records, as maintained in the ordinary course of business, for the loan at issue. A Spanish translation of the class notice will be printed on the reverse side or at the end of the notice. Addresses will be run once through the NCOA system prior to mailing. Returned notices will be remailed if they are returned with a postmark date within twenty (20) days of the postmark date of the Direct Mail Notice and contain a forwarding address. Defendant shall have no responsibility with respect to Direct Mail Notices that are returned undeliverable.

b. The Direct Mail Notice shall include a claim form substantially in the form attached hereto as Exhibit E that is approved by the District Court.

c. *Untimely Claims*: To be treated as valid, claims must be made within ninety (90) days of the date of entry of the Preliminary Approval Order. Because the settlement process requires *pro rata* distribution of a fixed fund pursuant to the Distribution Plan, Claims Forms that are not timely will not be allowed absent relief from the District Court specifically granting allowance prior to Entry of the Final Approval Order.

d. *Claims of Deceased Persons*: Claims of deceased persons will not be allowed unless a claim is submitted by a person authorized to act on behalf of the deceased person's estate together with proof of such authorization.

e. *Claims of Joint Borrowers*: Joint borrowers will be treated for the purposes of distribution as if they have a single claim. However, the entire amount of the claim of joint borrowers will be paid to any joint borrower making a claim if only one claim is timely submitted on the joint account. If more than one claim is timely submitted on a joint account, the claim payment will be divided in equal shares among the number of claimants on the joint account.

f. *Incomplete or Improper Claims*: The Settlement Administrator will have final authority, in consultation with Lead Class Counsel, to disallow any incomplete or improperly filed claims and will send notice of and the reasons for such disallowance, if any, with the reasons therefore, no later than twenty (20) days prior to the hearing set on Final Approval of the Settlement. To the extent that deficiencies in filed claims are not resolved prior to an order entered on final approval of the Settlement, and if no relief from the District Court is obtained by the claimant at the claimant's sole cost and expense, said claim will be permanently and finally disallowed.

g. The notice and claims process shall be administered by the Settlement Administrator.

h. Defendant will be responsible, at its own expense, for compliance with the notice provisions of the Class Action Fairness Act ("CAFA") and approval dates will be set in accord with CAFA.

5.3 Certification To The District Court. No later than five (5) days before the Final Fairness Hearing, the Settlement Administrator and/or its designees shall file a declaration with the District Court verifying that Direct Mail Notice has been provided to the Settlement Class.

VI. REPRESENTATIONS AND WARRANTIES, CONFIRMATORY DISCOVERY, AND DISPUTE RESOLUTION

6.1 Representations And Warranties. Defendant represents and warrants that, as of the date on which this agreement is signed, it is not originating any new wholesale residential real estate secured loans to consumers. If, within one year of the date of final approval of the Settlement, Defendant re-enters the business of originating new wholesale residential real estate secured loans to consumers, Defendant will so notify Class Counsel.

6.2 Confirmatory Discovery. Defendant will permit reasonable confirmatory discovery with respect to the process by which Defendant identifies class members, which may be made by satisfactory affidavit or declaration concerning the nature and accuracy of those processes.

6.3 Dispute Resolution. The Parties agree to meet and confer in good faith in regard to any dispute relating to the Settlement or to administration of the Settlement. Any dispute that cannot be resolved by the Parties shall be submitted, not earlier than thirty (30) days after written notice of the dispute was first given, to the Mediator for his recommendation as to a resolution. Each of the Parties may seek de novo review of the Mediator's recommendation by way of a motion filed before the District Court.

VII. PRELIMINARY APPROVAL ORDER AND FINAL FAIRNESS HEARING

7.1 Filing Of Amended Complaint. In connection with this settlement, Plaintiffs shall promptly file an Amended Complaint, to effectuate the objectives of this Agreement and the settlement approval proceedings and Defendant will stipulate to such filing for settlement purposes only. All allegations of the Amended Complaint shall be deemed denied and disputed by Defendant without the necessity of filing an answer. The Amended Complaint is attached hereto as Exhibit F.

