

# Twelfth Report of the Monitor for the Credit Suisse RMBS Settlement

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Monitor  
for the Credit Suisse  
**RMBS SETTLEMENT**

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## EXECUTIVE SUMMARY





This Report, the Monitor's twelfth pursuant to the Settlement Agreement, provides an update on Credit Suisse's efforts to comply with its obligation to provide consumer relief pursuant to that agreement, and sets forth the Monitor's assessment of Credit Suisse's compliance to date.<sup>1</sup>

The primary subject of this Report is the Monitor's testing of Credit Suisse's January 2023 submission of principal forgiveness modifications. This submission is notable because it included a substantial number of principal forgiveness modifications on loans *owned* by Credit Suisse. As discussed in the Monitor's Ninth and Tenth Reports, Credit Suisse has adopted a revised approach to meet its outstanding principal forgiveness obligation, which includes acquiring mortgage loans from third parties and modifying them to forgive a portion of the principal balance. This is a departure from Credit Suisse's prior practice of not granting principal forgiveness on loans that it owned. Of the 506 principal forgiveness modifications in the amended January 2023 submission, 447 were performed on loans owned by Credit Suisse.

The Monitor tested the principal forgiveness modifications in the January 2023 submission to confirm their eligibility for credit under the Settlement Agreement and validate the amount of credit earned. The Monitor's testing found that all 506 modifications in Credit Suisse's amended submission were eligible for credit, and that Credit Suisse was entitled to receive the full amended amount of principal forgiveness credit it claimed for those modifications – \$53,358,576.75 – toward its outstanding principal forgiveness obligation. Of this amount, Credit Suisse earned \$51,023,195.32 in credit for modifications of loans owned by Credit Suisse.

Although this submission reflects progress on Credit Suisse's part, Credit Suisse still has a significant shortfall in its principal forgiveness obligation. As discussed in the Monitor's prior reports, Credit Suisse was required to achieve a minimum of \$980 million in credit for principal forgiveness loan modifications by the December 31, 2021 deadline set by the Settlement Agreement, plus the amount of the additional credit that Credit Suisse must achieve pursuant to the annual 5.0% penalty provision as a result of not earning the required credits by that deadline. As of the date of this Report, the Monitor has validated a total of \$120,041,342.40 in credit for principal forgiveness loan modifications, consisting of \$58,868,609.65 in credit for modifications completed prior to the deadline, and \$61,172,732.70 in credit for modifications completed in 2022, after the deadline.

As explained in the Ninth Report, Credit Suisse plans to submit additional principal forgiveness relief completed before the deadline, including short payoffs, which, if validated, will count toward Credit Suisse's pre-deadline principal forgiveness consumer relief obligation. Credit Suisse and the Monitor are now close to finalizing the eligibility,

credit calculation, and testing protocols for short payoffs, but Credit Suisse has not yet submitted any short payoffs to the Monitor for credit.

Until Credit Suisse submits all relief completed by December 31, 2021, the Monitor is unable to calculate the total amount of credit earned by Credit Suisse by the December 31, 2021 deadline, the amount of any shortfall, and the amount of the additional consumer relief credit that Credit Suisse must achieve pursuant to the annual 5.0% penalty provision. Likewise, the Monitor cannot calculate the additional 5.0% penalty Credit Suisse incurred at the end of 2022 for failing to satisfy its obligations by that date until Credit Suisse has submitted all relief completed in 2022. Credit Suisse is targeting the fourth quarter of 2023 for completing its submissions to the Monitor of all eligible relief completed before the December 31, 2021 deadline and all eligible relief completed in 2022, after which the Monitor will make and report on the shortfall- and penalty-related calculations required by the Settlement Agreement.

Given the still significant shortfall in meeting its principal forgiveness obligation, Credit Suisse has told the Monitor that it continues to explore other strategies to generate principal forgiveness credit. However, to date Credit Suisse has not shared the specific details of its plan to meet its remaining principal forgiveness obligation.

This Report also provides an update on Credit Suisse's plan to host three virtual borrower outreach events in 2023 to comply with the borrower outreach provision of the Settlement Agreement.

# **PART I: BACKGROUND**



On January 18, 2017, Credit Suisse Securities (USA) LLC,<sup>2</sup> together with its current and former U.S. subsidiaries and U.S. affiliates (collectively, “Credit Suisse”), entered into an agreement with the U.S. Department of Justice (“DOJ”) to resolve claims related to Credit Suisse’s alleged unlawful conduct in connection with the packaging and sale of residential mortgage-backed securities, or “RMBS,” between 2005 and 2007 (the “Settlement Agreement”).<sup>3</sup>

To remediate harms resulting from Credit Suisse’s alleged unlawful conduct, the Settlement Agreement requires Credit Suisse to provide consumer relief to eligible borrowers and others affected by the financial crisis.<sup>4</sup> Specifically, the Settlement Agreement provides that Credit Suisse must earn \$2.80 billion in “credit” by providing various types of consumer relief in two main categories.<sup>5</sup> First, to receive credit, Credit Suisse must give loan modifications to homeowners who are having difficulty making their **mortgage** payments or who owe more than their homes are worth.<sup>6</sup> Second, Credit Suisse must provide funding to construct, rehabilitate, or preserve affordable housing developments for low-income residents.<sup>7</sup>

The Settlement Agreement required that Credit Suisse engage an independent monitor to oversee and periodically report to the public on Credit Suisse’s progress toward meeting its consumer relief obligation.<sup>8</sup> Neil M. Barofsky of the law firm Jenner & Block LLP was appointed to serve as the independent monitor (collectively, the “Monitor”).<sup>9</sup>

The Monitor has published eleven reports to date:

- **Initial Report.** On October 27, 2017, the Monitor published its initial report pursuant to the Settlement Agreement (the “Initial Report”).<sup>10</sup> Among other things, the Initial Report described Credit Suisse’s plan for complying with its consumer relief obligation by completing first lien principal forgiveness and principal forbearance modifications for borrowers. The Initial Report explained that Credit Suisse is relying on Select Portfolio Servicing, Inc. (“SPS”), its **mortgage servicer** subsidiary, to complete these modifications. The Initial Report outlined the types of principal forgiveness and principal forbearance loan modifications that qualify for credit under the Settlement Agreement, as well as the amount of credit that Credit Suisse may earn for completing these types of loan modifications. In addition, the Initial Report described Credit Suisse’s preliminary efforts to provide no-interest loans to developers of affordable rental housing.
- **Second Report.** On February 20, 2018, the Monitor published its next report (the “Second Report”), which

**Mortgage:** When a person borrows money to buy a home, the bank receives an interest in the home called a mortgage. If the borrower does not repay the loan in a timely fashion, the mortgage gives the bank the right to obtain ownership of the home. The mortgage is said to “secure” repayment of the loan, and commonly that loan is called a “mortgage loan.”

**Mortgage Servicer:** Company that serves an administrative function on behalf of lenders and owners of debt. Servicers typically do not originate or own the loans they service and are hired by owners of loans. A servicer’s main duties are collecting payments, distributing those payments to the parties entitled to receive them, communicating with borrowers, and maintaining records. Servicers may also decide when to modify the terms of distressed loans in order to avoid foreclosure.

provided an update on Credit Suisse's efforts to provide consumer relief pursuant to the Settlement Agreement, including a discussion of the Monitor's and Credit Suisse's ongoing work to finalize the eligibility, credit calculation, and testing protocols governing the principal forgiveness and principal forbearance loan modifications contemplated by SPS.<sup>11</sup> The Second Report noted that, after the protocols were finalized, the next step would be for Credit Suisse to submit an initial sample of 100 completed principal forgiveness and principal forbearance loan modifications to the Monitor.

- Third Report. On August 31, 2018, the Monitor published its third report (the "Third Report"), which principally discussed the Monitor's testing of the initial 100-loan sample.<sup>12</sup> The Third Report explained that, because Credit Suisse's regular submissions of loan modifications would typically include thousands of loans, reviewing a smaller set of 100 loans at the outset was important because the Monitor, Credit Suisse, and SPS were able to work through any issues as early as possible. As a result of the Monitor's testing of the 100-loan sample, the Monitor confirmed that the protocols the Monitor developed with Credit Suisse and SPS were functioning as envisioned. The Monitor also found that Credit Suisse was entitled to receive a total of \$3,477,702.94 in credit toward its consumer relief obligation, which was the full amount that Credit Suisse had claimed for credit.
- Fourth Report. On February 28, 2019, the Monitor published its fourth report (the "Fourth Report"), which focused on the Monitor's testing of 3,249 principal forgiveness and principal forbearance loan modifications that were submitted for credit in June 2018 and September 2018.<sup>13</sup> The Fourth Report also explained how the Monitor used statistical sampling as a way to confirm the eligibility and credit amounts for each loan modification. As a result of the Monitor's testing of the June 2018 and September 2018 loan submissions, the Monitor found that Credit Suisse was entitled to receive \$69,902,191.79 in credit for the June 2018 and September 2018 submissions, for an overall total of \$73,379,894.73 in credit toward its consumer relief obligation.
- Fifth Report. On July 31, 2019, the Monitor published its fifth report (the "Fifth Report"), which focused on the Monitor's testing of 3,201 principal forgiveness and principal forbearance loan modifications that were

submitted for credit in December 2018.<sup>14</sup> As a result of the Monitor's testing of the December 2018 loan submission, the Monitor found that Credit Suisse was entitled to receive \$83,410,909.54 in credit toward its consumer relief obligation.

- Sixth Report. On December 20, 2019, the Monitor published its sixth report (the "Sixth Report"), which focused on the Monitor's testing of 3,680 principal forgiveness and principal forbearance loan modifications that were submitted for credit in April and June 2019.<sup>15</sup> As a result of the Monitor's testing of the April and June 2019 loan submissions, the Monitor found that Credit Suisse was entitled to receive \$85,714,229.13 in credit toward its consumer relief obligation. As of the date of the Sixth Report, Credit Suisse had earned an overall total of \$242,505,033.40 in credit.
- Seventh Report. On October 1, 2020, the Monitor published its seventh report (the "Seventh Report"), which focused on the Monitor's testing of 2,749 principal forgiveness and principal forbearance loan modifications that were submitted for credit in September 2019, December 2019, and March 2020.<sup>16</sup> As a result of the Monitor's testing of the September 2019, December 2019, and March 2020 loan submissions, the Monitor found that Credit Suisse was entitled to receive \$54,716,866.47 in credit toward its consumer relief obligation. As of the date of the Seventh Report, Credit Suisse had earned an overall total of \$297,221,899.87 in credit.
- Eighth Report. On October 13, 2021, the Monitor published its eighth report (the "Eighth Report"), which focused on the Monitor's testing of 1,328 principal forgiveness and principal forbearance loan modifications that were submitted for credit in June 2020, September 2020, and December 2020.<sup>17</sup> As a result of the Monitor's testing of the June 2020, September 2020, and December 2020 loan submissions, the Monitor found that Credit Suisse was entitled to receive \$20,473,540.42 in credit toward its consumer relief obligation. As of the date of the Eighth Report, Credit Suisse had earned an overall total of \$317,695,440.29 in credit.
- Ninth Report. On October 25, 2022, the Monitor published its ninth report (the "Ninth Report"), which described the significant shortfall in Credit Suisse's progress toward completing its principal forgiveness obligations by the

December 31, 2021 deadline in the Settlement Agreement.<sup>18</sup> The report also describes the Monitor's testing of 806 principal forgiveness and principal forbearance loan modifications that were submitted for credit in March, June, September, and December 2021. As a result of the Monitor's testing of those submissions, the Monitor found that Credit Suisse was entitled to receive \$9,092,887.59 in credit toward its consumer relief obligation. As of the date of the Ninth Report, Credit Suisse had earned an overall total of \$326,788,327.88 in credit.

- Tenth Report. On January 31, 2023, the Monitor published its tenth report (the "Tenth Report"), which focused on the Monitor's testing of 7,854 short sales that were submitted for balance forgiveness credit in 2021 and 2022.<sup>19</sup> The report also described the Monitor's testing of 4,391 principal forgiveness and principal forbearance loan modifications that were submitted for credit in March, June, and September 2022. The submissions of principal forgiveness and principal forbearance loan modifications included both modifications completed prior to the December 31, 2021 deadline in the Settlement Agreement to satisfy all consumer relief obligations, and modifications completed after that deadline. As a result of the Monitor's testing of those submissions, the Monitor found that Credit Suisse was entitled to receive \$1,324,337,833.82 in credit toward its consumer relief obligation. As of the date of the Tenth Report, Credit Suisse had earned an overall total of \$1,636,495,689.01 in pre-deadline credit and \$14,630,472.64 in post-deadline credit.
- Eleventh Report. On April 28, 2023, the Monitor published its eleventh report (the "Eleventh Report"), which focused on the Monitor's testing of Credit Suisse's loans to build and renovate affordable rental housing developments.<sup>20</sup> As a result of the Monitor's testing of 43 affordable housing loans submitted by Credit Suisse, the Monitor found that Credit Suisse was entitled to receive \$240,049,597.06 in affordable housing credit, or just over 100% of the \$240 million credit minimum for affordable housing relief. As of the date of the Eleventh Report, Credit Suisse had earned an overall total of \$1,876,545,286.07 in pre-deadline credit and \$14,630,472.64 in post-deadline credit.



In addition to publishing these periodic reports, the Monitor has established a website with information about the Settlement Agreement ([www.creditsuisse.rmbsmonitor.com](http://www.creditsuisse.rmbsmonitor.com)). The Monitor's website answers frequently asked questions about the agreement and provides the Monitor's contact information. The website lists resources for distressed borrowers and homeowners facing **foreclosure**, including contact information for free or low-cost tax and legal services, as well as information about Credit Suisse-sponsored borrower outreach events. In addition, the website includes interactive maps showing the total number of loan modifications and the amount of principal forgiveness, principal forbearance, and balance forgiveness for which Credit Suisse has received credit toward its consumer relief obligation at the national, state, and county level. The website also includes a map showing the location of each affordable housing project that received a loan from Credit Suisse pursuant to the Settlement Agreement. The maps will be updated periodically.

This Report, and all previous and subsequent reports, are or will be posted on the Monitor's website for the duration of the monitorship.

**Foreclosure:** Legal process in which a borrower who has failed to make timely payments on a mortgage loan loses ownership of her home. It is not automatic, but must be initiated by the lender, and it may or may not require the lender to seek a court's approval. It may transfer ownership of the home to the lender or may allow the lender to auction the home and keep all proceeds up to the amount owed to the lender.



