

SCHWARTZ & BALLEN LLP

1990 M STREET, N.W. • SUITE 500
WASHINGTON, DC 20036-3465

WWW.SCHWARTZANDBALLEN.COM

TELEPHONE
(202) 776-0700

FACSIMILE
(202) 776-0720

MEMORANDUM

June 30, 2011

To Our Clients and Friends

Re: OCC Guidance on Foreclosure Activities

The Comptroller of the Currency (“OCC”) today issued guidance to national banks for the oversight and management of mortgage foreclosure activities. The guidance presents the OCC’s expectations for national bank foreclosure management practices and does not address detailed mortgage servicing requirements or broader issues related to working with troubled borrowers.

The OCC expects national banks to:

- Establish foreclosure governance processes that are sufficient to manage and control operational, compliance, legal and reputation risk associated with foreclosure activities
- Suspend foreclosure proceedings for successfully performing trial period modifications, if permitted under the servicing contracts
- Confirm that attestations in foreclosure-related affidavits are truthful, accurate, and adequately supported by file documentation
- Ensure that all documents supporting lawful foreclosure actions are maintained and have been properly endorsed or assigned
- Adhere to all laws and regulations, including the Servicemembers Civil Relief Act and bankruptcy provisions
- Properly structure, conduct and monitor relationships with third-party vendors, including outside counsel
- Conduct a self-assessment of foreclosure management practices no later than September 30, 2011

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A copy of the guidance can be found at our website at
<http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker or Lauren Bianchini at (202) 776-0700.