



May 16, 2011

VIA HAND DELIVERY

Hon. Walter R. Barisonek (Special Master)
Union County Courthouse
2 Broad Street
Courtroom 101
Elizabeth, New Jersey 07207

Re Docket No F-238-11
Administrative Order No 01-2010
In the Matter of Residential Mortgage Foreclosure Pleading
and Document Irregularities

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Dear Judge Barisonek:

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This firm represents Hudson City Savings Bank (the "Bank"). In connection with Your Honor's written request for information and our meeting with Your Honor on April 25, 2011, we enclose the Affidavit of V Barry Corridon in response to the Request for Information Dated April 20, 2011 from the Honorable Walter R Barisonek (the "Affidavit"). We have filed the Affidavit as instructed, but, given the unique nature of these proceedings, we did not serve the Affidavit on the other parties to this matter. If Your Honor would like us to serve the Affidavit on the other parties, please let us know and we will do so.

Thank you for your time and consideration.

Respectfully Submitted,

Michael M Horn

BOSTON

HARTFORD

NEW YORK

NEWARK

PHILADELPHIA

STAMFORD

WILMINGTON

MMH\ebk

Enclosures

cc. Superior Court Clerk (w/ encls via email to
SCCOForeclosure.Mailbox@judiciary.state.nj.us and by regular mail)

make this Affidavit on behalf of the Bank in response to the request for information dated April 20, 2011 from the Honorable Walter R. Barisonek (the "Information Request").

2. In response to paragraph (1) of the Information Request, the following is a description of the Bank's processes and procedures to ensure the accuracy and reliability of information contained in any certification/affidavit submitted to the Court under Rule 4:64-1, et seq. as evidence in support of a foreclosure. The Bank has had written default management policies and procedures in place since the late 1970s. The Bank's policies and procedures are reviewed and revised annually in connection with routine internal audits of the Bank. The Bank's policies and procedures are supplemented and detailed more fully in the relevant pages of the Bank's Default Management policies and procedures (the "Policies and Procedures") attached as Exhibit B and are summarized as follows:

- a. Maintenance of Original Loan Documents. The Bank maintains the original note for each of its loans, as well as the related mortgage and other loan documents (the "Loan Documents") in its vault at its headquarters in Paramus, New Jersey. The original Loan Documents are rarely released from the Bank's vault. If necessary, the Loan Documents are released on a temporary basis. It is the regular practice of the Bank, in the ordinary course of its business, to release those documents subject to stringent manual and computer tracking. Contemporaneously with the release of any original Loan Document from the Bank's vault, a physical notation is made in the file containing the original document identifying the document released, the date of the release, and its destination. This information is also contemporaneously entered into the Bank's computer systems. If the Bank sends the released document somewhere (generally to its attorneys), it does so by reputable courier (FedEx, UPS) with delivery confirmation and tracking.
- b. Maintenance of Payment and Loan Balance Records It is the regular practice of the Bank, in the ordinary course of its business, to have the Bank's "Mortgage Accounting" section contemporaneously record in its computer systems¹ all data necessary to keep track of the payments made and amounts due under the applicable loan documents, as well as the loan

¹ The Bank does not use the Lender Processing Services, Inc. ("LPS") software mentioned in some of the pleadings filed in In the Matter of Residential Mortgage Foreclosure Pleading and Document Irregularities, Docket No F-59553-10 (the "Big Six Proceeding").

history, or any other transaction involving the loan. After the loan data is initially put into the Bank's computer system, the accuracy of the data is audited and checked in detail by the Bank's "New Loan" section, a section of the Bank that is different than the section of the Bank that initially put the data into the system. The Bank then sends a "welcome letter" to the borrower which recites the principal balance of the loan, the interest rate, the amount of the borrower's payments and other relevant information regarding the loan. The welcome letter not only welcomes the borrower as a customer of the Bank, but acts as a further check on the accuracy of the information in the Bank's computer system. The vast majority of the Bank's employees have "inquiry only" access to the Bank's computer systems, rather than what the Bank calls "monetary access" (i.e. the ability to make changes to the interest rate, payment amounts, and other monetary changes in the Bank's computer systems, other than the posting of payments received from borrowers). Only eight Bank employees have "monetary access" to the Bank's computer systems. The Bank's computer systems are, of course, password protected, and the Bank's computer system data is backed up regularly. The monthly statements sent by the Bank to its borrowers (and the multiple notices described in this Affidavit) also act as an additional safeguard as to the accuracy of the Bank's information. The monthly statements set forth, among other things, the unpaid principal balance of the loan, the interest rate, the amount of the last payment made by the borrower, the amount of the monthly principal and interest payment due and the amount of any escrow account payment due. The Bank has an entire department, its "Cashiering" section, dedicated solely to the accurate posting of borrower payments. All payments received by the Bank are contemporaneously posted to the Bank's computer system and are reflected on the monthly statement for the month following payment.