**PART II:**  
**THE JANUARY 2023 PRINCIPAL**  
**FORGIVENESS LOAN MODIFICATION**  
**SUBMISSION**



As discussed in the Monitor's prior reports, Credit Suisse has been submitting batches of completed **principal forgiveness** loan modifications to the Monitor for credit on a periodic basis to meet its loan modification relief obligations under the Settlement Agreement.<sup>21</sup> Credit Suisse can receive credit under the Settlement Agreement by modifying first lien mortgage loans so that the borrower does not have to pay back the full amount of the loan.<sup>22</sup> This type of modification, called "principal forgiveness," is discussed in greater detail in the [Initial Report at Part II.A.2.a](#).

**Principal Forgiveness:** Method of modifying a mortgage loan in which the borrower's unpaid principal balance is permanently reduced.

#### A. Credit Suisse's Revised Approach to Principal Forgiveness

As explained in the Monitor's Ninth Report, approximately two years ago Credit Suisse formed the Mortgage Portfolio Management ("MPM") group to explore a revised approach to the Settlement Agreement. Based on recommendations made by MPM, Credit Suisse made revisions to its approach to providing principal forgiveness modifications, as part of its continuing attempt to meet its outstanding principal forgiveness obligation.<sup>23</sup>

Credit Suisse's revised approach includes acquiring mortgage loans from third parties through MPM and modifying them to forgive a portion of the principal balance. Accordingly, Credit Suisse will now consider providing principal forgiveness on loans that it owns.<sup>24</sup> This is a departure from Credit Suisse's prior practice, which, as permitted under the Settlement Agreement and as previously reported, was only to seek principal forgiveness credit for modifications which were performed on loans owned by RMBS trusts or unrelated financial institutions serviced by its subsidiary, SPS, meaning that, to the extent that such modifications resulted in any loss, it would be borne by those entities, and not by Credit Suisse.<sup>25</sup>

The January 2023 submission is notable because it included a substantial number of principal forgiveness modifications on loans owned by Credit Suisse. Of the 506 principal forgiveness modifications in the amended January 2023 submission, 447 were performed on loans acquired by MPM. At the time of acquisition, the 447 loans were serviced by a servicer other than SPS, and Credit Suisse decided to transfer servicing of the loans acquired by MPM to SPS so that SPS can perform and submit loan modifications for credit using the existing, agreed-upon procedures for verifying eligibility, compiling evidence packages, and making submissions to Credit Suisse's **Internal Review Group** and the Monitor. Credit Suisse has represented to the Monitor that SPS services the Credit Suisse-owned MPM loans using the same procedures it uses for other loans in the ordinary course of its business.<sup>26</sup> The Monitor reviewed a sample of the offer letters, modification agreements, and other documentation used by SPS to perform and record modifications of the Credit Suisse-owned loans, and confirmed that they were substantially

**Internal Review Group ("IRG"):** Internal Credit Suisse group composed of senior Credit Suisse personnel from various business areas and functions, including the CEO of Credit Suisse Global Markets, the General Counsel for Credit Suisse Global Markets and Credit Suisse Holdings (USA) Inc., and additional personnel from Legal, Compliance, Finance, and Internal Audit, among others. The Internal Review Group reviews Credit Suisse's consumer relief activities to confirm that they meet the requirements of the Settlement Agreement before submitting that consumer relief to the Monitor for credit.

similar to those used by SPS for modifications of loans owned by RMBS trusts or unrelated financial institutions.

***Error in Loan Ownership Data for MPM-Owned Loans***

Since the date of the Monitor's last report, the Monitor identified an error in the way that SPS reported certain loan ownership data to the Monitor. Specifically, the data file SPS provided to the Monitor with each submission incorrectly identified loans acquired by MPM as being owned by financial institutions other than Credit Suisse.

As a result of this error, the Tenth Report incorrectly stated that certain loan modifications in the March, June, and September 2022 submissions were performed on loans owned by financial institutions other than Credit Suisse, when in fact they had been performed on loans acquired by MPM.<sup>27</sup>

The Monitor is therefore issuing corrections to the Tenth Report concerning the March, June, and September 2022 submissions, as set forth in the table below. These corrections are limited to identifying the number of loans in the submissions owned by Credit Suisse and the amount of principal forgiveness, principal forbearance, and balance forgiveness provided to borrowers on loans owned by Credit Suisse. The Monitor's eligibility determinations and the total amount of credit awarded to Credit Suisse in the Tenth Report were not affected by the error in the loan ownership data.

	Incorrect Information in Monitor's Tenth Report	Correction to Monitor's Tenth Report
<b>Principal Forgiveness Loan Modifications</b>		
<b>Performed on Loans Owned by Financial Institutions Other Than Credit Suisse</b>	96	0
<b>Performed on Loans Owned by Credit Suisse</b>	0	96
<b>Amount of Principal Forgiveness to Borrowers on Loans Owned by Credit Suisse</b>	\$0	\$8,256,538
<b>Principal Forbearance Loan Modifications</b>		
<b>Performed on Loans Owned by Financial Institutions Other Than Credit Suisse</b>	887	869
<b>Performed on Loans Owned by Credit Suisse</b>	36	54
<b>Amount of Principal Forbearance to Borrowers on Loans Owned by Credit Suisse</b>	\$416,072	\$492,700
<b>Short Sales</b>		
<b>Performed on Loans Owned by Financial Institutions Other Than Credit Suisse</b>	285	282
<b>Performed on Loans Owned by Credit Suisse</b>	158	161
<b>Amount of Balance Forgiveness to Borrowers on Loans Owned by Credit Suisse</b>	\$17,254,988	\$17,416,635
<p>The Monitor, Credit Suisse, and SPS have discussed the loan ownership data error, and SPS has made updates to the documentation provided to the Monitor to remedy it.</p>		

In addition, Credit Suisse has expanded the categories of loans it intends to modify and submit for principal forgiveness credit. As explained in the Fourth Report, the Settlement Agreement permits Credit Suisse to

receive credit for modifying a loan to reduce principal if the pre-modification loan falls in one of the following categories:

1. Non-performing loans, where the borrower has not made a payment in 90 days or more;
2. Loans in imminent default, where it is reasonably foreseeable that the borrower will not be able to make their next mortgage payment, typically due to a hardship such as job loss, reduced hours, death of a spouse, or unexpected illness, or where the borrower has already missed a payment but is fewer than 90 days past due;
3. Loans with **loan-to-value ratios** at or above 100% – *i.e.*, loans where the borrower has no equity in the home;
4. Loans with troubled loan history, where the borrower has missed two or more payments over the life of the loan;
5. Loans with interest rates substantially above **Freddie Mac's Primary Mortgage Market Survey ("PMMS")**.<sup>28</sup>

**Loan-to-Value Ratio:** Ratio between the amount owed on a mortgage loan and the value of the home securing the loan. Where a borrower's loan-to-value ratio is greater than 100%, the amount the borrower owes on her mortgage exceeds the value of the home. Where the loan-to-value ratio is less than 100%, the value of the home exceeds the amount the borrower owes on her mortgage. For more information and illustrative examples, refer to the Initial Report at Part II.A.2.

**Primary Mortgage Market Survey:** Survey conducted by the Federal Home Loan Mortgage Corporation of mortgage lenders across the United States to determine the average 30-year fixed-rate mortgage rate, which is then reported on a weekly basis.

As discussed in the Monitor's prior reports, Credit Suisse previously only submitted loans for credit that satisfy one of the first two criteria, namely, non-performing loans and loans in imminent default.<sup>29</sup> That was because Credit Suisse previously only submitted modifications performed on loans owned by RMBS trusts and financial institutions other than Credit Suisse, and in the ordinary course SPS would only grant principal forgiveness modifications for those loans that are non-performing or in imminent default.

But now that Credit Suisse is submitting principal forgiveness modifications of loans it owns for credit, Credit Suisse and the Monitor modified the existing eligibility protocol to reflect Credit Suisse's new policy to submit principal forgiveness modifications for credit pursuant to the third and fourth scenarios under the Settlement Agreement: cases in which a loan that was current and not in imminent default had an LTV at or above 100% or a troubled loan history.<sup>30</sup> As a practical matter, Credit Suisse will likely only submit Credit Suisse-owned loans under the third and fourth scenarios, because in the ordinary course RMBS trusts and financial institutions other than Credit Suisse only grant principal forgiveness modifications for loans that are non-performing or in imminent default.

In the January 2023 submission, just one loan was eligible for credit because it fell within one of these two categories. That modification was performed on a loan acquired by MPM that was not in default or at risk of imminent default, but had a loan-to-value ratio at or above 100%.



All of the remaining principal forgiveness modifications in the January 2023 submission were eligible for credit because the loans were non-performing or in imminent default.

## **B. Eligibility and Credit Calculation Review**

In January 2023, Credit Suisse submitted a batch of modifications to the Monitor. The submission originally included 507 principal forgiveness modifications, for which Credit Suisse claimed a total of \$53,373,095.01 in credit.<sup>31</sup> As discussed in more detail below, Credit Suisse subsequently amended the submission to remove one loan modification because the Monitor's testing revealed that Credit Suisse had not submitted the **Form 1099-C** for the modification, as required by the Settlement Agreement.<sup>32</sup> As amended, the January 2023 submission included 506 principal forgiveness modifications, for which Credit Suisse claimed a total of \$53,358,576.75 in credit.<sup>33</sup>

The Monitor followed the same loan eligibility and credit calculation testing procedures outlined in the Monitor's prior reports, and tested 199 of the principal forgiveness modifications. The Monitor determined that all 199 were eligible for credit in the amounts claimed, and therefore validated \$53,358,576.75 in principal forgiveness credit, the total amended credit amount claimed by Credit Suisse.

**Form 1099-C:** Financial institutions such as banks and mortgage servicers must file a Form 1099-C with the Internal Revenue Service for each borrower for whom \$600 or more of debt was canceled. The Form 1099-C informs the IRS of the amount of the borrower's debt that the loan owner canceled in connection with the modification. Under the Settlement Agreement, Credit Suisse is required to provide the Monitor with the Form 1099-C for each loan modification that included principal forgiveness as evidence of the cancellation of debt.

Summary of Consumer Relief Credit Earned for Amended January 2023 Principal Forgiveness Loan Modification Submission	
Total Original Amount of Credit Claimed	\$53,373,095.01
Total Amended Amount of Credit Claimed	\$53,358,576.75
Total Amount of Credit Earned	\$53,358,576.75
Credit Earned for Modifications Completed Between 2017 and 2021	\$2,323,323.53
Credit Earned for Modifications Completed in 2022	\$51,035,253.22
Total Number of Modifications Earning Credit	506
Total Amount of Principal Forgiveness to Borrowers (including Earned Forgiveness)	\$42,830,599.83
Total Amount of Principal Forgiveness to Borrowers on Loans Owned by Credit Suisse	\$40,818,555.85
Total Amount of Credit Arising from Loans Owned by Credit Suisse	\$51,023,195.32

Loan Owner. The majority of the loans (447 loans) were owned by Credit Suisse. Fifty-seven loans were owned by RMBS trusts, and the remaining two loans were owned by financial institutions other than Credit Suisse.

Geographic Distribution. Three-fifths of the loan modifications (306 loans, or 60%) for which Credit Suisse earned principal forgiveness credit were performed on loans secured by properties in five states: New Jersey (93 loans, or 18%), Illinois (79 loans, or 16%), Florida (55 loans, or 11%), New York (54 loans, or 11%), and Maryland (25 loans, or 5%).<sup>34</sup>

The Monitor's website ([www.creditsuisse.rmbsmonitor.com](http://www.creditsuisse.rmbsmonitor.com)) includes interactive maps depicting the total number of loan modifications and cumulative amount of principal forgiveness for which Credit Suisse has received credit to date at the national, state, and county level. Appendix A to this Report also summarizes the distribution of credit earned by Credit Suisse at the census block level, as required by the Settlement Agreement.

Pre-Modification Status. As noted above, Credit Suisse has informed the Monitor that its revised policy allows it to submit

modifications performed on loans acquired by MPM which, at the time of modification, were non-performing, were in imminent default, had an LTV at or above 100%, or had a troubled loan history. The vast majority of the modifications (493 loans) were performed on loans that were non-performing at the time that they were modified. Twelve loans were in imminent default at the time of modification, and one loan was eligible for modification because, although it was current and not in imminent default, it had an LTV at or above 100%. The table below sets forth the number of modifications performed on Credit Suisse-owned loans and non-Credit Suisse-owned loans in each pre-modification category.

Pre-Modification Status	Credit Suisse-Owned Loans	Loans Owned by RMBS Trusts or Other Financial Institutions
Non-Performing (90 or more days past due)	439	54
Imminent Default	7	5
LTV at or Above 100%	1	0
Troubled Loan History	0	0

Earned Versus Immediate Principal Forgiveness. The submission included immediate principal forgiveness modifications, earned principal forgiveness modifications, and modifications that included both immediate and earned principal forgiveness. The number of each type of modification is shown in the table below.

Modification Type	Number of Modifications
Immediate Principal Forgiveness Only	12
Earned Principal Forgiveness Only	261
Earned and Immediate Principal Forgiveness	233

As discussed in the Monitor's prior reports, immediate principal forgiveness is when the total amount to be forgiven is written off the moment the loan modification becomes permanent. Earned principal forgiveness, in contrast, occurs over time. When a loan is modified to include earned principal forgiveness, the earned principal forgiveness

amount is set aside. The borrower does not make monthly payments on that principal amount, and, because all of the future interest on the earned forgiveness amount is forgiven as soon as the loan modification is finalized, the borrower does not make any interest payments on that amount. Additionally, as long as the borrower remains current on the modified loan, one-third of the earned forgiveness amount is forgiven on each of the first, second, and third anniversaries of the modification.<sup>35</sup> Under the Settlement Agreement, Credit Suisse receives credit based on the full amount of the earned principal forgiveness, even if the forgiveness ultimately does not occur because the borrower fails to remain current on their loan during the three-year earned forgiveness period.<sup>36</sup>

Credit Enhancement for Helping Borrowers Build Ownership in Their Homes. As discussed in the Monitor's Initial Report, Credit Suisse receives additional credit when the loan modification helps a borrower increase their equity and thereby build ownership in the home.<sup>37</sup> The amount of extra credit depends on how much the loan modification helps a borrower build an ownership interest, which is measured by the loan-to-value ratio. Specifically, if the borrower's post-modification loan-to-value ratio is between 100% and 90%, Credit Suisse receives a 115% credit enhancement on the portion of the principal reduction that decreases the loan-to-value ratio below 100%. If the borrower's post-modification loan-to-value ratio is between 90% and 76%, Credit Suisse also receives a 120% credit enhancement on the additional portion of the principal reduction that decreases the loan-to-value ratio below 90%. If the borrower's post-modification loan-to-value ratio is equal to or less than 75%, Credit Suisse receives a 125% credit enhancement for the *entire* amount of principal forgiven.<sup>38</sup>

Of the 506 modifications submitted for credit, 450 modifications reduced the borrower's loan-to-value ratio below 100%, and therefore received credit enhancement for helping borrowers increase ownership interest in their homes. Nearly all of those modifications reduced the borrower's loan-to-value ratio to 75%, although one modification reduced the borrower's loan-to-value ratio to between 90% and 76%, and two of the modifications reduced the borrower's loan-to-value ratio to between 100% and 90%. Credit Suisse received an additional credit enhancement of \$10,206,151.48 in connection with these 450 modifications.

