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8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**  
9 **IN AND FOR THE COUNTY OF MARICOPA**

10 CHASE HOME FINANCE, LLC,  
11 Respondent(s).

Case No: CV2011-000470

**APPROVAL OF ASSURANCE OF  
DISCONTINUANCE**

14  
15 Pursuant to A.R.S. § 44-1530, the attached Assurance of Discontinuance is approved by  
16 the Superior Court of the State of Arizona in and for the County of Maricopa.

17  
18 DATED this 12<sup>th</sup> day of January, 2011.

19  
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21   
22 JUDGE OF THE SUPERIOR COURT  
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## ASSURANCE OF DISCONTINUANCE

This Assurance, by and between the State of Arizona and Chase Home Finance LLC (“Chase”) is entered into as of this 31st day of December 2010. State of Arizona, ex rel. Terry Goddard, Attorney General and Chase hereby agree to the following:

### I. Definitions

“Agreement” is defined as this Assurance of Discontinuance.

“Attorney General” is defined as the Arizona Attorney General.

“Chase” is defined, individually and collectively, as the residential mortgage servicing business of JPMorgan Chase Bank, N.A., which is currently Chase Home Finance LLC.

“Customer” is defined as an individual that resides in Arizona and that has an Arizona residential mortgage loan that is serviced by Chase.

“Effective Date” is defined as December 31, 2010.

“HAMP” refers to the Home Affordable Mortgage Program, which is governed by guidelines issued by the Department of Treasury.

“Loan” is defined as an Arizona residential mortgage loan of a Customer that is serviced by Chase.

“Loan Modification decision” refers to the decision made after a Customer has been reviewed for the first time for a HAMP and any proprietary modifications for which the Customer may be eligible.

Chase and the Attorney General may be collectively referred to herein as “the Parties” or individually as a “Party.”

### II. Best Practices

Chase hereby adopts the following set of guidelines and action items to promote and enhance the Loan modification experience for its Customers. Chase agrees that its practices will include:

1) Upfront Consumer Education:

- Chase agrees to make available to Customers the following on [www.chase.com](http://www.chase.com) and in mailed materials:

(1) links to external websites with consumer education information, (2) information regarding Chase's non-profit relationships, (3) information regarding solicitation letters, (4) information on Chase Homeownership Centers, and (5) information explaining the loan modification process, the foreclosure process, and available modification programs.

2) Acknowledgement of Receipt of Loan Modification Application Within 10 Days; Decision on Loan Modifications Within 30 Days of Receiving a Completed Loan Modification Application:

- Chase agrees to provide an acknowledgement letter to the Customer within ten (10) days of Chase's receipt of a Loan modification application.
- Chase agrees to notify the Customer, in writing, within thirty (30) days of receiving a Loan modification application if Chase has identified that there are missing documents required to render a decision on the application, and will identify the documents that Chase believes are missing.
- Chase agrees to notify the Customer, in writing, of the Loan modification decision within thirty (30) days of receiving a completed Loan modification application that includes all the required documents.
- Chase agrees that in the event that a Loan modification application is denied, Chase will provide the Customer a letter detailing the reason(s) for the denial, as well as information on other loss mitigation options that may be available to the Customer.
- Chase agrees that it will meet its target response times greater than 90% of the time, and that it otherwise will use its best efforts to notify all Customers of the Loan modification decision within ninety (90) days of receiving a completed Loan modification application.

3) Single Point of Contact for Customer:

- Chase agrees to appoint a dedicated Relationship Manager ("RM") to assist the Customer from the inception to the conclusion of the Loan modification process. The RM will provide guidance to the Customer, assist in collecting and submitting documents to underwriting, assist in explaining a Loan modification decision, provide guidance on the

process for appealing a Loan modification decision and generally provide overall transaction management for Loan modifications.

- Chase agrees to notify the Customer, in writing, within ten (10) days after receiving a Loan modification application, of the name, phone number, and email address of the RM.