- c. Notices of Default. In addition to the internal procedures in place to ensure sound record keeping and loan information, the Bank provides many opportunities to the borrower to raise issues regarding payment application or delinquencies. These procedures include the following:
- (i) If the Bank does not receive a payment within 15 days of the date that it is due, the Bank sends a late notice to the borrower.
 - (ii) The Bank generally makes a telephone call to the borrower if the borrower has failed to make his or her payment within approximately 22 days of the date that payment was due. If the Bank is not able to contact the borrower personally, it makes additional efforts to contact the borrower by reviewing its file for additional contact information and performing a physical inspection of the property. The Bank makes numerous attempts to

contact its borrowers personally (not just through notices and letters) prior to commencing a foreclosure.

- (iii) When the loan is 30 days past due, the Bank sends the borrower written notice of the delinquency.
 - (iv) Before the loan is 45 days past due, the Bank sends the borrower another letter regarding the delinquency. The letter provides a list of HUD approved counseling agencies, the telephone number of the HUD housing counseling and referral line, and a copy of the Servicemembers Civil Relief Act notice.
 - (v) When the borrower is approximately 60 days past due, the Bank sends a letter demanding that the borrower bring the loan current within 5 days or establish a payment plan to bring the loan up to date.
 - (vi) When the borrower is approximately 80 days past due, the Bank sends the borrower a letter demanding again that the borrower bring the loan current. The letter requests that the borrower contact the Bank to make arrangements to resolve the default within 7 days of the date of the letter and states that, if the borrower fails to do so, the Bank will forward to the borrower a Notice of Intention to Foreclose the borrower's home.
 - (vii) If the borrower remains delinquent in excess of 90 days, the Bank sends the borrower a Notice of Intention to Foreclose in accordance with the provisions of the New Jersey Fair Foreclosure Act.
- d. Commencement of Litigation. If the borrower fails to cure the default within 30 full days following the mailing of the Notice of Intention to Foreclose, the Bank sends a memorandum to its attorneys authorizing them to commence foreclosure proceedings. The memorandum encloses copies of, among other things, the original note, mortgage, title policy, and Notice of Intention to Foreclose. The memorandum sets forth, among other things, the unpaid principal balance of the loan, the date of non-payment, the lot and block of the property and the borrower's name and address.
- e. Choice of Counsel. Until last month, we used only two law firms to handle our New Jersey foreclosures. Last month we added a third firm. All these law firms have substantial experience with the New Jersey residential foreclosure process. The two firms that we have used for many years know our Policies and Procedures well. We will require the new firm to become fully familiar with our Policies and Procedures.

- f. Proof of Right to Foreclose and Amount Due. When it is time to prepare the Certification or Affidavit of Proof of Amount Due (the "Certification of Amount Due") in connection with the application for Final Judgment, the Bank's attorneys send a note to the Bank requesting that the Bank prepare the figures. The Bank prepares the figures for the Certification of Amount Due using its computer system and in accordance with the Policies and Procedures attached as Exhibit B and it submits those figures to its attorneys. The figures are reviewed by the Bank's attorneys and incorporated in a draft Certification of Amount Due prepared by the Bank's attorneys. The draft Certification of Amount Due is delivered by the Bank's attorneys to the Bank for review. It has been the practice of the Bank that only senior Bank officers review, approve and sign Certifications of Amount Due (and any other certifications required in New Jersey foreclosures). Historically, I have signed the vast majority of all certifications and affidavits on behalf of the Bank in New Jersey foreclosures. Also, in the past, Lorenzo Aperocho, an Assistant Vice President of the Bank has signed some of the certifications on behalf of the Bank in New Jersey foreclosures. A description of some of Mr. Aperocho's banking experience is attached as Exhibit C. Last year, the Bank hired Mr. Jerry Pastore as a Vice President and Default Mortgage Servicing Manager. A description of some of Mr. Pastore's banking experience is attached as Exhibit D. Mr. Pastore is now primarily responsible for reviewing, approving and signing certifications and affidavits on behalf of the Bank, with Mr. Aperocho and I being available to review, approve and sign, if he is unavailable. Therefore, in the past only two senior Bank officers signed certifications and affidavits on behalf of the Bank in New Jersey foreclosures, and we anticipate that only three senior Bank officers will do so in the foreseeable future. The Bank intends to adopt a formal policy, consistent with its past practice, that any certification or affidavit signed on behalf of the Bank in New Jersey foreclosures must be signed by a senior Bank officer (Assistant Vice President or higher). No other employee is authorized to sign affidavits or certifications on behalf of the Bank in foreclosure actions. Our attorneys are aware of this restriction. We review and sign each Certification of Amount Due with knowledge of the Bank's loan documents, the borrower's default, and the Bank's method of calculating the amount due, all of which are derived from the Bank's business records which are kept contemporaneously by the Bank as its regular practice in the ordinary course of its business. We do not "robo-sign" documents. Our attorneys typically prepare certifications, not affidavits, but if we are signing affidavits we do so in the physical presence of one of the notaries working for the Bank who knows us personally. Any other required affidavit or certification of the Bank is prepared and signed in the same manner.