All 447 of the modifications that reduced the borrower's loan-to-value ratio to 75% were performed on loans owned by Credit Suisse. As a result, Credit Suisse received a 125% credit enhancement for the entire amount of principal forgiven in connection with these modifications.

In addition, as noted above, this submission contained 233 modifications of loans that forgave a portion of principal balance through immediate forgiveness and another portion through earned forgiveness. All of these modifications were performed on loans owned by Credit

Suisse. Each of the modifications immediately forgave a portion of the loan's principal balance so that the borrower's post-modification LTV would be reduced to 105% the moment the modification became effective. Each modification also included earned forgiveness, with the total possible earned forgiveness amount being the amount that would need to be forgiven to further reduce the borrower's post-modification LTV to 75%. Specifically, as long as the borrower remains current on the modified loan, a portion of the loan's principal balance would be forgiven on the first anniversary of the modification to reduce the borrower's post-modification LTV to 95%; a portion of the loan's principal balance would be forgiven on the second anniversary of the modification to reduce the borrower's post-modification LTV to 85%; and a portion of the loan's principal balance would be forgiven on the third anniversary of the modification to reduce the borrower's post-modification LTV to 75%.

***Example: Immediate and Earned Forgiveness Modification on Credit Suisse-Owned Loan***

Credit Suisse acquires a loan through MPM from a third-party financial institution. At the time of acquisition, the loan has an unpaid balance of \$250,000, and requires the borrower to make a monthly payment of \$1,752, which the borrower has not paid in over 90 days. Credit Suisse agrees to modify the loan. At the time that the borrower was evaluated for the loan modification, their home was worth \$175,000. The modification reduces the borrower's LTV from 143% ( $\$250,000 / \$175,000$ ) to 105% by immediately reducing the amount the borrower owes on their loan to \$183,750 ( $\$183,750 / \$175,000 = 105\%$ ). The modification also includes earned principal forgiveness that will reduce the borrower's LTV from 105% to 75%. The earned principal forgiveness amount is \$52,500 over the course of three years. Credit Suisse will forgive \$17,500.00 of the outstanding principal on the borrower's loan in each of year one, year two, and year three, assuming the borrower makes their mortgage payments on time. At the time of the modification, the earned principal forgiveness amount is set aside, and the borrower does not have to make any monthly payments on that amount during the term of the loan. The borrower's monthly payment is calculated based on the amount owed during the term of the loan ( $\$183,750 - \$52,500 = \$131,250$ ). As a result, the borrower's monthly payment following the modification is reduced from \$1,752 to \$1,295. If the borrower fails to make timely payments and some or all of the earned principal forgiveness amount is not forgiven, the borrower will be required to pay that amount in a lump sum payment at the end of the loan.

Other Credit Enhancements and Reductions. In addition, 20 modifications received some type of early incentive credit enhancement. SPS completed 17 of the modifications by November 1, 2017, making them eligible for the 150% “Enhanced Early Incentive Credit.” Three modifications were completed by March 1, 2018, making them eligible for the 115% “Early Incentive Credit.” The Monitor determined that Credit Suisse was entitled to \$344,459.10 of “Enhanced Early Incentive Credit” and \$11,165.81 of “Early Incentive Credit” for these loans, resulting in total early credit enhancements of \$355,624.91. All of the loans that earned some type of early incentive credit were owned by RMBS trusts or financial institutions other than Credit Suisse. The remaining 486 loan modifications were completed after March 1, 2018, and therefore did not receive any early incentive credit enhancement.

**Home Affordable Modification Program (“HAMP”):** Loan modification program of the U.S. Department of the Treasury and U.S. Department of Housing and Urban Development, intended to help struggling homeowners reduce monthly mortgage payments to affordable, sustainable levels and prevent avoidable foreclosures. Part of the broader “Making Home Affordable” initiative, created by the federal government in 2009 as part of the Treasury Department’s Troubled Asset Relief Program. HAMP ended in 2016. For more information, refer to the Initial Report at Part II.A.1.

Ten of the modifications were performed under the federal government’s **Home Affordable Modification Program (“HAMP”)**. All of the loans that were modified under HAMP were owned by RMBS trusts or financial institutions other than Credit Suisse. For the reasons discussed in the Monitor’s prior reports, the Monitor determined that it was appropriate to reduce the credit amount by \$33,800 to account for HAMP incentive payments made to SPS (as servicer of the loan) in connection with these ten modifications.

Post-Modification Interest Rate. As discussed in the Third Report, the Monitor and Credit Suisse agreed that Credit Suisse would not receive credit for a loan modification that results in a higher interest rate unless the modification was (i) performed under HAMP, or (ii) performed on a loan with a **variable interest rate**.<sup>39</sup>

For the foregoing two types of loan modifications, the Monitor and Credit Suisse agreed that, if the modification results in a higher interest rate, the modified rate must satisfy the following criteria:

**Variable Interest Rate:** A loan with a variable interest rate has an interest rate that is scheduled to increase over time. Variable rates include step rates (where the rate increases in regular intervals over a set number of years, up to a defined cap) and adjustable rates (where the rate is periodically adjusted based on an index rate). In contrast, a loan with a fixed interest rate has an interest rate that does not change over the course of the loan.

- For modifications performed under HAMP, the post-modification interest rate must be equal to or lower than Freddie Mac’s PMMS rate (rounded up to the nearest one-eighth) at the time the modification was offered to the borrower. The PMMS rate is published by the U.S. government and is generally accepted as the market interest rate charged by lenders for a 30-year fixed rate mortgage.
- For non-HAMP modifications performed on loans with variable pre-modification interest rates, the same rule applies as for HAMP modifications—the post-modification rate must be equal to or lower than the PMMS rate (rounded up to the nearest one-eighth) at the time the modification is offered to the borrower.

The Monitor determined that all of the principal forgiveness modifications met the agreed-upon interest rate tests. Seventeen modifications included a higher interest rate and, in each case, the post-modification interest rate was less than or equal to the applicable PMMS rate rounded up to the nearest one-eighth. All 17 of the modifications with a higher interest rate were non-HAMP modifications performed on loans with a variable pre-modification rate; in 13 of these cases, the interest rate was a step rate both before and after the modification; in one case, the interest rate changed from a step rate to a fixed rate; and in three cases, the interest rate changed from an adjustable rate to a fixed rate. Of the 17 modifications that included a higher interest rate, nine of them were performed on loans owned by Credit Suisse. Together, the 17 modifications reduced the borrowers' monthly payments by an average of \$257.81.

#### ***Step-Rate Modification Issue***

While preparing to submit modifications to the Monitor for credit, Credit Suisse identified approximately 300 principal forgiveness modifications performed by SPS where the post-modification interest rate was higher than the interest rate permitted under the agreed-upon eligibility protocol, but otherwise were eligible for credit under the Settlement Agreement. In each case, the loan was modified to include a step rate that increased periodically over time to an amount that was ultimately too high under the agreed-upon eligibility protocol. For example, one of these loans had a fixed interest rate of 3.25% prior to the modification. Because the pre-modification interest rate was fixed and SPS did not modify the loan under HAMP, a modification that increased the interest rate on the loan would not be permitted under the eligibility protocol. SPS modified the loan such that the interest rate would step up five times over the course of the loan: the rate was 2.0% for the first five years, and would increase to 3.0% for the sixth year, 4.0% for the seventh year, 5.0% for the eighth year, and 5.125% for the remainder of the loan. Because the cap on the post-modification interest rate of 5.125% was higher than the pre-modification interest rate of 3.25%, this modification would not have been eligible for credit.

Credit Suisse asked the Monitor if it could perform an additional modification on these loans to change the interest rate such that it would not increase above the permitted level, and then submit them for credit. The Monitor agreed to this request, and permitted Credit Suisse to earn credit in this scenario, because in all cases Credit Suisse was able to modify the loan before the borrower was ever required to pay a higher interest rate that did not meet the agreed-upon eligibility protocol. For example, for the loan discussed above, SPS amended the modification to include a new rate that would step up only three times over the course of the loan: the rate was 2.0% for the first five years, and would increase to 3.0% for the sixth year, and 3.25% for the remainder of the loan. As a result of this



amendment, the post-modification interest rate cap of 3.25% was equal to the pre-modification interest rate of 3.25%, and the modification was eligible for credit.

**Borrower Impact.** In addition to testing for eligibility and validating credit amounts, the Monitor analyzed the loan modifications to gauge their overall impact on the borrowers who received them. On average, the principal forgiveness modifications reduced borrowers' monthly payments by 22%, or \$204.

Summary of Impact of Principal Forgiveness Loan Modifications on Borrowers	
Average Decrease in Borrower's Monthly Mortgage Payment	22% / \$204
Average Amount Borrowers Owed Prior To Modification	\$255,094
Average Amount of Forgiveness	\$84,645
Average Pre-Modification Interest Rate	4.12%
Average Post-Modification Interest Rate	2.71%

The Monitor also analyzed the overall impact of all principal forgiveness modifications performed on loans owned by Credit Suisse (including in the June 2022, September 2022, and January 2023 submissions), and compared that to the overall impact of the principal forgiveness modifications performed on loans owned by RMBS trusts or other financial institutions submitted for credit over the entire six years of the monitorship.



Summary of Impact of Principal Forgiveness Loan Modifications on Borrowers		
	Credit Suisse-Owned Loans	Loans Owned by RMBS Trusts or Other Financial Institutions
Average Amount of Forgiveness	\$90,378	\$51,850
Average Decrease in Borrower's Monthly Mortgage Payment	21% / \$194	32% / \$342
Average Monthly Payment Post-Modification	\$693	\$725
Average Interest Rate Post-Modification	2.58%	3.90%
Average LTV Post-Modification	75%	121%

As set forth in the table above, the modifications to Credit Suisse-owned loans resulted in a higher average amount of forgiveness (\$90,378) compared to the average amount of forgiveness for the non-Credit Suisse owned loans (\$51,850). However, even though borrowers with Credit Suisse-owned loans received an overall higher average amount of forgiveness, the modifications to Credit Suisse-owned loans had less of an impact on the borrower's monthly payment. The modifications to the Credit Suisse-owned loans averaged a post-modification LTV of 75%, helping borrowers build ownership of their homes, as compared to the modifications of the non-Credit Suisse owned loans which averaged a post-modification LTV of 121%. Although the modifications to Credit Suisse-owned loans created more equity for borrowers, as set forth in the table above, on average the modifications to Credit Suisse-owned loans resulted in a payment reduction of \$194, bringing the average monthly payment on such loans to \$693, or a 21% decrease, whereas modifications to non-Credit Suisse owned loans have resulted in a payment reduction of \$342, bringing the average monthly payment on such loans to \$735, or a 32% decrease.

The amount of a borrower's monthly payment depends on a number of factors, such as interest rate, amount of principal that is subject to monthly repayment, and the term of the loan. Accordingly, there is not always a direct relationship between the amount by which the principal amount of the loan is reduced and the amount by which the monthly payment is lowered. The Monitor analyzed the underlying differences between the modifications to Credit Suisse-owned loans and the loans

owned by RMBS trusts and other financial institutions, and determined that there were three principal reasons why the average amount of the principal reduction on the Credit Suisse-owned loans was not matched by a corresponding reduction in the borrower's monthly payment.

First, on average, the modifications to the Credit Suisse-owned loans did not extend the term of the loan as much as the modifications to the non-Credit Suisse owned loans. The modifications to the Credit Suisse-owned loans increased the average term of the loan by 9.3%, compared to an increase of 30% for the average term of the non-Credit Suisse owned loans. All other things being equal, the longer a borrower has to pay back a loan, the smaller their monthly payment will be. For example, a borrower who owes \$100,000 on a 15-year loan with a 5.0% interest rate will have a monthly payment of \$791. If the same loan were to be repaid over 30 years, the borrower's monthly payment would be \$537. Although the monthly payment is lower on loans with longer repayment terms, this also results in borrowers paying more total interest over the life of the loan. For instance, in the examples just described, the borrower making payments on the 15-year loan will pay approximately \$42,000 in interest over the life of the loan, and the borrower making payments on the 30-year loan will pay approximately \$93,000 in interest over the life of the loan.

Second, on average, the modifications to the Credit Suisse-owned loans did not decrease the interest rate as much as the modifications to non-Credit Suisse owned loans. On average, the modifications to the Credit Suisse-owned loans reduced the interest rate by 1.36%, while the modifications to the non-Credit Suisse owned loans reduced the interest rate by 1.80%. All other things being equal, a higher interest rate will result in a higher monthly payment. For example, a borrower who owes \$100,000 on a 15-year loan with a 5.0% interest rate will have a monthly payment of \$791. A borrower who has the same loan but with a 7.0% interest rate will have a monthly payment of \$899.

Finally, the differences between the average amount of the principal that was subject to forbearance, both before and after the modification, had a material effect on the amount of the borrower's monthly payments. Many of the principal forgiveness loan modifications submitted to the Monitor for credit were performed on loans that had been previously modified to include principal forbearance amounts. As discussed in the Monitor's Initial Report, in a principal forbearance modification, the servicer agrees to defer repayment of a portion of the loan balance until the end of the loan.<sup>40</sup> The monthly payments are reduced because the borrower does not have to make payments toward the forborne principal amount until the end of the loan, and also does not have to pay interest on the forborne amount. The principal forbearance amount is sometimes referred to as a "non-interest bearing balloon," which is due in full at the end of the loan.

All other things being equal, the more principal that is subject to forbearance, the lower the borrower's monthly payment will be. For example, a borrower who owes \$100,000 on a 30-year loan with a 5.0% interest rate where \$20,000 of the \$100,000 principal amount is forborne will have a monthly payment of \$429, as the monthly payments will be based on the \$80,000 non-forborne amount of the loan. The borrower, while paying no interest or principal payments on the \$20,000 that is forborne, will instead have to make a lump sum payment of \$20,000 at the end of the loan. A borrower who has the same loan but where none of the \$100,000 principal balance is forborne will have a monthly payment of \$537, making principal and interest payments on the full \$100,000, and will not have to make any lump sum payment at the end of the loan.

Here, prior to modification, on average, the Credit Suisse-owned loans had a considerably greater amount of principal already subject to forbearance, on which borrowers did not have to make monthly payments, as compared to the non-Credit Suisse owned loans. Prior to modification, on average, 22% (\$59,599) of the balance of the Credit Suisse-owned loans was subject to forbearance, meaning that the borrowers on those loans were making monthly payments on 78% (\$206,468) of the loan balance. In contrast, prior to the modification, on average, 10% (\$19,646) of the balance of the non-Credit Suisse owned loans was subject to forbearance, meaning that the borrowers on those loans were making monthly payments on 90% (\$184,410) of the loan balance.