7.2 Preliminary Approval Order. Plaintiffs will seek the District Court's approval of this Agreement by filing an appropriate Motion for Preliminary Approval and seeking entry of a Preliminary Approval Order, substantially in the form attached hereto as Exhibit C. Defendant will assent to the Motion for Preliminary Approval. The Parties shall cooperate in presenting such papers to the District Court as may be necessary to effectuate the intent and purposes of this Agreement. Among other things, the Preliminary Approval Order shall specifically include the following:

a. A determination that, for settlement purposes only, the Action may be maintained as a class action on behalf of the Settlement Class;

b. A finding that Direct Mail Notice is the only notice required, and that such Direct Mail Notice satisfies the requirements of due process, the Federal Rules of Civil Procedure and any other applicable laws;

c. A preliminary finding that this Agreement is fair, reasonable, adequate and within the range of possible approval;

d. A preliminary finding that Plaintiffs fairly and adequately represent the interests of the Settlement Class;

e. A preliminary finding that Plaintiffs' Counsel are adequate to act as counsel for the Settlement Class and appointing Plaintiffs' Counsel as counsel to the Settlement Class;

f. A scheduled date for the Final Fairness Hearing, which the Parties shall request be approximately one hundred twenty (120) days after entry of the Preliminary Approval Order, to determine whether there exists any reasonable basis why the settlement should not be approved as being fair, reasonable and adequate, and in the best interests of the Settlement Class and why Judgment should not be entered thereon;

g. Establishment of a procedure for Settlement Class Members to opt-out of the proposed settlement and setting a postmark deadline of seventy-five (75) days after entry of the Preliminary Approval Order, after which no Settlement Class Member shall be allowed to opt-out of the Settlement Class;

h. Establishment of a procedure for Settlement Class Members to object to the proposed settlement and setting a postmark deadline of seventy-five (75) days after entry of the Preliminary Approval Order, after which no Settlement Class Member shall be allowed to object to the proposed settlement; and

i. Entry of a stay of all proceedings in the Action except as may be necessary to implement the settlement or to comply with the terms of the Agreement.

7.3 Denial Of Preliminary Approval Order. If the District Court fails for any reason to enter the Preliminary Approval Order substantially in the form attached hereto as Exhibit C or to certify the Settlement Class for settlement purposes consistent with the provisions hereof, and if all Parties do not agree jointly to appeal such ruling, this Agreement shall terminate and be of no further force or effect without any further action by the Parties. In such an event, nothing in this Agreement or filed in connection with seeking entry of the Preliminary Approval Order shall be construed as an admission or concession by Defendant of the allegations raised in the Action, of any fault, wrongdoing or liability of any kind, nor is Defendant estopped from challenging those allegations in further proceedings in the Ramirez Action or in any other action.

7.4 Opt-Out/Requests For Exclusion From Settlement Of Damages Claims.

a. Requests For Exclusion. Prospective Settlement Class Members shall be given the opportunity to opt-out of the Settlement Class. All requests by

Settlement Class Members to be excluded must be in writing and mailed to the Settlement Administrator, postmarked no later than seventy-five (75) days after entry of the Preliminary Approval Order. An appropriate written request for exclusion must be personally signed by the Settlement Class Member and must include: (i) the Settlement Class Member's name, address, telephone number; (ii) the account number(s) of the Residential Loan(s); (iii) an affirmation, that he or she is a Settlement Class Member; and (iv) the following statement: "I request to be excluded from the class settlement in this case." No Settlement Class Member, or any person acting on behalf of or in concert or participation with that Settlement Class Member, may exclude any other Settlement Class Member from the Settlement Class.

b. Delivery To Parties/Filing With District Court. The Settlement Administrator shall provide copies of the original requests for exclusion to the Parties by no later than fifteen (15) days after the opt-out deadline. Not later than ten (10) days before the Final Fairness Hearing, the Settlement Administrator shall file with the District Court a declaration that lists all of the opt-outs received.

c. Effect. All prospective Settlement Class Members who timely exclude themselves from the Settlement Class will not be eligible to receive any payment pursuant to settlement of the damages claims or be bound by any further orders or judgments in the Action with respect to damages, and will preserve their ability to independently pursue any individual claims for damages they may have against Defendant by filing their own lawsuit or arbitration at their own expense. In the event of ambiguity as to whether a

Settlement Class Member has requested to be excluded (such as through a submission of both a request for exclusion and a claim form), the Settlement Class Member shall be deemed not to have requested exclusion.