- g. Training for individuals completing certifications/affidavits. Since the Bank uses only two, now three, experienced, senior Bank officers to sign certifications/affidavits on behalf of the Bank in foreclosures, those signing have substantial "on the job" training, knowledge of the correct manner in which certifications/affidavits are to be signed, and knowledge of the Bank's Policies and Procedures. Messrs. Pastore, Aperocho and I will personally train our successors and any additional colleagues that the Bank may permit to sign certifications/affidavits on its behalf in foreclosures.
- h. Submission of Supporting Instruments pursuant to R. 4:64-2. In connection with the submission of copies of the loan documents to the Court certified as true by a New Jersey attorney under R. 4:64-2, the Bank requires its foreclosure attorneys to review the originals of all loan documents in connection with that certification.
- i. Certificates of Regularity. As an additional safeguard to the foreclosure process, it is our understanding from our foreclosure attorneys that they use an abstract company such as Garden State Legal or Superior Legal Services to review the foreclosure complaints, review the final judgment applications, and to issue a "Certificate of Regularity" with respect to each foreclosure. These "Certificates of Regularity" are provided to the Bank at the conclusion of the foreclosure.
- j. Foreclosure Sale. Prior to submission of the requisite documents to the sheriff's office to schedule the foreclosure sale, the Bank's attorneys inquire as to whether the Bank has made any post-judgment advances in connection with the subject property. In connection with providing this information, the Bank confirms the borrower's continued default and the amount due. The Bank generally confers with its attorneys by email or telephone regarding the upset price for the foreclosure sale and the results of the foreclosure sale.
- k. Reinstatement. The Bank is not in the business of owning real estate. Prior to commencing litigation, the Bank makes numerous attempts to contact and work with its borrowers to reach a reasonable agreement to reinstate its loans and to avoid foreclosure. Throughout the collection process, the Bank remains willing to consider all reasonable reinstatement proposals. Despite having no legal obligation to do so, the Bank will generally permit reinstatement of a loan up to the date of the foreclosure sale. The Bank's strong preference to avoid foreclosure is reflected in its policies and procedures as described in this Affidavit.

3. I have complete confidence in the accuracy and reliability of information contained in certifications and affidavits made by the Bank in New Jersey foreclosures given the Bank's Policies and Procedures, the size and structure of the Bank, and the very limited number of employees authorized to sign certifications and affidavits on the Bank's behalf in foreclosure proceedings.

4. We take this proceeding very seriously. When the Administrative Order was initially entered, we retained Michael M. Horn, Esq., former Commissioner of Banking for the State of New Jersey, and his law firm, McCarter & English ("M&E"), to assist us in connection with these proceedings. M&E interviewed senior Bank management, compliance officers and board members on two separate occasions. They reviewed a number of randomly selected files. They reviewed our Policies and Procedures and numerous other Bank documents. They spoke with our foreclosure attorneys. We have asked M&E to conduct a similar review approximately one year from now to confirm that we continue to have policies and procedures in place that will result in compliance with the Court Rules, and that those policies and procedures are being followed.

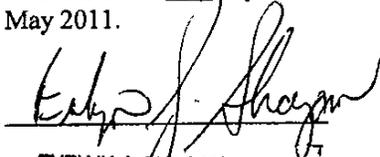
5. With respect to paragraph (2) of the Information Request, it is the Bank's understanding that, since almost all of the loans serviced for the Bank by others are serviced by institutions that are part of these proceedings or are part of the Big Six Proceeding, the Court is not requiring the Bank to secure the information requested in paragraph (2) of the Information Request.

6. The Bank remains committed to full and voluntary compliance with this process. We will fully and expeditiously provide the Court with any additional information that may be requested.



V. BARRY CORRIDON

Sworn and subscribed to
before me this 13 day of
May 2011.



EVELYN J. SHAGAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March 31, 2016

EXHIBIT A

V. Barry Corridon

Senior Vice President

Hudson City Savings Bank

Date of Employment: August 11, 1970 to Present

Education: Bachelor of Arts, Fairleigh Dickinson University, Teaneck, New Jersey - 1970

Honor Graduate, Brown University – Graduate School of Savings Banking – 1977

Started career with Hudson City Savings Bank in the Mortgage Servicing Department as a Management Trainee. Original primary duties included collection and foreclosure processing and control while learning all aspects of Mortgage Servicing.