After modification, the borrowers on both sets of loans received less principal forbearance. In other words, the principal forgiveness modifications submitted for credit effectively converted a principal amount that was subject to forbearance into a non-forborne amount on which the borrower was required to now make monthly payments. After the modification, just 0.4% (\$740) of the average balance of the Credit Suisse-owned loans was subject to forbearance, meaning that the borrowers on those loans were making monthly payments on 99.6% of the average loan balance (\$209,308). In contrast, after the modification, 3.3% (\$6,215) of the average balance of the non-Credit Suisse owned loans was subject to forbearance, meaning that the borrowers on those loans were, on average, making monthly payments on 96.7% (\$179,780) of the average loan balance.

The differences in the pre-modification and post-modification balances on which borrowers were required to make monthly payments are shown in the following table.

Summary of Impact of Principal Forgiveness Loan Modifications on Principal Amounts on Which Borrowers Made Monthly Payments		
	Credit Suisse-Owned Loans	Loans Owned by RMBS Trusts or Other Financial Institutions
Average Pre-Modification Principal Balance on Which Borrowers Were Required to Make Payments	\$206,468	\$184,410
Average Pre-Modification Principal Forbearance Amount	\$59,599	\$19,646
Average Post-Modification Principal Balance on Which Borrowers Were Required to Make Payments	\$209,308	\$179,780
Average Post-Modification Principal Forbearance Amount	\$740	\$6,215

As a result of the changes to the amount of principal subject to forbearance, on average, the borrowers on the Credit Suisse-owned loans were making monthly payments on a *larger* average loan balance after the modification (\$209,308) than before the modification (\$206,468), notwithstanding that the modifications forgave on average \$91,317 in principal. The non-forborne portion of the loan balance increased even though a significant amount of principal was forgiven because other amounts that the borrower owed under the loan were added to the monthly payable loan balance as part of the modification, including: (a) on average, \$60,010 of forborne principal was converted and added to the non-forborne principal balance; and (b) on average, \$35,380 in unpaid interest and other amounts were **capitalized** and added to the non-forborne principal balance. On average, the principal forgiveness was not large enough to offset these increases to the non-forborne principal balance, and the net effect of adding these two amounts and deducting the principal forgiveness was an increase in the non-forborne portion of the loan balance. As noted above, if a borrower is making payments on a larger loan balance, their monthly payment will increase, assuming all other terms of the loan stay the same. Here, however, notwithstanding that the borrowers on the Credit Suisse-owned loans were making monthly payments on a larger loan balance, the modifications performed on the Credit Suisse owned loans achieved an average 21% monthly payment reduction by extending the end date of the loan and reducing interest rates,

**Capitalization:** As explained in the Monitor's Initial Report at Part II.A.1, capitalization is a method of modifying a mortgage loan in which missed payments and other outstanding costs are added to the borrower's outstanding principal loan balance, and thus spread out over the remaining term of the loan.

albeit to a lesser extent than the modifications performed on the non-Credit Suisse owned loans.

By contrast, the borrowers on the non-Credit Suisse-owned loans were making payments on a *smaller* average monthly payable loan balance after the modification (\$179,780) than before the modification (\$184,410), which would reduce the borrower's monthly payment, assuming other terms of the loan stay the same. Unlike with the modifications to the Credit Suisse-owned loans—where the changes in forbearance amounts would have resulted in a higher monthly payment if the interest rate and loan end date were not also changed to produce a lower monthly payment—the changes to the forbearance amounts, loan end date, and interest rate with the non-Credit Suisse owned loans all lowered the borrower's monthly payments. Together, these three factors reduced the borrower's monthly payments, on average, by a greater amount for the non-Credit Suisse owned loans than for Credit Suisse-owned loans.

However, on average, the modifications to the Credit Suisse-owned loans decreased the amount the borrower owed at the end of the loan by a greater amount than the modifications to the non-Credit Suisse owned loans. Prior to modification, for the Credit Suisse-owned loans, an average of 22.4% of the borrower's total unpaid principal balance was owed at the end of the loan, while for borrowers with non-Credit Suisse owned loans, an average of 9.6% of the total unpaid principal balance was owed at the end of the loan. After modification, the amount that borrowers on the Credit Suisse-owned loans owed at the end of the loan was 0.4% of the total unpaid principal balance, compared to 3.3% for borrowers with non-Credit Suisse owned loans.

***Example: Terms of Principal Forgiveness Modification on Credit Suisse-Owned Loan***

In 2010, a borrower takes out a \$300,000 30-year mortgage loan with a 6.0% interest rate. The borrower falls behind on their mortgage and receives a loan modification that includes \$60,000 of principal forbearance. The interest rate and term of the loan remain the same. As a result of the modification, the borrower's monthly payment is \$1,500. The borrower does not have to make payments on the forborne portion of the principal balance (\$60,000) until the end date of the loan. The borrower suffers a hardship and stops making payments again, and accrues \$10,000 in unpaid interest. During that time period, MPM acquires the borrower's loan, and it is transferred to SPS for servicing.

The borrower then receives a principal forgiveness modification in 2022. Prior to the modification, the total unpaid principal balance of the loan is \$260,000, of which \$60,000 is forborne principal and \$200,000 is non-forborne principal. As part of the modification, the \$10,000 in unpaid

interest is capitalized and added to the non-forborne principal balance. The \$60,000 of forborne principal is also added to the non-forborne principal balance. Together, these changes increase the non-forborne principal balance by a total of \$70,000, from \$200,000 to \$270,000. The modification includes \$60,000 of principal forgiveness. As a result, the total post-modification principal balance is \$210,000 (\$270,000 - \$60,000 = \$210,000), none of which is forborne.

In this case, the modification increases the non-forborne principal balance by \$10,000, from \$200,000 to \$210,000. If no other terms of the loan were to change, then in order for the borrower to pay off the \$210,000 balance with a 6.0% interest rate by the loan's end date of 2040, the borrower's monthly payment would increase to \$1,600.

However, in addition to providing principal forgiveness, the modification also decreases the interest rate from 6.0% to 4.0% and extends the end date of the loan from 2040 to 2045. As a result of these changes, the borrower's monthly payment is reduced to \$1,200.

Form 1099-C Review. Under the Settlement Agreement, Credit Suisse is required to provide the Monitor with the Internal Revenue Service Form 1099-C generated by SPS for each loan modification that included principal forgiveness.<sup>41</sup> Financial institutions such as banks and mortgage servicers must file a Form 1099-C with the Internal Revenue Service for each borrower for whom \$600 or more of debt was cancelled.<sup>42</sup> The Monitor's testing identified one loan modification for which Credit Suisse did not provide a Form 1099-C. The Monitor raised this issue with Credit Suisse and SPS, and SPS was not able to locate a Form 1099-C for the modification.<sup>43</sup> Because Credit Suisse was not able to provide evidence that a Form 1099-C had been issued to the borrower as required, Credit Suisse amended its submission to remove that loan modification from the submission.

**PART III:**  
**CREDIT SUISSE'S OVERALL PROGRESS**





As explained in the Initial Report, Credit Suisse must meet certain credit minimums in connection with its loan modification efforts.<sup>44</sup> Of its \$2.80 billion consumer relief obligation, Credit Suisse must achieve a minimum of \$1.75 billion in credit for all types of loan modification relief.<sup>45</sup> Of this total, Credit Suisse was required to achieve a minimum of \$980 million in credit for principal forgiveness loan modifications,<sup>46</sup> while the remaining \$770 million could be achieved by providing the other types of loan modifications that were set forth in the Settlement Agreement. Credit Suisse was also required to earn \$240 million in credit by funding affordable housing projects.<sup>47</sup> Aside from those minimums, Credit Suisse had the option of earning the remaining \$810 million balance of the \$2.80 billion in credit by providing either loan modification relief or funding for affordable housing.

Validated Pre-Deadline Relief. The table below summarizes the cumulative credit amounts earned by Credit Suisse for consumer relief completed prior to the December 31, 2021 deadline to date and the percentage of the required credit minimums represented by those amounts.

Summary of Cumulative Credit Validated by Monitor for Consumer Relief Completed by December 31, 2021			
	Credit Minimum	Credit Validated to Date	Percentage of Minimum
Principal Forgiveness Credit	\$980,000,000	\$58,868,609.65	6.01%
Principal Forbearance Credit	N/A	\$328,854,139.23	N/A
Balance Forgiveness Credit	N/A	\$1,251,096,263.71	N/A
Total Loan Modification Credit Applied to Satisfy Minimum	\$1,750,000,000	\$828,868,609.65	47.36%
Affordable Housing Credit	\$240,000,000	\$240,049,597.06	100%
Total Consumer Relief Credit	\$2,800,000,000	\$1,878,868,609.65	67.10%

To date, Credit Suisse has not earned any credit for principal forgiveness loan modifications performed on properties in the 25 specified counties in Colorado where Credit Suisse must use its “best efforts” to earn a total of at least \$25 million in principal forgiveness credit.<sup>48</sup>

As explained in the Ninth Report, Credit Suisse has estimated that it did not complete enough relief prior to the December 31, 2021 deadline to satisfy all its consumer relief obligations.<sup>49</sup> As a result, the outstanding amount of Credit Suisse’s obligation will increase at an annual rate of 5.0% until Credit Suisse satisfies such obligations, and under the Settlement Agreement this additional amount is determined as of the end of each applicable calendar year.<sup>50</sup> However, because Credit Suisse is continuing to submit relief completed prior to the December 31, 2021 deadline, the Monitor is not able to calculate the amount of the 5.0% penalty as of that date at this time.<sup>51</sup> Credit Suisse is targeting the fourth quarter of 2023 as the date by which it expects to submit all relief completed by the December 31, 2021 deadline.

Credit Suisse has also estimated that it did not complete enough relief to satisfy its consumer relief obligations, as increased by the 5.0% penalty, by the end of 2022. The Monitor cannot calculate the additional 5.0% penalty Credit Suisse incurred at the end of 2022 until Credit Suisse has submitted all relief completed in 2022. Credit Suisse is also targeting the fourth quarter of 2023 as the date by which it expects to submit all relief completed in 2022.

Validated Post-Deadline Relief. As of the date of this Report, the Monitor has also validated \$61,172,732.70 in credit for principal forgiveness modifications that were completed in 2022, after the December 31, 2021 deadline. This amount will count toward the amount of Credit Suisse’s consumer relief obligation that remains after the Monitor has applied the 5.0% penalty the Monitor will calculate based on the shortfall in relief completed as of December 31, 2021.

Review of Additional Non-Principal Forgiveness Relief. In September 2022 and January 2023, Credit Suisse submitted 1,154 principal forbearance loan modifications and 226 short sales performed by SPS. Although credit for non-principal forgiveness relief is not eligible to be applied toward Credit Suisse’s remaining consumer relief obligation for the reasons discussed in the Monitor’s prior reports, the Monitor reviewed these submissions at Credit Suisse’s request.<sup>52</sup> The Monitor determined that 1,153 of the 1,154 principal forbearance modifications, and all 226 of the short sales, met the requirements of the agreed-upon eligibility protocols.<sup>53</sup> Credit Suisse calculated \$17,479,288.68 in principal forbearance credit, and \$25,030,159.19 in balance forgiveness credit in connection with this relief. The Monitor determined that Credit Suisse’s calculations were consistent with the agreed-upon credit calculation protocols.

Pending Submissions. As of the date of this Report, the Monitor has completed its review and validation of all principal forgiveness loan modification submissions made by Credit Suisse through January 2023. On May 8, 2023, Credit Suisse submitted an additional set of loan modifications, which included completed principal forgiveness loan modifications, principal forbearance loan modifications, and short sales. Credit Suisse claimed \$22,281,255.76 in credit for the principal forgiveness modifications in that submission.<sup>54</sup> In addition, the May 2023 submission included 1,126 principal forbearance modifications, for which Credit Suisse calculated \$24,801,249.36 in principal forbearance credit, and 91 short sales, for which Credit Suisse calculated \$12,795,271.23 in balance forgiveness credit. On June 12, 2023, Credit Suisse submitted another set of loan modifications, which included completed principal forgiveness loan modifications, principal forbearance loan modifications, and short sales. Credit Suisse claimed \$24,280,934.66 in credit for the principal forgiveness modifications in that submission.<sup>55</sup> In addition, the June 2023 submission included 607 principal forbearance modifications, for which Credit Suisse calculated \$12,611,739.32 in principal forbearance credit, and 170 short sales, for which Credit Suisse calculated \$26,372,875.82 in balance forgiveness credit. The Monitor's review of these submissions is in progress and will be the subject of a future report. As noted above, although credit amounts for principal forbearance and short sales are not eligible to further satisfy Credit Suisse's relief obligations, Credit Suisse requested that the Monitor review these submissions to determine whether they meet the agreed-upon protocols.



## **PART IV: BORROWER OUTREACH EVENTS**



Under the Settlement Agreement, Credit Suisse must hold three borrower outreach events each year until the Monitor certifies that Credit Suisse has satisfied its consumer relief obligation.<sup>56</sup> As discussed in the Monitor's prior reports, for the first three years of the monitorship, SPS held these outreach events in person. In 2020, SPS switched to a virtual format for these events because of the COVID-19 pandemic.<sup>57</sup> In 2021 and 2022, SPS also held virtual events, and improved them by making them more interactive and inviting more borrowers to each event, based on feedback from the Monitor.<sup>58</sup> As a result of these changes, the 2022 virtual events were better attended and resulted in a higher number of borrowers receiving some form of mortgage assistance than the in-person events.<sup>59</sup>

Because the virtual events ended up being more impactful than the in-person events, the Monitor agreed that SPS could continue to conduct the outreach events virtually again in 2023, notwithstanding President Joseph Biden declaring the end of the COVID-19 Public Health Emergency in May 2023.<sup>60</sup> However, at the Monitor's suggestion, SPS has further increased the number of borrowers that will be invited to each virtual event by inviting borrowers based on the time zone in which they live, rather than their proximity to a particular metropolitan area.<sup>61</sup>

SPS held its first 2023 virtual borrower outreach on August 10, 2023 for borrowers in the Central Time Zone (borrowers located in Minnesota, Wisconsin, Iowa, Illinois, Missouri, Oklahoma, Arkansas, Louisiana, Mississippi, and Alabama, and in parts of North Dakota, South Dakota, Nebraska, Kansas, Texas, Michigan, Indiana, Kentucky, Tennessee, and Florida). SPS has two remaining events scheduled for 2023:

- On September 14, 2023, for borrowers in southeastern half of the Eastern Time Zone (borrowers located in West Virginia, Virginia, North Carolina, South Carolina, and Georgia, and in parts of Kentucky, Tennessee, and Florida); and
- On October 12, 2023, for borrowers in the Pacific and Mountain Time Zones (borrowers located in Washington, Idaho, Montana, Oregon, Wyoming, California, Nevada, Utah, Colorado, Arizona, and New Mexico, and in parts of North Dakota, South Dakota, Nebraska, Kansas, and Texas).<sup>62</sup>

The Monitor will provide more information on these events in a future report.