d. Right To Withdraw For Excessive Opt-Outs. If the number of Settlement Class Members who request exclusion exceeds a number agreed by the Parties ("Opt-out Limit") Defendant may terminate the Agreement in their sole discretion and the Parties shall be returned to the *status quo ante* as of August 11, 2010 for all litigation purposes, as if no settlement had been negotiated or entered into. If Defendant exercises this right to declare the Agreement void, it shall provide Plaintiffs' Counsel with written notice of this election no later than twenty (20) days after the opt-out deadline. The agreement concerning the Opt-out Limit will be contained in a confidential side letter to this agreement and will be available for *in camera* inspection by the District Court. The parties agree to maintain the Opt-out Limit and the confidential side letter concerning the Opt-out Limit in strict confidence, except as necessary for in camera review by the District Court and/or otherwise agreed.

7.5 Objections To Settlement.

a. Right To Object. Any Settlement Class Member, who has not previously opted-out in accordance with the terms of this Agreement, may appear at the Final Fairness Hearing to argue that the proposed settlement should not be approved and/or to oppose the application of Class Counsel for an award of attorneys' fees and costs and the service awards to Plaintiffs.

b. Deadline. Any such objection must be filed with the District Court postmarked no later than seventy-five (75) days after entry of the Preliminary Approval Order. Copies of all objections also must be mailed to each of the following, postmarked by the last day to file the objection: Class Counsel: Andrew Friedman, Bonnett, Fairbourn, Friedman & Balint, P.C., 2901 North Central Avenue, Suite 1000, Phoenix, AZ 85012 and Gary Klein, Roddy Klein & Ryan, 727 Atlantic Avenue, 2nd Floor, Boston, MA 02111; and counsel for Defendant: Anand S. Raman, Skadden, Arps, Slate, Meagher & Flom LLP, 1440 New York Avenue, N.W., Washington, DC 20005.

c. Content Of Objections. All objections must include: (i) the objector's name, address and telephone number; (ii) the account number of the Residential Loan(s); (iii) a sentence confirming, under penalty of perjury, that he or she is a Settlement Class Member; (iv) the factual basis and legal grounds for the objection to the settlement; (v) the identity of witnesses whom they may call to testify at the Final Fairness Hearing; and (vi) copies of exhibits they intend to offer into evidence at the Final Fairness Hearing.

VIII. FINAL APPROVAL OF SETTLEMENT AND OTHER CONDITIONS

8.1 Final Approval Order. On a date to be set by the District Court, Plaintiffs will petition the District Court for an order granting final approval of this settlement and entering Judgment in the Action, substantially in the form attached hereto as Exhibits A and B respectively. The Final Approval Order will provide:

a. That the Action, for purposes of this settlement, may be maintained as a class action on behalf of the Settlement Class;

b. That Plaintiffs fairly and adequately represent the interests of the Settlement Class;

c. That Class Counsel adequately represent Plaintiffs and the Settlement Class;

d. That Direct Mail Notice satisfies the requirements of due process, the Federal Rules of Civil Procedure and any other applicable laws;

e. That the settlement is fair, reasonable and adequate to the Settlement Class and that each Settlement Class Member shall be bound by the settlement, including the releases contained in Section 4.1 above;

f. That the settlement represents a fair resolution of all claims asserted on behalf of the Settlement Class and should fully and finally resolve all such claims;

g. That this Agreement should be, and is, approved;

h. The amount of attorneys' fees, costs and service awards;

i. Confirmation of the Opt-outs from the Settlement;

j. Overruling of objections, if any;

k. Dismissal, on the merits and with prejudice, of all claims and enjoin all class members from bringing, joining or continuing to prosecute against the Released Parties any Released Claims and enter Judgment thereon; and

l. Retention of jurisdiction of all matters relating to the modification, interpretation, administration, implementation, effectuation and enforcement of this Agreement and the settlement.