Promoted to various ranks through the years to present level of Senior Vice President in charge of the Mortgage Servicing Department from 1995 until present.

Heavily involved with the New Jersey League of Community Bankers serving as their Loan Servicing Chairman on two occasions as well as being a standing member of both the Loan Servicing Committee and the Mortgage Steering Committee of the League.

Also involved with the Mortgage Bankers Association of New Jersey serving as Chairman for the Loan Administration Committee on four separate occasions. Also became a Board Member of the Mortgage Bankers Association and served as its President during 1995.

Extensively involved with the implementation of the Fair Foreclosure Act as a member of the Mortgage Bankers Association and the League of Community Bankers in negotiating with the sponsor of the Bill, a piece of legislation that would serve the consumer as well as being a viable piece of legislation for servicers to administer.

Have also been requested by both the MBA of New Jersey and New Jersey League of Community Bankers to testify before the Assembly and/or Senate on various pieces of legislation affecting the Mortgage Servicing Industry.

I received the MBA of New Jersey's outstanding member on two occasions.

EXHIBIT B

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CHAPTER I

15-DAY DELINQUENT – BLITZ CALL

Background

Monthly payments are due the 1st day of each month other than the bi-weekly payments and due the 15th loan types. Borrowers are given a 15-day grace period to pay their monthly bills. If payment is not received by the 16th of the month, the Collector will perform a Blitz or Reminder call upon receipt of the delinquency report..

1. The Computer Center will print and mail Late Notices to Borrowers that did not make their payments on or before the grace period (16th of the month).
2. A Delinquent Loan Report – 15 Day (LMN 202) will be printed by the Computer Center and send to Mortgage Servicing around the 20th of each month This report contains list of accounts that are 15-day delinquent.
3. Collectors will call all Borrowers on the report other than those in Bankruptcy immediately. Account status information should be obtained if calls could not be made the same day the report is received. This is to verify if payment was made before calling.
Note: Do not leave any customer information to a stranger other than to ask if Borrower(s) could call the Bank. Leave message to voice mail.
4. If telephone number on record is invalid, i.e. disconnected or wrong number, the assigned Collector will send a "Phone Card" (Form M07-75).
5. If 1st payment of a new loan account is not paid during the grace period, the Collection Manager will call Borrower(s) at home or business phone, will leave message to voice mail. If home or business phone numbers is not available on Miser, order loan file and search for contact information First payment defaults require enhanced due diligence. The collector should verify home or business phone numbers. The loan file should be pulled if no answer is received. Further investigation is required including but not limited to occupancy and property inspection.

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CHAPTER II

30-DAY DELINQUENT

Background

The *Housing and Urban Development Act of 1968* contains a provision that requires borrowers to receive a home ownership counseling notice for loans secure by 1-4 family real estate when they become due. This requirement applies to anyone that services a home loan on its own or on behalf of another person of entity. *The notice must be made within 45 days from the date the payment was due, unless the homeowner pays the amount before the expiration of the 45-day period.*

Effective June 5, 2006, *Servicemembers Civil Relief Act (SCRA)* requires lenders to provide notice when a servicemember (or a servicemember's dependent) becomes 45 days delinquent on a mortgage loan. This notice must be sent each time a delinquency occurs. If a borrower becomes delinquent, is provided the notice, cures the delinquency and subsequently becomes delinquent again, the notice must be provided again. The notice must be provided once for every covered delinquency.

1. Letters are generated from the computer center and sent to Mortgage Servicing Department
2. Upon receipt, collectors will mail these letters with list of approved HUD Counseling Agencies and Servicemembers Civil Relief Act Notice.

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CHAPTER III

60-DAY DELINQUENT

Background

The Computer Center will print and send Demand Letters demanding loan to be brought current. Collectors will continue to call and demand payment

Note: If the customer does not respond to telephone calls or Demand Letter, order AMI to do a property inspection to determine if property is occupied. If not, property has to be secured and if necessary, winterized. Charges should be posted against the mortgage account as "Other Charges" and use reason code "67" (Property Maintenance)..

1. On or about the 15th of the month proceeding 60th day of delinquency, identify which are PMI loans from the list maintained by the Collector.
2. If any, order the legal file and determine what PMI company insures the mortgage. Notify the company in writing.

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CHAPTER V

90-DAY DELINQUENT

Background

Generally Accepted Accounting Principles (GAAP) will classify loans over 90-day delinquent as non-accruals. The Bank will notify Mortgagors of its intention to start foreclosure proceedings after 95-day of delinquency. Notices are sent the proceeding month after the 95-day delinquency occurred. (Example: Due day October 2006, notice will be sent out in January 2007.)