## PART V: CONCLUSIONS



Based on the information submitted to the Monitor and the work described in this Report, and subject to the Monitor's final determination and certification that Credit Suisse's consumer relief efforts comply with the requirements of the Settlement Agreement, the Monitor concludes:

- Credit Suisse did not complete its loan modification relief obligations by the December 31, 2021 deadline set by the Settlement Agreement, nor did it satisfy its loan modification relief obligations, as increased by the 5.0% penalty, by the end of 2022. After Credit Suisse submits all relief completed prior to the deadline to the Monitor, the Monitor will calculate the total amount of credit earned by Credit Suisse by the deadline, the amount of the shortfall, and the amount of the additional consumer relief credit that Credit Suisse must achieve as a result of not earning all of the required credits by the deadline in accordance with the terms of the Settlement Agreement. The Monitor will perform similar shortfall- and penalty-related calculations for Credit Suisse failing to meet its loan modification relief obligations by the end of 2022 after Credit Suisse submits all relief completed in 2022.
- The principal forgiveness loan modifications submitted by Credit Suisse in the amended January 2023 submission are eligible for credit under the Settlement Agreement in the amounts claimed by Credit Suisse.
- To date, Credit Suisse has earned \$58,868,609.65 in pre-deadline and \$61,172,732.70 in post-deadline principal forgiveness credit; \$328,854,139.23 in pre-deadline principal forbearance credit; \$1,251,096,263.71 in pre-deadline balance forgiveness credit; and \$240,049,597.06 in pre-deadline affordable housing credit pursuant to the Settlement Agreement.

To date, Credit Suisse has provided the Monitor with all documents and information the Monitor has requested for the purpose of determining whether Credit Suisse has satisfied its consumer relief obligation, as required by the Settlement Agreement.







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**ENDNOTES FOR EXECUTIVE SUMMARY**

<sup>1</sup> Capitalized terms have the same meanings as in the Monitor's initial report, dated October 27, 2017. For ease of reference, these terms are defined again within this Report, and are also included in the Glossary that appears at the end of this Report.

**ENDNOTES FOR PART I: BACKGROUND**

<sup>2</sup> As of June 12, 2023, Credit Suisse Group AG, the parent company of Credit Suisse Securities (USA) LLC, was acquired by UBS Group AG.

<sup>3</sup> Settlement Agreement between the United States and Credit Suisse Securities (USA) LLC ¶¶ A-24, Jan. 18, 2017 (“Settlement Agreement”).

<sup>4</sup> Settlement Agreement ¶ 2.

<sup>5</sup> Settlement Agreement between the United States and Credit Suisse Securities (USA) LLC, Annex 2 – Consumer Relief, at 2-6, Jan. 18, 2017 (hereinafter “Credit Suisse Annex 2”).

<sup>6</sup> Credit Suisse Annex 2 at 2-4 (Menu Items 1.A-1.F).

<sup>7</sup> Credit Suisse Annex 2 at 5-6 (Menu Item 2).

<sup>8</sup> Credit Suisse Annex 2 at 7.

<sup>9</sup> Settlement Agreement ¶ 2.

<sup>10</sup> Monitor for the Credit Suisse RMBS Settlement, Initial Report of the Monitor for the Credit Suisse RMBS Settlement, Oct. 27, 2017 (“Initial Report”), *available at* [www.creditsuisse.rmbsmonitor.com/reports](http://www.creditsuisse.rmbsmonitor.com/reports) (last visited Aug. 3, 2023).

<sup>11</sup> Monitor for the Credit Suisse RMBS Settlement, Second Report of the Monitor for the Credit Suisse RMBS Settlement, Feb. 20, 2018 (“Second Report”), *available at* [www.creditsuisse.rmbsmonitor.com/reports](http://www.creditsuisse.rmbsmonitor.com/reports) (last visited Aug. 3, 2023).

<sup>12</sup> Monitor for the Credit Suisse RMBS Settlement, Third Report of the Monitor for the Credit Suisse RMBS Settlement, Aug. 31, 2018 (“Third Report”), *available at* [www.creditsuisse.rmbsmonitor.com/reports](http://www.creditsuisse.rmbsmonitor.com/reports) (last visited Aug. 3, 2023).

<sup>13</sup> Monitor for the Credit Suisse RMBS Settlement, Fourth Report of the Monitor for the Credit Suisse RMBS Settlement, Feb. 28, 2019 (“Fourth Report”), *available at* [www.creditsuisse.rmbsmonitor.com/reports](http://www.creditsuisse.rmbsmonitor.com/reports) (last visited Aug. 3, 2023).

<sup>14</sup> Monitor for the Credit Suisse RMBS Settlement, Fifth Report of the Monitor for the Credit Suisse RMBS Settlement, July 31, 2019 (“Fifth Report”), *available at* [www.creditsuisse.rmbsmonitor.com/reports](http://www.creditsuisse.rmbsmonitor.com/reports) (last visited Aug. 3, 2023).

<sup>15</sup> Monitor for the Credit Suisse RMBS Settlement, Sixth Report of the Monitor for the Credit Suisse RMBS Settlement, Dec. 20, 2019 (“Sixth Report”), *available at* [www.creditsuisse.rmbsmonitor.com/reports](http://www.creditsuisse.rmbsmonitor.com/reports) (last visited Aug. 3, 2023).

<sup>16</sup> Monitor for the Credit Suisse RMBS Settlement, Seventh Report of the Monitor for the Credit Suisse RMBS Settlement, Oct. 1, 2020 (“Seventh Report”), *available at* [www.creditsuisse.rmbsmonitor.com/reports](http://www.creditsuisse.rmbsmonitor.com/reports) (last visited Aug. 3, 2023).

<sup>17</sup> Monitor for the Credit Suisse RMBS Settlement, Eighth Report of the Monitor for the Credit Suisse RMBS Settlement, Oct. 12, 2021 (“Eighth Report”), *available at* [www.creditsuisse.rmbsmonitor.com/reports](http://www.creditsuisse.rmbsmonitor.com/reports) (last visited Aug. 3, 2023).

<sup>18</sup> Monitor for the Credit Suisse RMBS Settlement, Ninth Report of the Monitor for the Credit Suisse RMBS Settlement, Oct. 25, 2022 (“Ninth Report”), *available at* [www.creditsuisse.rmbsmonitor.com/reports](http://www.creditsuisse.rmbsmonitor.com/reports) (last visited Aug. 3, 2023).

<sup>19</sup> Monitor for the Credit Suisse RMBS Settlement, Tenth Report of the Monitor for the Credit Suisse RMBS Settlement, Jan. 31, 2023 (“Tenth Report”), *available at* [www.creditsuisse.rmbsmonitor.com/reports](http://www.creditsuisse.rmbsmonitor.com/reports) (last visited Aug. 3, 2023).

<sup>20</sup> Monitor for the Credit Suisse RMBS Settlement, Eleventh Report of the Monitor for the Credit Suisse RMBS Settlement, Apr. 28, 2023 (“Eleventh Report”), *available at* [www.creditsuisse.rmbsmonitor.com/reports](http://www.creditsuisse.rmbsmonitor.com/reports) (last visited Aug. 3, 2023).



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**ENDNOTES FOR PART II: THE JANUARY 2023 PRINCIPAL FORGIVENESS LOAN MODIFICATION SUBMISSION**

- <sup>21</sup> Ninth Report at Part III.
- <sup>22</sup> Credit Suisse Annex 2 at 2-3 (Menu Item 1.A); Initial Report at Part II.A.2.a.
- <sup>23</sup> Ninth Report at Part II.D.
- <sup>24</sup> Ninth Report at Part II.D.
- <sup>25</sup> Tenth Report at Part III.A.
- <sup>26</sup> Monitor Call with Credit Suisse, June 26, 2023.
- <sup>27</sup> Tenth Report at Part III.A. Credit Suisse reviewed a draft of the Tenth Report prior to publication, and did not identify this issue at the time.
- <sup>28</sup> Credit Suisse Annex 2 at 2 n.3 (Menu Item 1.A).
- <sup>29</sup> Fourth Report at Part II.C.1.
- <sup>30</sup> At this time, Credit Suisse does not intend to submit principal forgiveness modifications in cases in which the pre-modification loan had an interest rate substantially above PMMS, but may seek to do so in the future.
- <sup>31</sup> Credit Suisse, Consumer Relief Report, Dec. 2022.
- <sup>32</sup> Credit Suisse Annex 2 at 8.
- <sup>33</sup> Credit Suisse, Consumer Relief Report, Dec. 2022, rev. July 20, 2023.
- <sup>34</sup> Due to rounding, the percentages of loans modified in these five states appear to add up to 61%.
- <sup>35</sup> Fourth Report at Part II.C.1.
- <sup>36</sup> Credit Suisse Annex 2 at 2 n.1 (Menu Item 1).
- <sup>37</sup> Initial Report at Part II.A.2.a.
- <sup>38</sup> Credit Suisse Annex 2 at 2-3 (Menu Item 1.A).
- <sup>39</sup> Third Report at Part II.C.3.b.
- <sup>40</sup> Initial Report at Part II.A.2.b.
- <sup>41</sup> Credit Suisse Annex 2 at 8.
- <sup>42</sup> Department of the Treasury, Internal Revenue Service, Instructions for Forms 1099-A and 1099-C, available at <https://www.irs.gov/pub/irs-pdf/i1099ac.pdf> (last visited Feb. 8, 2019).
- <sup>43</sup> Monitor Call with Credit Suisse and SPS, June 14, 2023.

**ENDNOTES FOR PART III: CREDIT SUISSE'S OVERALL PROGRESS**

<sup>44</sup> Initial Report at Part I.B.

<sup>45</sup> Credit Suisse Annex 2 at 2 (Menu Item 1).

<sup>46</sup> Credit Suisse Annex 2 at 2 (Menu Item 1.A).

<sup>47</sup> Credit Suisse Annex 2 at 5 (Menu Item 2).

<sup>48</sup> Credit Suisse Annex 2 at 6 n.14.

<sup>49</sup> Ninth Report at Part II.B.

<sup>50</sup> Credit Suisse Annex 2 at 7.

<sup>51</sup> Credit Suisse's ongoing submission of pre-deadline relief impacts its ability to earn credit for relief it completed after the December 31, 2021 deadline. In the Monitor's Tenth Report, the Monitor validated \$4,492,993.16 in *post*-deadline principal forbearance credit because, at the time of that Report, Credit Suisse had not achieved the maximum amount of non-principal forgiveness credit through relief it completed before the deadline. However, as reflected in the Monitor's Eleventh Report, Credit Suisse subsequently submitted additional pre-deadline relief that resulted in Credit Suisse achieving the maximum amount of credit for forms of relief other than principal forgiveness. As a result, the \$4,492,993.16 in post-deadline principal forbearance relief previously validated is not eligible to be applied toward Credit Suisse's remaining consumer relief obligation, for the reasons discussed in the Monitor's prior reports.

<sup>52</sup> Tenth Report at Part IV.

<sup>53</sup> As explained in the Monitor's Third Report at Part II.C.3.b, both principal forgiveness and principal forbearance loan modifications must meet certain loan size limits in order to be eligible for credit. Specifically, a pre-modification loan balance may not exceed the loan size limits governing Fannie Mae's and Freddie Mac's loan purchases and guarantees as of January 1, 2016. These size limits depend on the county in which the property is located and the number of units in the building. As a result of the Monitor's testing of the January 2023 submission of principal forbearance loan modifications, the Monitor identified one loan that had a pre-modification balance exceeding the applicable loan size limit. After the Monitor identified the issue, SPS explained that its system had identified the wrong county for the property securing the loan, and as a result had applied the wrong loan size limit, leading SPS to incorrectly conclude that the loan was eligible for credit. In order to avoid this issue in the future, SPS implemented additional quality control checks to validate that the correct county information was pulled from SPS's system. SPS also re-reviewed the data from the submission and confirmed that county information provided to the Monitor in connection with that submission was correct. Email from SPS to Monitor, May 31, 2023.

<sup>54</sup> Credit Suisse, Consumer Relief Report, May 8, 2023, rev. July 20, 2023.

<sup>55</sup> Credit Suisse, Consumer Relief Report, June 12, 2023, rev. July 20, 2023.

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**ENDNOTES FOR PART IV: BORROWER OUTREACH EVENTS**

<sup>56</sup> Credit Suisse Annex 2 at 6.

<sup>57</sup> Eighth Report at Part IV.A.

<sup>58</sup> Ninth Report at Part IV.B; Tenth Report at Part V.C.

<sup>59</sup> Tenth Report at Part V.C.

<sup>60</sup> White House, Fact Sheet: Actions Taken by the Biden-Harris Administration to Ensure Continued COVID-19 Protections & Surge Preparedness After Public Health Emergency Transition (May 9, 2023), *available at* <https://www.whitehouse.gov/briefing-room/statements-releases/2023/05/09/fact-sheet-actions-taken-by-the-biden-harris-administration-to-ensure-continued-covid-19-protections-and-surge-preparedness-after-public-health-emergency-transition/> (last visited Aug. 3, 2023).

<sup>61</sup> Email from SPS to Monitor, Mar. 22, 2023.

<sup>62</sup> Email from SPS to Monitor, April 18, 2023.