IX. TERMINATION OF AGREEMENT

9.1 Non-Approval Of Agreement. This Agreement is conditioned upon final approval without material modification by the District Court. In the event that the Agreement is not so approved, the Parties shall return to the status quo ante as of August 11, 2010 as if no Agreement had been negotiated or entered into. Moreover, the Parties shall be deemed to have preserved all of their rights or defenses as of August 11, 2010 and shall not be deemed to have waived any substantive or procedural rights of any kind that they may have as to each other or any member of the proposed Settlement Class. Likewise, in the event that the Agreement is approved without material modification by the District Court, but is later reversed or vacated on appeal, each of the Parties shall have the right to withdraw from the Agreement and return to the status quo ante as of August 11, 2010 for all litigation purposes, as if no Agreement had been negotiated or entered into, and shall not be deemed to have waived any substantive or procedural rights of any kind that they may have as to each other or any member of the proposed Settlement Class.

X. MISCELLANEOUS PROVISIONS

10.1 Further Assurance. Each of the Parties shall execute all documents and perform all acts necessary and proper to effectuate the terms of this Agreement.

10.2 Return of Confidential Information and Other Discovery. Plaintiffs' Counsel, on behalf of themselves and any expert witnesses, consultants or others retained by or working in concert with them, acknowledge that during the course of the Action, they have received Confidential Information. Not later than thirty (30) days after the Effective Date, Plaintiffs' Counsel will return all Confidential Information to Defendant and will certify under oath that they and their expert witnesses and consultants and any other individuals to whom they may have provided Confidential Information do not retain any copies or summaries or compilations or indices of such information. Within the same time period, Plaintiffs' Counsel will identify for Defendant the expert witnesses, outside consultants, and any other individuals or entities to whom Confidential Information may have been given, and will advise those persons of this requirement and will ensure their compliance with it. Plaintiffs' Counsel also will not use any of the Confidential Information learned or obtained in this Action for any purpose.

Not later than thirty (30) days after the Effective Date, Plaintiffs' Counsel will return to Defendant all originals and duplicate copies of materials produced or obtained from Defendant in the discovery process of the Action, whether by formal or informal discovery. This will include, but not be limited to, business records, data, proprietary information, and all originals, copies, video tapes or audio tapes of any and all deposition of current or former Defendant employees or witnesses in this Action. This provision is not intended to cover work product of Plaintiffs' Counsel but is intended to cover any documents or other materials that might simply be attached to any work product. Notwithstanding the above, all documents and information described in this paragraph that were filed in the public record during the course of this Action, unless currently under seal, will not be subject to the provisions of this paragraph.

10.3 Publicity And Non-Disparagement. Plaintiffs and Plaintiffs' Counsel shall refrain from disparaging Defendant. None of the Parties shall issue press releases or communicate with the media regarding this Agreement or the settlement except as set forth herein. Prior to submission of the settlement to the District Court for preliminary approval, the Parties shall work in good faith to develop a joint agreed statement regarding the settlement which may be made publicly available and develop joint agreed responses to likely questions from Settlement Class Members, as well as to provide informational materials to be used by the Settlement Administrator. Class Counsel may respond to direct communications from Settlement Class Members regarding the settlement and nothing herein is intended to prevent Class Counsel from providing full and fair advice and counsel to Settlement Class Members. Inquiries other than those from Settlement Class Members seeking legal advice may be responded to only by reference to information contained in the public record and/or agreed upon by the Parties.

10.4 Entire Agreement. This Agreement constitutes the entire agreement between and among the Parties with respect to the settlement of the Action. This Agreement supersedes all prior negotiations and agreements. The Parties, and each of them, represent and warrant that no other party or any agent or attorney of any of the Parties has made any promise, representation or warranty whatsoever not contained in this Agreement and the other documents referred to in this Agreement to induce them to execute the same. The Parties, and each of them, represent and warrant that they have not executed this Agreement or the other documents referred to in this Agreement in reliance on any promise, representation or warranty not contained in this Agreement and the other documents referred to in this Agreement.

10.5 Confidentiality. Any and all drafts of this Agreement and other settlement documents relating to the negotiations between the Parties will remain confidential and will not be disclosed or duplicated except as necessary to obtain preliminary and/or final court approval. This provision will not prohibit the Parties from submitting this Agreement to the District Court in order to obtain preliminary and/or final approval of the settlement

10.6 Successors And Assigns. The Agreement shall be binding upon, and inure to the benefit of, the heirs, successors and assigns of the Parties.