1. Notice of Intention to Foreclose and Transmittal Letter to Attorney are printed automatically by the Computer Center and send to the department.

Note: Notice should not be sent to customer in Bankruptcy.

2. The 3-Month Collector prepares a report of delinquent loans. The report includes but not limited to the account number, borrower, reasons for the delinquency or if payment plan was established with Mortgagor(s).

3. Check if any payment was made before sending Notice.

Note: After the Notice of Intent to Foreclose was sent, only the amount stated on the notice will be accepted for payment. Otherwise, payment will be returned

4. Order loan file from the vault.

5. Notice of Intention to Foreclose has to be sent to all parties on the **mortgage document** by 3:00 P.M. the same day in the property address, mailing address and any other known addresses.

Note: Notices must be sent separately to all parties even if they live in same address. A 7-Day Letter is sent prior to sending Notice of Intent to Foreclose.

6. Notices should be sent both **Regular and Certified** mail. Copies of notices should be retained for the Attorney and loan file.

Note: Before sending Notices of Intent to Foreclose, ensure that efforts to collect debt were performed as outlined in the Collection Procedures.

7. Place a 3-lock against the account as follows: (Do not change lock before NOI are printed)

Speed Access: 3312
Application Code: 50 (Mortgage)
Old Delinquent Cat: 00 (No Delinquent Record)
02 (Prior Delinquent Record)
New Delinquent Cat: 03 (Foreclose Suspect)
04 (Foreclosure)
07 (Bankruptcy Chapter 7)
13 (Bankruptcy Chapter 13)

8. Transmittal Letters are postdated 30 days after the Notice of Intent to Foreclose and should be kept in the loan file. Miscellaneous information known at the time of processing, i.e.

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interest rate, job status, self-employed, house for sale, etc, should be stated on the letter to assist foreclosure proceedings. (See procedures under 120+ Day Delinquency - Refer to Attorney).

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CHAPTER V

120+ DAY DELINQUENT - REFER TO ATTORNEY

Background

The Bank will refer default to Attorney if account is not brought current 30 days after Notice of Intent to Foreclose was sent. The following stages of foreclosure will follow:

1. Search will be performed to determine all liens on the property. (30 days)
2. Complaint in Foreclosure & Lis Penden filed in court to cut off any further liens. (30 days)
3. Summon all involved parties. (45 days)
4. After time to answer, default will expire. (35 days)
5. Prepare and request for final judgment. The Bank will prepare total figures due for final judgment (60 days)
6. Request Sheriff of County to conduct sale. (60-75 days)
7. Sheriff will advise Bank of sale date.
8. Mortgagor(s) notified of sale.

Lis Penden is a written notice that a lawsuit has been filed which concerns the title to real property or some interest in that real property. The Lis Pendens is filed with the clerk of the court certified that it has been filed, and then recorded with the County Recorder. This gives notice to the defendant who owns real estate that there is a claim on the property, and the recording informs the general public that there is this potential claim against it.

1. Make two (2) copies of the following:
 - a. Transmittal Letter printed automatically from the Computer Center
 - b. Mortgage
 - c. Bond or Note
 - d. Assignment where applicable
 - e. Title Policy
 - f. Affidavit of Title
 - g. Survey
 - h. Loan Application
 - i. Notice of Intent to Foreclose
 - j. Statement of Payoff as of transmittal date (NY loans only)
 - k. HUD-1 (NY loans only)
 - l. Final Truth-in-Lending Disclosure (NY loans only)
2. Create a working file and maintain copies of above documents, original Appraisal Report and correspondence folder. Original loan file should be sent back to the vault for safekeeping.

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3. Original loan file and working file should be marked with red stickers to notify users that two (2) files exist for this account.
4. Send the original Transmittal Letter to the Attorney with copies of all documents in paragraph (1).and a retaining check representing part of the legal fees & costs. To issue manual check, prepare a debit ticket using Transaction Code "66" and reason "Other Charges".
Note: HUD & TIL disclosures will be used to determine if loan is a high interest loan.
5. Change account lock from "03" (suspect) to "04" (foreclosure).
6. Foreclosures & Bankruptcies in New Jersey are referred to Dieffenbach, Witt & Birchby; New York to Cohn & Roth.
7. The attorney will order search to determine all liens on the property.
8. A Complaint in Foreclosure is filed in court and about 30 days later, Lis Penden to cut off further liens.
9. The court will serve summons to all parties about 45 days after the filing of Lis Penden.
10. If necessary, order new appraisal from the Appraisal Department. Follow procedures under New Appraisal of when and how to order new appraisal,

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CHAPTER VI

FORECLOSURE - FINAL JUDGMENT

Background

Final Judgment is the written determination of a lawsuit by the judge who presided at trial, which renders rulings on all issues and completes the case unless it is appealed to a higher court. It is also called a final decree or final decision

After time to answer defaults expire (about 35 days), the attorney will prepare and request for Final Judgment. (Each State is checked for different requirements)

Note: Prior to Final Judgment, the Fair Foreclosure Act allows the Mortgagor(s) to show good prospects of reinstatement. If they do, the Bank has to wait 45 days for Final Judgment. Otherwise, we may proceed with Final Judgment.