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**APPENDIX A: DISTRIBUTION OF LOAN MODIFICATION CREDIT AT  
CENSUS BLOCK LEVEL FOR JANUARY 2023 SUBMISSIONS<sup>1</sup>**

State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
AL	Jefferson County	014405	1003	\$31,455.50	\$31,455.50
AL	Montgomery County	002800	4001	\$11,155.05	\$11,155.05
AL	Montgomery County	005414	2000	\$27,175.09	\$27,175.09
AL	Talladega County +	010500	2017	\$40,800.00	\$40,800.00
AR	Jefferson County +	001501	2017	\$551.81	\$551.81
AR	Stone County	950204	1040	\$42,386.84	\$42,386.84
AZ	Apache County	970502	1282	\$23,112.76	\$23,112.76
AZ	Maricopa County	040527	3000	\$34,250.31	\$34,250.31
AZ	Maricopa County	619900	3018	\$83,176.03	\$83,176.03
CA	Contra Costa County +	355109	3017	\$18,198.90	\$18,198.90
CA	El Dorado County	*	*	\$79,871.99	\$79,871.99
CA	Los Angeles County	601802	2002	\$151,986.31	\$151,986.31
CA	Los Angeles County	901217	1040	\$110,227.63	\$110,227.63
CA	San Diego County	015704	2001	\$156,813.69	\$156,813.69
CT	Fairfield County +	073400	3007	\$71,032.11	\$71,032.11
CT	Fairfield County	020101	1006	\$179,657.76	\$179,657.76
CT	Fairfield County	110500	3011	\$137,383.11	\$137,383.11
CT	Fairfield County	110602	3016	\$200,401.05	\$200,401.05
CT	Fairfield County	210900	2002	\$185,494.24	\$185,494.24
CT	Hartford County	471300	3011	\$185,446.51	\$185,446.51
CT	Hartford County	473800	1008	\$77,077.18	\$77,077.18
CT	Hartford County	487100	2027	\$166,652.40	\$166,652.40
CT	Hartford County	501200	2001	\$51,239.71	\$51,239.71
CT	Hartford County	511000	3006	\$50,686.78	\$50,686.78
CT	Hartford County	511100	3004	\$23,091.70	\$23,091.70
CT	Hartford County	511400	1007	\$207,782.25	\$207,782.25

<sup>1</sup> Under the Settlement Agreement, Credit Suisse is required to report data to the Monitor at the census block level. Credit Suisse Annex 2 at 8. The census block data that Credit Suisse reports to the Monitor and that is included in this Appendix is based on the most recent census data available as of the date Credit Suisse provided the relief. For the submissions validated in the Monitor's prior reports, Credit Suisse reported data to the Monitor based on the 2010 census. In approximately March 2022, the results of the 2020 census were released. If the results of the 2020 census were available at the time Credit Suisse provided the relief, Credit Suisse reported data to the Monitor at the census block level based on the 2020 census. Entries in this Appendix based on the 2010 census are marked with a +. All other entries in this Appendix are based on the 2020 census.

\* Census tract and block information has been omitted for privacy reasons.

State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
CT	Middlesex County	570300	1017	\$47,769.95	\$47,769.95
CT	Middlesex County	610400	1012	\$106,393.04	\$106,393.04
CT	Middlesex County	670200	4023	\$110,070.64	\$110,070.64
CT	New Haven County +	140900	5002	\$30,701.24	\$30,701.24
CT	New Haven County +	142601	1007	\$3,317.18	\$3,317.18
CT	New Haven County	180500	1000	\$83,298.80	\$83,298.80
CT	New Haven County	345400	4004	\$30,388.76	\$30,388.76
CT	New Haven County	351800	2008	\$131,946.73	\$131,946.73
CT	New London County	690500	2019	\$99,817.50	\$99,817.50
CT	New London County	715100	4000	\$16,509.55	\$16,509.55
DE	Kent County	040700	3020	\$27,586.91	\$27,586.91
DE	New Castle County	015900	3000	\$70,247.38	\$70,247.38
DE	New Castle County	015900	3002	\$43,910.94	\$43,910.94
DE	Sussex County	050302	2038	\$195,609.98	\$195,609.98
DE	Sussex County	050604	1011	\$67,541.23	\$67,541.23
FL	Broward County	010800	2014	\$149,653.14	\$149,653.14
FL	Broward County	020404	2014	\$180,163.89	\$180,163.89
FL	Broward County	050800	3038	\$45,764.34	\$45,764.34
FL	Broward County	060120	2004	\$75,648.80	\$75,648.80
FL	Broward County	100600	1015	\$144,703.04	\$144,703.04
FL	Charlotte County	030506	3003	\$97,593.33	\$97,593.33
FL	Collier County	010107	1003	\$26,550.99	\$26,550.99
FL	Duval County +	002801	2017	\$33,064.16	\$33,064.16
FL	Duval County	010106	3000	\$74,654.61	\$74,654.61
FL	Duval County	010503	4001	\$108,221.95	\$108,221.95
FL	Flagler County	060214	2014	\$189,328.25	\$189,328.25
FL	Highlands County	961702	1039	\$53,672.44	\$53,672.44
FL	Hillsborough County	011528	3001	\$186,702.71	\$186,702.71
FL	Hillsborough County	012701	1022	\$58,897.76	\$58,897.76
FL	Hillsborough County	014119	1004	\$131,485.04	\$131,485.04
FL	Jackson County	210700	1011	\$17,790.35	\$17,790.35
FL	Jefferson County	250200	3031	\$7,933.30	\$7,933.30
FL	Lake County	031207	2087	\$74,285.51	\$74,285.51
FL	Lake County	031314	2013	\$78,587.20	\$78,587.20
FL	Lee County	040122	1030	\$99,110.04	\$99,110.04
FL	Lee County	040124	3027	\$98,316.60	\$98,316.60
FL	Lee County	050204	1024	\$13,034.16	\$13,034.16



State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
FL	Leon County	002206	1012	\$204,183.05	\$204,183.05
FL	Manatee County	002012	1014	\$30,075.44	\$30,075.44
FL	Manatee County	002023	1008	\$116,347.73	\$116,347.73
FL	Marion County	002503	1019	\$181,169.78	\$181,169.78
FL	Miami-Dade County +	019100	2001	\$54,810.38	\$54,810.38
FL	Miami-Dade County	*	*	\$239,249.98	\$239,249.98
FL	Miami-Dade County	005409	2008	\$129,549.79	\$129,549.79
FL	Miami-Dade County	008416	2000	\$165,735.31	\$165,735.31
FL	Miami-Dade County	009010	2000	\$65,720.39	\$65,720.39
FL	Miami-Dade County	010705	2028	\$111,206.01	\$111,206.01
FL	Miami-Dade County	014601	1002	\$102,053.20	\$102,053.20
FL	Orange County	012403	2000	\$275,405.99	\$275,405.99
FL	Orange County	014202	1002	\$4,189.05	\$4,189.05
FL	Orange County	014703	1001	\$65,345.68	\$65,345.68
FL	Orange County	016514	3000	\$23,282.01	\$23,282.01
FL	Osceola County	041501	2026	\$77,010.34	\$77,010.34
FL	Osceola County	041501	3025	\$44,535.25	\$44,535.25
FL	Palm Beach County	003201	3000	\$31,191.66	\$31,191.66
FL	Palm Beach County	004702	4001	\$157,247.35	\$157,247.35
FL	Palm Beach County	007732	1002	\$36,613.64	\$36,613.64
FL	Pasco County	031704	1001	\$67,629.00	\$67,629.00
FL	Pasco County	032010	1004	\$161,102.14	\$161,102.14
FL	Pinellas County	026811	3022	\$37,217.06	\$37,217.06
FL	Polk County	012408	2031	\$92,605.81	\$92,605.81
FL	Polk County	012412	2000	\$77,873.88	\$77,873.88
FL	Polk County	012513	1011	\$119,270.36	\$119,270.36
FL	Sarasota County	002507	1014	\$173,137.93	\$173,137.93
FL	Sarasota County	002741	2019	\$106,123.30	\$106,123.30
FL	Seminole County +	020901	2031	\$22,770.05	\$22,770.05
FL	Seminole County	020810	1016	\$119,864.16	\$119,864.16
FL	Seminole County	021617	3000	\$75,395.85	\$75,395.85
FL	Seminole County	022106	2009	\$57,034.36	\$57,034.36
FL	St. Lucie County	382115	4033	\$108,244.14	\$108,244.14
GA	Brooks County	960400	2004	\$80,428.38	\$80,428.38
GA	Camden County	010201	1023	\$54,263.41	\$54,263.41
GA	Clayton County	040204	1001	\$167,889.91	\$167,889.91

\* Census tract and block information has been omitted for privacy reasons.

State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
GA	DeKalb County +	023418	2004	\$93,644.24	\$93,644.24
GA	DeKalb County	023322	2007	\$42,028.50	\$42,028.50
GA	Douglas County +	080404	2002	\$26,027.31	\$26,027.31
GA	Fulton County +	008800	2019	\$4,385.89	\$4,385.89
GA	Glynn County	000501	3012	\$29,600.78	\$29,600.78
GA	Habersham County	000300	1030	\$21,457.16	\$21,457.16
GA	Henry County	070313	3020	\$87,834.65	\$87,834.65
GA	Liberty County	010402	1034	\$34,715.08	\$34,715.08
GA	Talbot County	*	*	\$3,071.88	\$3,071.88
GA	Worth County	950202	1021	\$245,449.53	\$245,449.53
HI	Hawaii County	021108	2037	\$20,049.06	\$20,049.06
IL	Champaign County	005500	2042	\$54,324.13	\$54,324.13
IL	Cook County +	200200	3010	\$11,791.26	\$11,791.26
IL	Cook County +	250400	2005	\$163,800.00	\$163,800.00
IL	Cook County +	450300	1035	\$18,012.08	\$18,012.08
IL	Cook County +	816800	2006	\$164,770.91	\$164,770.91
IL	Cook County +	822400	3021	\$41,881.68	\$41,881.68
IL	Cook County	*	*	\$99,088.85	\$99,088.85
IL	Cook County	020802	3011	\$123,265.50	\$123,265.50
IL	Cook County	030300	1012	\$75,173.66	\$75,173.66
IL	Cook County	130300	4001	\$52,911.61	\$52,911.61
IL	Cook County	151200	1010	\$68,403.86	\$68,403.86
IL	Cook County	161200	1019	\$173,457.23	\$173,457.23
IL	Cook County	170900	1019	\$123,542.99	\$123,542.99
IL	Cook County	190402	2036	\$115,348.23	\$115,348.23
IL	Cook County	190900	1022	\$138,605.88	\$138,605.88
IL	Cook County	200200	3000	\$189,728.50	\$189,728.50
IL	Cook County	240900	1029	\$234,847.50	\$234,847.50
IL	Cook County	283100	2001	\$111,808.26	\$111,808.26
IL	Cook County	430101	2002	\$94,885.21	\$94,885.21
IL	Cook County	460500	1016	\$96,300.90	\$96,300.90
IL	Cook County	530502	1020	\$72,199.83	\$72,199.83
IL	Cook County	530503	1004	\$60,287.83	\$60,287.83
IL	Cook County	570500	2003	\$206,196.48	\$206,196.48
IL	Cook County	620300	5001	\$104,396.13	\$104,396.13
IL	Cook County	630400	4012	\$93,912.05	\$93,912.05

\* Census tract and block information has been omitted for privacy reasons.

State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
IL	Cook County	630900	3010	\$112,539.28	\$112,539.28
IL	Cook County	661100	5001	\$21,390.34	\$21,390.34
IL	Cook County	672000	1019	\$11,006.08	\$11,006.08
IL	Cook County	681100	4004	\$79,709.84	\$79,709.84
IL	Cook County	691200	1009	\$180,275.78	\$180,275.78
IL	Cook County	711000	2017	\$73,211.61	\$73,211.61
IL	Cook County	802402	3003	\$47,111.44	\$47,111.44
IL	Cook County	804710	3001	\$107,533.25	\$107,533.25
IL	Cook County	804716	1010	\$555,487.55	\$555,487.55
IL	Cook County	808002	3010	\$240,182.73	\$240,182.73
IL	Cook County	809700	2028	\$132,013.39	\$132,013.39
IL	Cook County	814000	4013	\$197,547.49	\$197,547.49
IL	Cook County	814400	6012	\$40,006.65	\$40,006.65
IL	Cook County	815400	1008	\$174,359.33	\$174,359.33
IL	Cook County	816300	2011	\$325,095.63	\$325,095.63
IL	Cook County	817500	1007	\$22,631.95	\$22,631.95
IL	Cook County	821500	1015	\$84,009.45	\$84,009.45
IL	Cook County	822801	1032	\$30,737.00	\$30,737.00
IL	Cook County	823200	1000	\$182,951.84	\$182,951.84
IL	Cook County	824508	1019	\$137,490.83	\$137,490.83
IL	Cook County	825505	1019	\$109,227.31	\$109,227.31
IL	Cook County	825505	4007	\$35,157.28	\$35,157.28
IL	Cook County	825802	3017	\$17,917.56	\$17,917.56
IL	Cook County	826402	5005	\$11,172.45	\$11,172.45
IL	Cook County	826902	2034	\$58,905.44	\$58,905.44
IL	Cook County	827600	2011	\$62,409.38	\$62,409.38
IL	Cook County	841800	1014	\$113,846.99	\$113,846.99
IL	DuPage County	840103	2005	\$198,334.45	\$198,334.45
IL	DuPage County	841322	3009	\$139,996.49	\$139,996.49
IL	DuPage County	846404	1014	\$258,400.21	\$258,400.21
IL	Iroquois County +	950300	3115	\$1,189.55	\$1,189.55
IL	Kane County +	851907	3031	\$2,131.27	\$2,131.27
IL	Kane County	850106	2009	\$41,223.65	\$41,223.65
IL	Kane County	850708	2001	\$106,073.66	\$106,073.66
IL	Lake County	861013	1024	\$175,017.56	\$175,017.56
IL	Lake County	861108	3005	\$51,541.20	\$51,541.20
IL	Lake County	861202	2007	\$29,500.59	\$29,500.59

State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
IL	Lake County	861510	2015	\$88,316.61	\$88,316.61
IL	Lake County	863201	1017	\$61,341.64	\$61,341.64
IL	Lake County	864206	2003	\$141,839.75	\$141,839.75
IL	Madison County	402600	3006	\$71,453.43	\$71,453.43
IL	Madison County	403200	3017	\$29,255.86	\$29,255.86
IL	Marion County	952300	3047	\$62,363.66	\$62,363.66
IL	McHenry County	870106	2006	\$295,252.99	\$295,252.99
IL	McHenry County	871206	2017	\$89,850.38	\$89,850.38
IL	Perry County	030200	4018	\$24,447.68	\$24,447.68
IL	Sangamon County	003000	4041	\$53,072.34	\$53,072.34
IL	Sangamon County	003100	5112	\$148,823.98	\$148,823.98
IL	St. Clair County	502602	1001	\$53,418.40	\$53,418.40
IL	Will County	880124	2011	\$103,793.98	\$103,793.98
IL	Will County	880320	1013	\$168,424.01	\$168,424.01
IL	Will County	880408	1008	\$167,097.13	\$167,097.13
IL	Winnebago County	001400	1009	\$66,847.10	\$66,847.10
IL	Winnebago County	003000	2023	\$181,805.83	\$181,805.83
IN	Grant County	*	*	\$25,796.30	\$25,796.30
IN	Lake County	021800	1000	\$119,499.90	\$119,499.90
IN	Lake County	041900	1001	\$161,231.50	\$161,231.50
IN	Lake County	042602	3000	\$194,247.95	\$194,247.95
IN	Marion County	330203	3001	\$12,747.91	\$12,747.91
IN	Marion County	350600	4024	\$599.78	\$599.78
IN	Morgan County +	510800	3041	\$5,000.00	\$5,000.00
IN	Scott County +	966800	4036	\$19,251.84	\$19,251.84
KS	Butler County	020903	2038	\$10,562.68	\$10,562.68
KY	Bell County	960600	2014	\$34,315.93	\$34,315.93
KY	Bullitt County	020900	1012	\$885.45	\$885.45
KY	Meade County	970301	2006	\$42,277.08	\$42,277.08
KY	Montgomery County	920400	4051	\$114,674.61	\$114,674.61
LA	Ascension Parish +	030300	1273	\$1,013.25	\$1,013.25
LA	Ascension Parish	030207	3009	\$91,751.14	\$91,751.14
LA	Caddo Parish	023401	2008	\$9,026.29	\$9,026.29
LA	Calcasieu Parish	002701	1001	\$61,787.81	\$61,787.81
LA	East Baton Rouge Parish	003702	3007	\$92,091.79	\$92,091.79
LA	East Baton Rouge Parish	004507	2002	\$93,739.96	\$93,739.96

\* Census tract and block information has been omitted for privacy reasons.