10.7 Competency Of Parties. The Parties, and each of them, acknowledge, warrant, represent and agree that in executing and delivering this Agreement, they do so freely, knowingly and voluntarily, that they had an opportunity to and did discuss its terms and their implications with legal counsel, that they are fully aware of the contents and effect of the Agreement and that such execution and delivery is not the result of any fraud, duress, mistake or undue influence whatsoever.

10.8 Authority. The person signing this Agreement on behalf of Defendant warrants and represents that he or she is authorized to sign on Defendant's behalf. Each of the Plaintiffs has personally signed this Agreement.

10.9 Modification. No modification of or amendment to this Agreement shall be valid unless it is in writing and signed by all Parties hereto or agreed to on the record in the District Court.

10.10 Construction. Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any of the Parties. Before declaring any provision of this Agreement invalid, the District Court shall first attempt to construe the provision valid to the fullest extent possible consistent with applicable precedent so as to find all provisions of this Agreement valid and enforceable. After applying this rule of construction and still finding a provision invalid, the District Court shall thereupon interpret the invalid provision to the fullest extent possible to otherwise enforce the invalid provision. The invalidity of any one provision shall not render this Agreement otherwise invalid and unenforceable unless the provision found to be invalid materially affects the terms of this Agreement after application of the rules of construction set forth in this paragraph.

10.11 No Waiver. The failure of any of the Parties to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, or any other provision, nor in any way to affect the validity of this Agreement or any part hereof, or the right of any of the Parties thereafter to enforce that provision or each and every other provision. No waiver of any breach of this Agreement shall constitute or be deemed a waiver of any other breach.

10.12 Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California.

10.13 Notices/Communications. All requests, demands, claims and other communications hereunder shall: (a) be in writing; (b) be delivered by U.S. Mail and facsimile; (c) be deemed to have been duly given on the date received; and (d) be addressed to the intended recipient as set forth below:

If to Plaintiffs or the Settlement Class:
Andrew Friedman, Esq.
Bonnett, Fairbourn, Friedman & Balint, P.C.
2901 North Central Avenue
Suite 1000
Phoenix, AZ 85012

and

Gary Klein, Esq.
Roddy Klein & Ryan
727 Atlantic Avenue, 2nd Floor
Boston, MA 02111

If to Defendant:
Anand S. Raman, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington D.C. 20005

Each of the Parties may change the address to which requests, demands, claims or other communications hereunder are to be delivered by giving the other Parties notice in the manner set forth herein.

10.14 Counterparts. This Agreement may be executed in one or more counterparts and, if so executed, the various counterparts shall be and constitute one instrument for all purposes and shall be binding on each of the Parties that executed it, provided, however, that none of the Parties shall be bound unless and until all Parties have executed this Agreement. For convenience, the several signature pages may be collected and annexed to one or more documents to form a complete counterpart. Photocopies of executed copies of this Agreement may be treated as originals.

Agreed and accepted:

Dated: October 12 2010

Ana Ramirez

Dated: October 12, 2010

Ismael Ramirez

Dated: October __, 2010

Jorge Salazar

Dated: October __, 2010

Emanuel Fanning

Approved as to form and content:

Dated: October 12, 2010

RODDY KLEIN & RYAN

By________________________

GARY KLEIN

Attorneys for Plaintiffs

Dated: October __, 2010

BONNETT, FAIRBOURN, FRIEDMAN & BALINT, P.C.

By________________________

Attorneys for Plaintiffs

Dated: October __, 2010

CHAVEZ & GERTLER, L.L.P.

By________________________

Attorneys for Plaintiffs

Agreed and accepted:

Dated: October __, 2010

____
Ana Ramirez

Dated: October __, 2010

____
Ismael Ramirez

Dated: October 14, 2010

Jorge Salazar
Jorge Salazar

Dated: October __, 2010

____
Emanuel Fanning

Approved as to form and content:

Dated: October __, 2010

RODDY KLEIN & RYAN

By______________________________

Attorneys for Plaintiffs

Dated: October __, 2010

BONNETT, FAIRBOURN, FRIEDMAN & BALINT, P.C.

By______________________________

Attorneys for Plaintiffs

Dated: October __, 2010

CHAVEZ & GERTLER, L.L.P.