A. PROOF OF AMOUNT DUE

1. The attorney will request Proof of Amount Due figures.
2. Print following queries from Miser:
 - a. Payoff Inquiry (POF) using the effective date on the request
 - b. Amount Due Inquiry (DUE)
3. Prepare Proof of Amount Due as follows:
 - a. Open file Proof of Amount Due in Drive J:HCSB Template/Foreclosure
 - b. Principal Balance (POF Query)
 - c. Escrow Balance should be sum of figures broken down under Advances below.
 - d. Interest due from date last interest was paid thru and the effective date on the request (POF Query).
 - e. Advances comprised of Escrow Balance (POF Query), Other Charges Due (Excluding Legal Fees – POF Query), and Late Charges due before the Complaint was filed. Breakdown of Late Charges should include the date and amount.
Note: Legal Fees should not be included in this request.
 - f. Date Paid To should be the 1st day of the proceeding month after the last interest was paid (POF Query)
 - g. Per Diem Amount should be calculated manually by dividing the total interest due on the POF Query by the number of days of unpaid interest. Do not use Per Diem Amount on the POF Query. They were calculated using 365-Day method.
 - h. Interest Rate (POF Query)
Note: Print status and attach with file copy of Proof of Amount.
4. Send form with copies of Mortgage, Note or Bond and Assignment if applicable, to Dieffenbach, Witt & Birchby (DWB). In most instances, DWB was provided with copies of legal documents during early stage of proceedings and need not be sent again.

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Note: New York foreclosures will require Sums Due Affidavit to be signed by the Manager and a payoff Statement.

5. Send a memo to Tax Department requesting to pull Tax Card and place lock "not to pay property taxes" and write "Hold". By writing "Hold" on the memo, the Tax Department will not pay taxes and will send all bills to the Collection Department. The Tax Card will be delivered and should be kept in a box maintain by the Collection Manager.
6. The attorney will file for Final Judgment.

Note: The attorney will at times, ask for any advances during a certain period. Include advances such as taxes and insurances. Do not include legal costs and sheriff's fees.

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CHAPTER VII

FORECLOSURE - SHERIFF SALE

Background

Sheriff's Sale is an auction sale of property held by the Sheriff pursuant to a writ (court order) of execution (to seize and sell the property) to satisfy a judgment, after notice to the general public.

In Connecticut, properties are sold at a foreclosure auction by a "committee of sale" or "committee", which is generally a local attorney appointed by the court. All must be careful not to have the committee close within the appeal period, and to have any motion to open that is filed inside the appeal period decided rapidly.

1. After the court issued a Final Judgment in favor of the foreclosure, Bank's attorney will request the County's Sheriff to conduct a sale (60-75 days).
2. Attorney will request for a check payable to the Sheriff's Office conducting the sale. The attorney will send the request with the following information:
 - a. Date Requested
 - b. Requesting Party
 - c. Mortgage Number
 - d. File Name
 - e. Amount Requested
 - f. Payee
 - g. Purpose
3. Using procedures for manual checks, issue a check payable to the sheriff's office mentioned on the request.
4. Prepare a Debit Ticket using reason code "66" (Other Charges).
5. Retain copies of the request and check on file. Check and request should be sent interoffice to attorney.

Note: Sheriff's Office will collect fees and commissions and attorney will provide these figures to the Bank.
6. Sheriff's Office will advertise and advise Bank of the sale date.
7. Mortgagors are notified of the sale.

Note: In the State of New Jersey, Debtors are allowed to postpone Sheriff Sale twice.
8. Unapplied Balance after the Sheriff's Sale should be reclassified to escrow. Debit unapplied using a Debit Ticket (Reason: Unapplied) and credit escrow using Credit Ticket (Reason: Escrow). No transaction code is used in this process.

Note: Unapplied Balance is used to credit mortgage payments after payoff figure has been provided for Sheriff's Sale.
9. If a third party outbid the Bank, a 10% deposit is required by the Sheriff and balance within 30 days thereafter.