State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
LA	East Baton Rouge Parish	004516	1005	\$60,629.58	\$60,629.58
LA	Jefferson Davis Parish	*	*	\$40,313.08	\$40,313.08
LA	Orleans Parish	001723	2009	\$171,995.31	\$171,995.31
LA	St. Tammany Parish	040705	3001	\$205,376.86	\$205,376.86
LA	St. Tammany Parish	040806	1011	\$94,250.24	\$94,250.24
MA	Bristol County	616100	2015	\$113,379.39	\$113,379.39
MA	Hampden County	801605	1004	\$121,931.94	\$121,931.94
MA	Hampshire County +	822700	2015	\$55,050.75	\$55,050.75
MA	Plymouth County +	510502	3003	\$4,442.87	\$4,442.87
MD	Anne Arundel County +	740104	3000	\$9,592.21	\$9,592.21
MD	Anne Arundel County	701202	1022	\$95,638.39	\$95,638.39
MD	Baltimore city +	240200	1010	\$95,899.34	\$95,899.34
MD	Baltimore city +	270502	4012	\$16,718.93	\$16,718.93
MD	Baltimore city	150300	1002	\$28,946.05	\$28,946.05
MD	Baltimore city	150500	1007	\$40,013.00	\$40,013.00
MD	Baltimore city	250205	4004	\$93,726.01	\$93,726.01
MD	Baltimore County +	450100	1010	\$102,628.02	\$102,628.02
MD	Charles County +	850901	1069	\$79,437.54	\$79,437.54
MD	Charles County	850101	2014	\$50,915.68	\$50,915.68
MD	Charles County	850102	1008	\$130,856.55	\$130,856.55
MD	Charles County	850708	2004	\$294,891.06	\$294,891.06
MD	Frederick County +	740200	2008	\$43,325.85	\$43,325.85
MD	Montgomery County	700306	2003	\$59,963.40	\$59,963.40
MD	Montgomery County	700811	2003	\$76,596.36	\$76,596.36
MD	Montgomery County	700812	2007	\$58,084.21	\$58,084.21
MD	Prince George's County +	800608	2015	\$16,837.41	\$16,837.41
MD	Prince George's County	800218	3003	\$67,785.66	\$67,785.66
MD	Prince George's County	801308	1012	\$155,029.80	\$155,029.80
MD	Prince George's County	805000	2007	\$22,008.30	\$22,008.30
MD	St. Mary's County	876004	2003	\$24,652.88	\$24,652.88
MD	Worcester County	950100	2019	\$95,540.60	\$95,540.60
MD	Worcester County	950100	2045	\$29,750.73	\$29,750.73
MD	Worcester County	950300	6011	\$134,743.74	\$134,743.74
ME	Oxford County	966800	1012	\$84,108.93	\$84,108.93
MI	Crawford County	960500	1088	\$7,776.09	\$7,776.09
MI	Jackson County	005301	1040	\$13,007.74	\$13,007.74

\* Census tract and block information has been omitted for privacy reasons.

State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
MI	Marquette County	001800	1009	\$64,780.05	\$64,780.05
MI	Mason County	950500	2005	\$23,482.98	\$23,482.98
MI	Monroe County	830801	2005	\$94,302.95	\$94,302.95
MI	Muskegon County	000100	3013	\$15,066.21	\$15,066.21
MI	Oakland County	141500	1002	\$97,037.38	\$97,037.38
MI	Otsego County	950500	2030	\$9,986.45	\$9,986.45
MI	Saginaw County	010700	3003	\$23,261.16	\$23,261.16
MI	St. Clair County	642000	4003	\$36,370.01	\$36,370.01
MI	Wayne County +	542700	1034	\$6,401.37	\$6,401.37
MI	Wayne County	530100	1009	\$20,012.23	\$20,012.23
MI	Wayne County	576200	2019	\$32,092.95	\$32,092.95
MI	Wayne County	596100	2000	\$78,840.28	\$78,840.28
MN	Dakota County	060104	1001	\$80,294.34	\$80,294.34
MO	Buchanan County +	001000	1038	\$7,750.01	\$7,750.01
MO	Jackson County	017700	3017	\$59,087.64	\$59,087.64
MO	Jefferson County	700120	3000	\$21,088.76	\$21,088.76
MO	St. Louis city	101300	4003	\$36,776.66	\$36,776.66
MO	St. Louis city	109600	2000	\$325.68	\$325.68
MO	St. Louis County	210502	2012	\$43,211.10	\$43,211.10
MO	St. Louis County	211101	5007	\$15,203.29	\$15,203.29
MS	DeSoto County	070221	1018	\$140,651.75	\$140,651.75
MS	DeSoto County	070631	1010	\$80,105.69	\$80,105.69
MS	Hinds County	001300	1013	\$29,812.79	\$29,812.79
MS	Hinds County	010103	3014	\$60,466.13	\$60,466.13
MS	Jones County	*	*	\$146,346.01	\$146,346.01
MS	Marshall County	950302	2023	\$78,879.55	\$78,879.55
NC	Brunswick County	*	*	\$111,762.88	\$111,762.88
NC	Brunswick County	020508	3008	\$212,336.54	\$212,336.54
NC	Iredell County	061302	2018	\$5,827.06	\$5,827.06
NC	Mecklenburg County +	005401	3002	\$36,207.40	\$36,207.40
NC	Nash County +	010700	3017	\$11,904.68	\$11,904.68
NC	Pender County	920602	1020	\$73,216.48	\$73,216.48
NH	Hillsborough County +	010900	5012	\$58,958.22	\$58,958.22
NJ	Atlantic County +	011000	1017	\$51,563.19	\$51,563.19
NJ	Atlantic County	000300	1003	\$125,593.50	\$125,593.50
NJ	Atlantic County	001200	3010	\$130,932.96	\$130,932.96

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State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
NJ	Atlantic County	010403	2010	\$148,951.79	\$148,951.79
NJ	Atlantic County	011404	3014	\$177,264.79	\$177,264.79
NJ	Atlantic County	011500	3018	\$9,452.30	\$9,452.30
NJ	Atlantic County	011703	1005	\$69,366.98	\$69,366.98
NJ	Atlantic County	011703	3018	\$57,462.90	\$57,462.90
NJ	Atlantic County	011803	2027	\$58,691.29	\$58,691.29
NJ	Atlantic County	011803	3006	\$110,030.43	\$110,030.43
NJ	Atlantic County	011807	1003	\$72,770.39	\$72,770.39
NJ	Atlantic County	012100	1028	\$124,517.03	\$124,517.03
NJ	Atlantic County	012200	2010	\$125,889.28	\$125,889.28
NJ	Bergen County +	023200	4008	\$74,665.00	\$74,665.00
NJ	Bergen County	002200	2012	\$249,815.14	\$249,815.14
NJ	Bergen County	021600	2004	\$218,354.76	\$218,354.76
NJ	Bergen County	046300	3002	\$247,943.84	\$247,943.84
NJ	Bergen County	054101	3007	\$243,093.48	\$243,093.48
NJ	Bergen County	054400	2004	\$93,165.34	\$93,165.34
NJ	Burlington County	700501	2009	\$96,688.10	\$96,688.10
NJ	Burlington County	700703	2004	\$106,690.33	\$106,690.33
NJ	Burlington County	702801	1000	\$67,625.48	\$67,625.48
NJ	Camden County +	609203	2021	\$304,765.38	\$304,765.38
NJ	Camden County	601400	2009	\$117,342.21	\$117,342.21
NJ	Camden County	602000	4022	\$99,328.23	\$99,328.23
NJ	Camden County	606800	1014	\$192,349.71	\$192,349.71
NJ	Camden County	607801	1014	\$100,280.86	\$100,280.86
NJ	Camden County	607900	1010	\$52,089.85	\$52,089.85
NJ	Camden County	608211	1009	\$128,132.91	\$128,132.91
NJ	Camden County	608402	1015	\$40,084.26	\$40,084.26
NJ	Camden County	608403	2000	\$123,296.54	\$123,296.54
NJ	Camden County	608800	4005	\$289,406.33	\$289,406.33
NJ	Cumberland County +	040300	2016	\$23,877.02	\$23,877.02
NJ	Cumberland County	010200	2010	\$8,229.54	\$8,229.54
NJ	Cumberland County	030300	3012	\$78,527.99	\$78,527.99
NJ	Cumberland County	040500	1002	\$88,223.14	\$88,223.14
NJ	Cumberland County	040901	2004	\$106,911.69	\$106,911.69
NJ	Essex County	014300	1004	\$325,087.74	\$325,087.74
NJ	Essex County	014800	4000	\$282,079.40	\$282,079.40
NJ	Gloucester County	500204	5011	\$74,663.56	\$74,663.56



State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
NJ	Gloucester County	501210	2000	\$78,015.50	\$78,015.50
NJ	Gloucester County	501502	1023	\$177,138.98	\$177,138.98
NJ	Gloucester County	501604	3012	\$51,120.15	\$51,120.15
NJ	Hudson County	010400	1007	\$91,149.21	\$91,149.21
NJ	Hudson County	010602	1003	\$173,561.65	\$173,561.65
NJ	Hudson County	012700	3008	\$84,683.94	\$84,683.94
NJ	Hudson County	014000	3002	\$293,189.41	\$293,189.41
NJ	Hudson County	015700	2000	\$368,704.78	\$368,704.78
NJ	Mercer County +	000200	2000	\$3,126.57	\$3,126.57
NJ	Mercer County	000800	1002	\$98,781.00	\$98,781.00
NJ	Mercer County	002500	4004	\$118,530.54	\$118,530.54
NJ	Mercer County	003500	5007	\$199,706.16	\$199,706.16
NJ	Mercer County	003706	2017	\$124,666.48	\$124,666.48
NJ	Middlesex County	000200	1020	\$188,934.55	\$188,934.55
NJ	Middlesex County	000702	3035	\$274,388.24	\$274,388.24
NJ	Middlesex County	002500	5000	\$404,172.28	\$404,172.28
NJ	Middlesex County	004900	1006	\$48,622.96	\$48,622.96
NJ	Middlesex County	006207	4014	\$68,189.44	\$68,189.44
NJ	Middlesex County	007000	1005	\$198,894.09	\$198,894.09
NJ	Middlesex County	007203	3003	\$215,860.16	\$215,860.16
NJ	Middlesex County	007306	1013	\$131,880.75	\$131,880.75
NJ	Middlesex County	007702	3027	\$157,174.65	\$157,174.65
NJ	Middlesex County	007906	1001	\$179,733.91	\$179,733.91
NJ	Middlesex County	008101	4015	\$179,238.13	\$179,238.13
NJ	Monmouth County	810003	3008	\$189,027.99	\$189,027.99
NJ	Monmouth County	811301	1002	\$32,318.71	\$32,318.71
NJ	Monmouth County	811501	1000	\$165,331.85	\$165,331.85
NJ	Morris County	045200	2028	\$186,130.83	\$186,130.83
NJ	Morris County	046103	1026	\$203,443.71	\$203,443.71
NJ	Morris County	046110	3059	\$80,018.60	\$80,018.60
NJ	Ocean County +	722702	3019	\$164,209.27	\$164,209.27
NJ	Ocean County	717300	3019	\$131,628.96	\$131,628.96
NJ	Ocean County	720203	2088	\$189,823.55	\$189,823.55
NJ	Ocean County	722001	3030	\$16,082.98	\$16,082.98
NJ	Ocean County	734003	4009	\$34,864.20	\$34,864.20
NJ	Passaic County	154006	1008	\$212,215.39	\$212,215.39
NJ	Passaic County	163502	3000	\$286,885.73	\$286,885.73



State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
NJ	Passaic County	196404	1016	\$131,964.75	\$131,964.75
NJ	Salem County	020200	2025	\$59,412.48	\$59,412.48
NJ	Salem County	020400	1012	\$64,877.99	\$64,877.99
NJ	Somerset County	051700	2013	\$84,453.71	\$84,453.71
NJ	Somerset County	053300	3001	\$46,238.05	\$46,238.05
NJ	Somerset County	053402	1015	\$80,223.26	\$80,223.26
NJ	Sussex County	371400	1001	\$218,483.90	\$218,483.90
NJ	Sussex County	372600	2008	\$285,101.94	\$285,101.94
NJ	Union County	030500	2000	\$154,325.04	\$154,325.04
NJ	Union County	030703	2007	\$246,250.39	\$246,250.39
NJ	Union County	034600	3013	\$49,390.18	\$49,390.18
NJ	Union County	034700	4003	\$62,078.56	\$62,078.56
NJ	Union County	036600	2007	\$315,843.96	\$315,843.96
NJ	Warren County	030700	3003	\$6,438.36	\$6,438.36
NJ	Warren County	030900	1005	\$59,775.71	\$59,775.71
NJ	Warren County	032200	1010	\$18,717.08	\$18,717.08
NM	Grant County	964800	1331	\$26,206.89	\$26,206.89
NM	Lincoln County	960603	1001	\$40,126.35	\$40,126.35
NM	Torrance County	*	*	\$17,639.09	\$17,639.09
NV	Clark County	000514	4002	\$25,251.90	\$25,251.90
NV	Clark County	005859	1013	\$126,467.79	\$126,467.79
NY	Albany County	014501	2032	\$2,480.98	\$2,480.98
NY	Bronx County	034800	1005	\$217,091.53	\$217,091.53
NY	Bronx County	037000	1002	\$147,981.30	\$147,981.30
NY	Dutchess County	080202	1000	\$196,174.10	\$196,174.10
NY	Dutchess County	220201	1002	\$242,533.31	\$242,533.31
NY	Erie County	009504	3010	\$74,975.60	\$74,975.60
NY	Monroe County	008100	2004	\$116,402.66	\$116,402.66
NY	Nassau County	405200	2005	\$203,629.03	\$203,629.03
NY	Nassau County	405301	3023	\$255,777.54	\$255,777.54
NY	Nassau County	406701	1002	\$260,860.19	\$260,860.19
NY	Nassau County	407101	2000	\$205,800.73	\$205,800.73
NY	Nassau County	408700	5003	\$319,064.24	\$319,064.24
NY	Nassau County	410600	1000	\$400,451.15	\$400,451.15
NY	Nassau County	414201	2015	\$277,600.39	\$277,600.39
NY	Nassau County	415600	3019	\$206,962.24	\$206,962.24