4) Single Point of Contact for the Attorney General:

- Chase agrees to provide a dedicated, single point of contact within Chase's Home Lending Executive Office to work with the Attorney General.
- Chase agrees to use its best efforts to respond to inquiries from the Attorney General about Loans within two (2) business days of receipt.
- Chase agrees to provide a substantive response to inquiries from the Attorney General about Loans within fifteen (15) calendar days of receipt.
- Chase agrees to provide weekly updates on Loans for all open cases with the Attorney General.

5) Dedicated Help Line:

- Chase agrees to provide a dedicated telephone number for Customers to call for assistance on Loan modification or loss mitigation questions.
- Chase agrees to staff the telephone number with a minimum coverage of twelve (12) hours a day, six (6) days a week. Chase further agrees to use its best efforts to maintain an abandon rate of less than three percent (3%).

6) Ensure Loss Mitigation Staff Is Available During Collection Efforts:

- Chase agrees that, if at any time, a Customer requests Loan modification assistance, Chase will send the Customer (if Chase has not previously done so) a Loan modification package that includes information on workout programs, and contains the required forms and documents to begin the Loan modification process.
- Chase agrees that, if at any time, a Customer is unable to repay his/her Loan using customary short term Loan repayment options, or if the

Customer believes the short term Loan repayment options are not affordable, Chase will send the Customer (if Chase has not previously done so) a Loan modification package.

- In addition, if a Customer requests a Loan modification during a collection telephone call, Chase agrees to transfer that Customer to its dedicated help line during the hours that the helpline operates.

7) Foreclosure Prevention Workshops:

- Chase agrees to hold and participate in four (4) foreclosure prevention workshops in Arizona over a two (2) year period.

8) Second Look Process:

This provision is limited to a Customer's first submission of a Loan modification application. If a Customer is denied and chooses to apply for another Loan modification, this provision will not be applicable.

- Chase agrees that all denied Loan modifications will be reviewed by a Chase quality review team, prior to sending a denial letter to the Customer, to confirm that the Loan is ineligible for a Loan modification. This quality review team will be independent from the group that underwrote the Loan modification application and recommended a denial. Chase agrees to include language in the denial letter that this "second look" review was conducted.
- Chase agrees to provide a telephone number in the denial letters to Customers, so that these Customers may make inquiry into the Loan modification denials.
- Chase agrees that its proprietary guidelines will follow HAMP for Loan modification denials and provide a notice period to the Customer with an opportunity to refute the denial. This will apply to Chase owned Loans and investor Loans in which Chase is required to follow its proprietary guidelines. This process shall not apply, however, to Loans owned by other investors, including the government sponsored entities. Chase shall have up to ninety (90) days to incorporate this process in its denial letters.

9) No Foreclosure When a Modification Is Pending:

This provision is limited to a Customer's first submission of a Loan modification application. If a Customer is denied and chooses to apply for another Loan modification, this provision will not be applicable.

- Chase agrees that when Chase has an active Loan modification application for a Customer, Chase will not initiate or continue with the foreclosure absent investor or other guidelines to the contrary. Chase will not refer matters to foreclosure counsel, and will use its best efforts not to proceed with a foreclosure sale for Loans that have already been foreclosed, while Chase has an active Loan modification application in process unless Chase is precluded from stopping the referral or sale by investor guidelines.

10) Cash-for-Keys:

- Chase agrees to offer a cash-for-keys program for Customers' owner-occupied properties that go to a foreclosure sale managed by Chase.
- Chase agrees that the amount of the incentive may vary based on the occupancy type and how soon the occupant is willing to vacate the property.

### III. Other Terms

A. Monetary Commitment: Chase agrees to commit \$600,000 towards:

- holding four (4) foreclosure workshop prevention programs over a two (2) year period, described in section II(7) of this Agreement
- creating customized education material on homeownership and financial literacy
- creating a toll-free Helpline for defaulted Customers through December 31, 2012, at which point Chase will evaluate the need for continued support of the Helpline.