DEFAULT MANAGEMENT

CHAPTER VIII

FORECLOSURE - PAYOFF & REINSTATEMENT

Background

At times, Borrowers, lien holders or their representatives will request for statement of payoff through the Bank's attorney or directly to the Bank.

A. STATEMENT OF PAYOFF

1. Attorney will provide legal fees due Attorney and Sheriff's fees and commission, if property is on Sheriff's sale. If request was sent directly to the Bank, call Attorney and ask for this information.
2. Print following queries from Miser:
 - a. Payoff Inquiry (POF) – Effective date should be the date on the request or month end.
 - b. Credit Inquiry – Freeform (CRI)
 - c. Escrow Inquiry (EIQ)
3. Prepare Statement of Payoff as follows.
 - a. Open template Statement of Payoff
 - b. Enter loan and requesting party information
 - c. Principal Balance Due (POF)
 - d. Interest Due from last interest paid thru the payoff date on the request (POF)
 - e. Escrow Shortage (POF)
Note: Pull tax card and check for pending disbursements
 - f. Other Charges (POF)
 - g. Cost of Mailing Documents is the Total Fee Amt on the (POF)
 - h. Mortgage Payment L/C Due is the Total Chg Due on the (POF)
 - i. Legal Fees is the legal fee due DWB
 - j. Sheriff's Fees & Commission also provided by DWB
 - k. Last Payment Date is the month/year before the Due Date (POF)
 - l. Last Tax Disbursed is the quarter and year the property tax was paid
4. Send Statement of Payoff interoffice to DWB.

B. LOAN PAYOFF IN FORECLOSURE

1. Upon receipt, reconcile the check and figures on the most current Payoff Statement on the working file.
2. Order the loan file from the vault and pull the working file.
3. From Miser, print Payoff Inquiry (POF) and Amount Due Inquiry (DUE). Effective date should be the date the bank received the payoff check.
4. Fill-up Form No. M07-33 as follows:

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Section I

- a. Detail of check to Bank's Attorney with reason code 66
- b. Detail of refund to Borrower (FT Code 4)

Section II

- a. Mortgage Principal from PR-BAL (POF)
- b. Accrued Interest (+) from TOTAL INT DUE (POF)
Note: Leave (-) blank for now and will populate later
- c. Late Charges from LATE CHG DUE (POF)
Note: If outbid at Sheriff Sale, should only include late charges up to filing of complaint date.
- d. Other Charges:
 - Mailing Fee from TOTAL FEE AMT (POF)
 - Update Figures (Fee for updated Statement of Payoff) from Statement of Payoff
 - Cancel of Mortgage Record from Statement of Record
- e. Other Charges Due from OTHER CHG DUE (POF)
- f. Escrow:
 - Balance from L-ESC-BAL (POF)
 - Refund is the variance between Payoff Check and sum of all other entries in this section.
 - Retain & Pay are funds that has to be paid i.e. by the Insurance Department
 - Legal Fees by DWB or Sheriff
- g. Payment:
Write in the box total amount paid. If paid through other method, i.e. wire transfer, describe payment method and the GL number where payment was initially posted.

Section III

- a. Other Charges Disbursed
 - Check for County Clerk (if mortgagor paid to cancel of record)
5. Change Lock to 65 before handling transaction to cashier, 94 if outbid at Sheriff Sale, 89 if Deed in Lieu of Foreclosure or 97 if a short Sale. **Advise cashier to wipe out interest paid year-to-date that was not paid by the borrower..**
6. Cut manual checks to the foreclosing attorney, refund to Borrower and/or County Clerk for cancellation of records.
7. Prepare memo to Tax Department advising them to pull Tax Card, and that the loan is being paid off and if applicable, Retain & Pay amount that has to be paid i.e. insurance. On the upper left corner of the memo, write the property tax payee code, which could be obtained from Escrow Inquiry screen. Yellow and pink copy of the memo will go to Tax Department,

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white will go with Form M07-33, and copy to Insurance Department (Josephine Romeo) if necessary.

8. The cashier will get White of Form M07-33, payoff check, green copies of manual checks, and POF screen.
9. The Collection Manager will get the pink copy of Form M07-33.
10. The Payoff Department will get checks for canceling of record; refund check, payoff letter from paying Bank or Agent, POF screen, yellow copy of Form M07-33 and original and working files
11. Send check(s) to Bank's Attorney and notify them that the account was paid off and further legal proceedings should be discontinued.