By______________________________

Attorneys for Plaintiffs

Agreed and accepted:

Dated: October __, 2010

____
Ana Ramirez

Dated: October __, 2010

____
Ismael Ramirez

Dated: October __, 2010

____
Jorge Salazar

Dated: October __, 2010

____
Emanuel Fanning

Approved as to form and content:

Dated: October __, 2010

RODDY KLEIN & RYAN

By______________________________

Attorneys for Plaintiffs

Dated: October __, 2010

BONNETT, FAIRBOURN, FRIEDMAN & BALINT, P.C.

By______________________________

Attorneys for Plaintiffs

Dated: October __, 2010

CHAVEZ & GERTLER, L.L.P.

By______________________________

Attorneys for Plaintiffs

Agreed and accepted:

Dated: October __, 2010

____
Ana Ramirez

Dated: October __, 2010

____
Ismael Ramirez

Dated: October __, 2010

____
Jorge Salazar

X Dated: October 26, 2010

Emanuel Fanning
Emanuel Fanning

Approved as to form and content:

Dated: October __, 2010

RODDY KLEIN & RYAN

By______________________________

Attorneys for Plaintiffs

Dated: October __, 2010

BONNETT, FAIRBOURN, FRIEDMAN & BALINT, P.C.

By______________________________

Attorneys for Plaintiffs

Dated: October __, 2010

CHAVEZ & GERTLER, L.L.P.

By______________________________

Attorneys for Plaintiffs

Agreed and accepted:

Dated: October __, 2010 ______________________ Ana Ramirez

Dated: October __, 2010 ______________________ Ismael Ramirez

Dated: October __, 2010 ______________________ Jorge Salazar

Dated: October __, 2010 ______________________ Emanuel Fanning

Approved as to form and content:

Dated: October __, 2010

RODDY KLEIN & RYAN

By______________________

Attorneys for Plaintiffs

Dated: October __, 2010

BONNETT, FAIRBOURN, FRIEDMAN & BALINT, P.C.

By______________________

Attorneys for Plaintiffs

Dated: October 5, 2010

CHAVEZ & GERTLER, L.L.P.

By______________________

Attorneys for Plaintiffs

Dated: October 5, 2010

ROBBINS GELLER RUDMAN & DOWD LLP

By ______________________

Attorneys for Plaintiffs

Dated: October __, 2010

BARROWAY TOPAZ KESSLER MELTZER & CHECK LLP

By ______________________

Attorneys for Plaintiffs

Dated: October __, 2010

MILLER LAW L.L.C.

By ______________________

Attorneys for Plaintiffs

Dated: October __, 2010

NATIONAL CONSUMER LAW CENTER

By ______________________

Attorneys for Plaintiffs

Approved as to form and content:

Dated: October 5, 2010

Anand S. Raman
Raoul D. Kennedy
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

By ______________________

Attorneys for Defendant

Dated: October __, 2010

ROBBINS GELLER RUDMAN & DOWD LLP

By________________________________

Attorneys for Plaintiffs

Dated: October 6, 2010

BARROWAY TOPAZ KESSLER MELTZER & CHECK LLP

By________________________________

Attorneys for Plaintiffs

Dated: October __, 2010

MILLER LAW L.L.C.

By________________________________

Attorneys for Plaintiffs

Dated: October __, 2010

NATIONAL CONSUMER LAW CENTER

By________________________________

Attorneys for Plaintiffs

Approved as to form and content:

Dated: October 5, 2010

Anand S. Raman
Raoul D. Kennedy
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

By________________________________

Attorneys for Defendant

Dated: October __, 2010

ROBBINS GELLER RUDMAN & DOWD LLP

By________________________

Attorneys for Plaintiffs

Dated: October __, 2010

BARROWAY TOPAZ KESSLER MELTZER & CHECK LLP

By________________________

Attorneys for Plaintiffs

Dated: October 5, 2010

MILLER LAW L.L.C.

By Marvin Miller (SAR w/ permission)

Attorneys for Plaintiffs

Dated: October 5, 2010

NATIONAL CONSUMER LAW CENTER

By________________________

Attorneys for Plaintiffs

Approved as to form and content:

Dated: October 5, 2010

Anand S. Raman
Raoul D. Kennedy
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

By________________________

Attorneys for Defendant