B. Reporting Obligations:

Chase agrees to monitor its obligations under this Agreement, and to provide self-reporting to the Attorney General on a quarterly basis for two years beginning three months after the effective date of this Agreement.

C. Term:

This Agreement will become effective on the Effective Date and terminate two (2) years after the Effective Date, except that Chase shall have up to ninety (90) days to implement all of the terms set forth in section II of this Agreement.

D. No Third Party Beneficiaries:

This Agreement does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties.

E. No Estoppel Effect:

Notwithstanding anything herein to the contrary, nothing in this Agreement or its Release shall operate to prevent the Attorney General from entering into a subsequent agreement with Chase in connection with the current 50-state Attorney General investigation of foreclosure practices.

F. Counterparts:

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument.

G. Entire Agreement:

This Agreement represents the entire agreement and understanding between the Parties relating to the subject matter hereof. All prior representations, agreements and understandings, whether oral or in writing, have been merged into and superseded by this Agreement.

H. Governing Law:

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Arizona without regard for choice of law principles.

I. No Admission:

This Agreement shall in no event be construed as or be deemed to be evidence of an admission or concession on the part of Chase of any liability or wrongdoing whatsoever regarding any matter relating to the Agreement. This Agreement, and each of its provisions, shall not be offered or received in evidence in this or any other action or proceeding as an admission or concession of liability or wrongdoing of any nature on the part of Chase.

J. Release:

The State of Arizona hereby fully releases and discharges Chase, its parents, affiliates, subsidiaries, employees, agents, officers, and directors from any and all civil and administrative liability, claims, and causes of action concerning or related to Chase's

Loan modification process, which the State of Arizona could have brought against Chase prior to the Effective Date of this Assurance.

K. Authority:

The Parties hereby represent to one another that they have full power and authority to enter into this Agreement and carry out their obligations.

L. No Construction Against Drafter; Participation of Counsel:

This Agreement shall not be construed more strictly against one Party than the other Party by virtue of the fact that it may have been drafted by one of the Parties or counsel for one of the Parties, it being recognized that this Agreement resulted from arms-length negotiations. Moreover, the Parties to the Agreement acknowledge that they have (i) received the advice of counsel before entering into this Agreement and (ii) contributed substantially and materially to the documentation of its terms and conditions.

M. Noninterference:

No Party will do anything to interfere with or inhibit the ability or any other Party to comply with its respective obligations under the terms of this Agreement.

N. Notices:

Any and all notices sent pursuant to this Agreement shall be sent via certified mail, return receipt requested, addressed as follows:

If to Chase:

Brian J. Schulman  
Greenberg Traurig, LLP  
2375 E. Camelback Road,  
Suite 700  
Phoenix, AZ 85016

General Counsel  
Chase Home Finance LLC  
194 Wood Avenue South, 2d Floor  
Iselin, NJ 08830

If to the Attorney General:

Dena R. Epstein  
Assistant Attorney General

Arizona Attorney General's Office  
1275 W. Washington  
Phoenix, AZ 85007

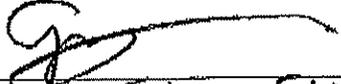
O. Expenses:

Each Party to this Agreement shall be solely responsible for their own costs and expenses of reviewing, preparing and executing this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

DATED this 31<sup>st</sup> day of December, 2010

CHASE HOME FINANCE LLC

  
[Name] Steve Stein  
[Title] Senior Vice President

APPROVED AS TO FORM AND CONTENT:

TERRY GODDARD  
Attorney General of Arizona

By: \_\_\_\_\_

DATED this 31 day of December, 2010

CHASE HOME FINANCE LLC

\_\_\_\_\_  
[Name] \_\_\_\_\_  
[Title] \_\_\_\_\_

APPROVED AS TO FORM AND CONTENT:

TERRY GODDARD  
Attorney General of Arizona

By: 