EXHIBIT C

LORENZO APEROCHO
126 Chief Nimham Circle
Carmel, NY 10512

Education:

Associate in Accounting – Colegio De La Purisima Conception, Philippines
Computer Programming – New York University

Experience:

Hudson City Savings Bank/Sound Federal Savings 2001 – Present

Default Management, New Loans & Port-Closing Manager (HCSB)

- Oversee the default section, establish workout plans, review short sales & deed in lieu of foreclosures
- Review management reports before presentation to Sr. Management

Mortgage Servicing Asst. Manager (SFS)

Staff Auditor (SFS)

Northside Savings Bank 1986 – 2000

Sr. Auditor

Bataan Shipyard & Engineering Corp (Philippines) 1983 – 1986

Ship Building & Repair

Delta Gem Consortium (Philippines)

Highway Construction

EXHIBIT D

JERRY V. PASTORE, JR.
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Summary

Asset Recovery Professional with a diversified background in commercial, consumer and real estate credit & collections, loan workout, REO property liquidation, litigation, foreclosure, bankruptcy, lending, leasing and operations. PC (MS Windows, Word & Excel), Mainframe and Internet literate.

Professional Experience

HUDSON CITY SAVINGS BANK, Paramus, NJ (2010- present)
Default Mortgage Servicing Manager, VP

- Direct responsibility for the management of a large portfolio of defaulted residential real estate loans, including the management and disposition of all foreclosed commercial and residential real estate (REO) within the bank.
- Responsibilities also include the supervision of all mortgage collection activities within the bank. Supervise a staff of twelve officers and clericals.

BOILING SPRINGS SAVINGS BANK, Rutherford, NJ (2009-2010)
Asset Recovery Officer, VP

- Direct responsibility for the management of a large portfolio of construction, investment and residential real estate loans, including the management and disposition of all foreclosed commercial and residential real estate (REO) within the bank.
- Reduced delinquency over 50%.

INTERCHANGE BANK, Saddle Brook, NJ (2003-2007)
Asset Recovery Manager, VP

- Direct responsibility for the management of a large portfolio of commercial and real estate loans, including the management and disposition of all foreclosed residential and commercial real estate (REO) within the bank
- Responsibilities also included the supervision of all collection activities within the bank, including consumer loans, mortgage loans and commercial equipment leases at the bank's leasing subsidiary. Supervised a staff of three
- Reduced delinquency and non-performing assets over 60%.

HUDSON UNITED BANK, Mahwah, NJ (1999-2003)
Asset Recovery Manager, SVP

- Direct responsibility for the management of a large portfolio of commercial and real estate loans, including the management and disposition of all foreclosed residential and commercial real estate (REO) within the bank. Supervised a staff of four
- Consistently exceeded all non-performing asset reduction goals by over 150%, and virtually eliminated REO by liquidating over \$20 million in residential and commercial bank-owned real estate.

RCG INFORMATION TECHNOLOGY, Edison, NJ (1997-1998)
Corporate Credit Manager, VP

- Direct responsibility for the credit & collection function relating to this high-technology computer consulting company with annual sales of \$250 million.

- Successfully resolved numerous disputes, billing and operational problems resulting in a reduction of delinquency by 40%. Supervised a staff of two.

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FLEET BANK, Jersey City, NJ (1994 -1997)

Asset Recovery Officer, VP

- Direct responsibility for the management of a large portfolio of commercial and real estate loans
- Ranked #1 in productivity in the NJ Business Banking Unit.

UNITED JERSEY BANK, Hackensack, NJ (1987-1993)

Asset Recovery Officer, VP

- Direct responsibility for the management of a large portfolio of commercial, real estate, and lease finance loans.
- Spearheaded efforts that reduced delinquencies by over 80% after the bank's extensive computer conversion problems in 1988

FIRST FIDELITY BANK, Newark, NJ (1984-1987)

Asset Recovery/ Loan Review Officer, VP

- Direct responsibility for the management of a large portfolio of commercial and real estate loans. Developed a particular expertise in dealing with real estate environmental problems.
- Performed loan reviews for the Credit Audit area with a specialization in leasing and loan workout credit facilities

HORIZON BANK, Morristown, NJ (1982-1984)

Community Lending Manager, AVP

- Direct responsibility for the lending & collection function related to the bank's branch loan portfolio. Supervised a staff of two.
- Increased branch lending volume by 50% while reducing losses by 70%

BENEFICIAL LEASING GROUP, Peapack, NJ (1981-1982)

National Collections Manager

- Direct responsibility for the collection of the national business leasing portfolio. Supervised three regional collection managers and their staffs in three states totaling thirty-five people
- Assisted in the downsizing and restructure of the company when all operations were moved to headquarters

LITTON INDUSTRIES CREDIT CORP., Stamford, CT (1977-1980)

Regional Collections Manager

- Direct responsibility for the collection of the eastern regional business leasing portfolio. Supervised a staff of twelve.
- Reduced delinquency by 90% over a two year period.

Education

Nassau College - Business Administration

Member of American Mensa - The High IQ Society