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State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
NY	Nassau County	416701	2000	\$218,200.71	\$218,200.71
NY	Orange County	001500	2016	\$143,753.84	\$143,753.84
NY	Orange County	010101	1017	\$109,312.85	\$109,312.85
NY	Orange County	011400	1014	\$356,245.78	\$356,245.78
NY	Orange County	011801	3047	\$100,310.65	\$100,310.65
NY	Orange County	012300	2052	\$282,789.35	\$282,789.35
NY	Orange County	014601	1017	\$57,779.10	\$57,779.10
NY	Putnam County	010400	1006	\$190,908.80	\$190,908.80
NY	Rockland County	010902	3001	\$226,099.66	\$226,099.66
NY	Saratoga County	061101	3017	\$101,313.83	\$101,313.83
NY	Schoharie County	740400	4039	\$74,104.61	\$74,104.61
NY	Seneca County	950500	3005	\$46,258.85	\$46,258.85
NY	Suffolk County +	111202	1007	\$84,397.51	\$84,397.51
NY	Suffolk County	111704	2003	\$337,240.61	\$337,240.61
NY	Suffolk County	122406	1006	\$364,570.14	\$364,570.14
NY	Suffolk County	122406	2016	\$239,676.21	\$239,676.21
NY	Suffolk County	122406	3014	\$184,867.09	\$184,867.09
NY	Suffolk County	122406	3029	\$175,591.90	\$175,591.90
NY	Suffolk County	145601	4013	\$510,617.30	\$510,617.30
NY	Suffolk County	146002	3018	\$196,092.11	\$196,092.11
NY	Suffolk County	146102	1005	\$30,283.94	\$30,283.94
NY	Suffolk County	146105	2005	\$196,180.58	\$196,180.58
NY	Suffolk County	146201	1015	\$239,497.76	\$239,497.76
NY	Suffolk County	146202	2005	\$78,688.95	\$78,688.95
NY	Suffolk County	146618	4012	\$308,504.21	\$308,504.21
NY	Suffolk County	158111	2005	\$86,476.23	\$86,476.23
NY	Suffolk County	158209	2012	\$358,838.20	\$358,838.20
NY	Suffolk County	158319	2021	\$225,459.86	\$225,459.86
NY	Suffolk County	158512	1023	\$459,030.44	\$459,030.44
NY	Suffolk County	159201	1011	\$205,044.39	\$205,044.39
NY	Suffolk County	159408	2011	\$189,730.33	\$189,730.33
NY	Suffolk County	159416	3001	\$278,600.65	\$278,600.65
NY	Suffolk County	159511	2022	\$155,520.74	\$155,520.74
NY	Suffolk County	159513	1018	\$253,414.29	\$253,414.29
NY	Suffolk County	159513	2039	\$323,123.84	\$323,123.84
NY	Suffolk County	169701	2005	\$284,782.76	\$284,782.76
NY	Warren County	070801	1006	\$199,843.76	\$199,843.76

State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
NY	Westchester County	000602	2004	\$43,290.36	\$43,290.36
NY	Westchester County	004200	1015	\$398,689.35	\$398,689.35
OH	Cuyahoga County +	173104	1007	\$4,589.14	\$4,589.14
OH	Cuyahoga County	154502	3003	\$106,658.96	\$106,658.96
OH	Cuyahoga County	185202	4002	\$85,710.08	\$85,710.08
OH	Hamilton County	020707	2006	\$50,834.20	\$50,834.20
OH	Hamilton County	021002	3001	\$180,411.05	\$180,411.05
OH	Lorain County	022500	1005	\$32,946.86	\$32,946.86
OH	Lucas County	008000	1010	\$179,179.44	\$179,179.44
OH	Mahoning County	812604	1013	\$107,462.61	\$107,462.61
OH	Montgomery County	080100	5016	\$18,026.25	\$18,026.25
OH	Richland County	002300	2016	\$57,196.46	\$57,196.46
OH	Summit County	531407	2000	\$81,738.10	\$81,738.10
OK	Oklahoma County +	108511	1028	\$14,877.71	\$14,877.71
OK	Tulsa County	005811	1012	\$83,233.44	\$83,233.44
OR	Josephine County +	360400	2042	\$54,097.80	\$54,097.80
OR	Malheur County +	970200	1070	\$49,302.27	\$49,302.27
PA	Allegheny County	564800	2002	\$12,829.88	\$12,829.88
PA	Berks County	012104	2008	\$26,691.46	\$26,691.46
PA	Blair County	101800	1020	\$4,953.39	\$4,953.39
PA	Bucks County	101405	1006	\$201,310.54	\$201,310.54
PA	Delaware County	400401	3002	\$51,833.98	\$51,833.98
PA	Delaware County	402700	2001	\$30,373.05	\$30,373.05
PA	Delaware County	406801	2032	\$76,984.89	\$76,984.89
PA	Franklin County	010600	3053	\$99,262.36	\$99,262.36
PA	Franklin County	011301	2029	\$84,084.10	\$84,084.10
PA	Lackawanna County +	112400	2067	\$13,142.59	\$13,142.59
PA	Lehigh County	000700	2004	\$47,072.45	\$47,072.45
PA	Luzerne County	216900	2002	\$30,059.41	\$30,059.41
PA	Lycoming County	010900	2009	\$22,581.31	\$22,581.31
PA	Monroe County	301003	2000	\$45,136.31	\$45,136.31
PA	Philadelphia County +	009802	2000	\$2,275.43	\$2,275.43
PA	Philadelphia County	010100	2004	\$62,811.20	\$62,811.20
PA	Philadelphia County	025200	1001	\$11,648.11	\$11,648.11
PA	Schuylkill County	003000	1054	\$10,555.88	\$10,555.88
PA	Venango County	201000	1023	\$34,880.66	\$34,880.66
PA	Washington County	775300	1054	\$47,799.00	\$47,799.00

State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
PA	York County	010120	3004	\$136,952.78	\$136,952.78
RI	Kent County	022100	1024	\$59,542.68	\$59,542.68
RI	Providence County	010400	3039	\$68,742.38	\$68,742.38
SC	Berkeley County	020807	2026	\$154,163.38	\$154,163.38
SC	Dillon County +	970200	2030	\$545.73	\$545.73
SC	Dillon County	970100	3022	\$55,115.53	\$55,115.53
SC	Dorchester County	010606	2001	\$5,628.79	\$5,628.79
SC	Marion County +	950700	1050	\$13,532.22	\$13,532.22
SC	Richland County	010107	4004	\$117,221.99	\$117,221.99
SC	Richland County	011417	3015	\$63,218.06	\$63,218.06
SC	Spartanburg County	023401	2046	\$80,145.64	\$80,145.64
TN	Blount County	011001	3041	\$12,177.68	\$12,177.68
TN	Shelby County	021126	2005	\$136,299.71	\$136,299.71
TN	Shelby County	021746	1002	\$27,724.39	\$27,724.39
TX	Harris County	312300	1046	\$97,455.91	\$97,455.91
TX	Harris County	431303	2000	\$57,684.33	\$57,684.33
TX	Hidalgo County	024404	1017	\$206,238.96	\$206,238.96
TX	Jefferson County	001303	1009	\$106,028.29	\$106,028.29
TX	Tarrant County	110206	1001	\$115,487.31	\$115,487.31
TX	Van Zandt County +	*	*	\$23,354.19	\$23,354.19
VA	Bedford County	030202	3005	\$62,418.95	\$62,418.95
VA	Chesapeake City	020400	1015	\$93,140.08	\$93,140.08
VA	Fairfax County	452801	3000	\$42,413.41	\$42,413.41
VA	Henrico County	201503	3003	\$85,532.13	\$85,532.13
VA	Isle of Wight County	280106	1000	\$73,682.26	\$73,682.26
VA	Norfolk City +	006200	2030	\$24,143.43	\$24,143.43
VA	Northumberland County	020100	4000	\$324,019.25	\$324,019.25
VA	Orange County	110106	1015	\$30,291.50	\$30,291.50
VA	Prince William County	901015	1000	\$109,865.51	\$109,865.51
VA	Roanoke City	002600	1023	\$59,588.58	\$59,588.58
VA	Suffolk City	075302	3003	\$24,179.61	\$24,179.61
VA	Virginia Beach City +	046216	3000	\$10,931.22	\$10,931.22
VT	Rutland County	962500	2025	\$133,049.23	\$133,049.23
WI	Lafayette County	970500	2089	\$79,756.94	\$79,756.94
WI	Milwaukee County	003400	1014	\$84,866.85	\$84,866.85
WI	Milwaukee County	003800	1010	\$56,622.53	\$56,622.53

\* Census tract and block information has been omitted for privacy reasons.

State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Credit
WI	Oconto County +	*	*	\$17,162.64	\$17,162.64
WI	Polk County +	960100	2170	\$15,465.51	\$15,465.51
WI	St. Croix County	120501	3065	\$25,490.41	\$25,490.41
WV	Brooke County	031103	1006	\$24,024.34	\$24,024.34
			<b>TOTAL</b>	<b>\$53,358,576.75</b>	<b>\$53,358,576.75</b>

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\* Census tract and block information has been omitted for privacy reasons.



## GLOSSARY





A list of terms used throughout the Monitor's reports appears below.

**Adjustable-Rate Mortgage:** Mortgage loan in which the interest rate changes over the course of the loan. Adjustable-rate mortgages generally have a lower initial rate than a borrower could obtain on a fixed-rate mortgage, but expose borrowers to the risk that interest rates will increase in the future.

**Affordable Housing:** Housing is typically considered "affordable" if it consumes no more than 30% of a household's income. The federal government incentivizes development of affordable housing by, among other things, awarding tax credits that can be sold to private investors who use the credits to reduce their federal tax liabilities.

**Affordable Rental Housing Working Group:** Internal Credit Suisse group composed of senior members of Credit Suisse's Commercial Real Estate group, among others. The Affordable Rental Housing Working Group reviewed and approved all financing approvals for Credit Suisse's affordable housing projects and engaged with Credit Suisse's third-party partners to review the status of Credit Suisse's loan commitments and its progress in achieving its obligations under the Settlement Agreement.

**Amortization Term:** The period of time it would take to repay the balance of a mortgage loan in full, assuming that the borrower makes only the scheduled monthly payments over the course of the loan.

**Area Median Gross Income ("AMGI"):** The area median gross income is determined by HUD each fiscal year for every metropolitan area and every nonmetropolitan county in the country. For example, for fiscal year 2019, the area median gross income for Boulder, Colorado was \$113,600 and the area median gross income for Miami, Florida was \$54,900.

**Assumption:** Agreement by which a new borrower assumes the rights and obligations of an existing mortgage and agrees to make the payments required under the loan. One scenario in which an assumption may occur is where the original borrower has passed away and a family member would like to retain the home and become responsible for the mortgage.

**Bankruptcy:** Legal proceeding involving a person or business that is unable to satisfy its liabilities. In a bankruptcy proceeding, an individual's unsecured debts, such as credit card debt, medical bills, and unsecured mortgage debt, may be extinguished.

**Broker Price Opinion:** A broker's price opinion reflects a real estate broker's opinion of the market value of the borrower's property.

**Capitalization:** Method of modifying a mortgage loan in which missed payments and other outstanding costs are added to the borrower's outstanding principal loan balance, and thus spread out over the remaining term of the loan.

**Compensating Factors:** A borrower who otherwise may not qualify for a loan due to insufficient credit score or income, for example, may have "compensating factors" that outweigh the shortcoming and warrant issuance of the loan. Some common compensating factors are low non-housing debt, strong career growth potential, additional income sources, exceptional credit history, or projected significant cash reserve after purchasing the home.

**COVID Forbearance:** SPS has adopted a blanket rule that all loans it services are eligible for a 90-day period of payment forbearance if the borrower's ability to pay has been affected by COVID-19.

**Credit Score:** A credit score is a number from 300 to 850 that rates a consumer's creditworthiness. The higher the score, the better a borrower looks to potential lenders. A credit score is based on the borrower's credit history, which includes the number of open accounts the borrower has, the borrower's total levels of debt, and the borrower's repayment history.

**Credit Suisse:** Credit Suisse Securities (USA) LLC, together with its current and former U.S. subsidiaries and U.S. affiliates. Credit Suisse is one of the parties to the Settlement Agreement.

**Debt-to-Income Ratio:** Ratio between a borrower's total monthly debts and her gross monthly income. For purposes of the Settlement Agreement, this ratio compares the borrower's monthly mortgage payments and related housing expenses (such as property taxes, and homeowners and mortgage insurance) to her gross monthly income. For more information and illustrative examples, refer to the Initial Report, at Part II.A.2.a.

**Deed-in-Lieu of Foreclosure:** Transaction in which the lender agrees with the borrower to accept the deed to a mortgaged property instead of proceeding with a foreclosure on the property.

**Delinquent Interest:** The interest portion of past due payments that the borrower has not paid.

**The Department of Justice ("DOJ"):** Principal federal law enforcement agency of the United States, with the authority to seek both civil and criminal penalties for violations of federal law. DOJ is one of the parties to the Settlement Agreement.

**Due Diligence:** Appropriate level of attention or care a reasonable person should take before entering into an agreement or a transaction with another party. In finance, often refers to the process by which one company conducts an investigation or review of an asset before buying the asset from another company.

**Earned Principal Forgiveness:** Method of modifying a mortgage loan in which a portion of the unpaid principal balance of the loan is forgiven over time, provided the borrower remains current on the modified loan.

**Equal Credit Opportunity Act ("ECOA"):** Federal law, codified at 15 U.S.C. § 1691(a), that generally prohibits creditors from discriminating against credit applicants with respect to any aspect of a credit transaction. For example, the ECOA prohibits creditors from discriminating against credit applications on the basis of race, color, religion, national origin, sex or marital status, or age (provided the applicant has the capacity to contract), or because all or part of the applicant's income derives from any public assistance program.

**Escrow Advances:** Taxes and/or insurance amounts that were owed by the borrower but paid on the borrower's behalf.

**Fair Housing Act ("FHA"):** Federal law, codified at 42 U.S.C. § 3605(a), that makes it unlawful for any person or other entity who engages in residential real estate-related transactions to discriminate against any person in such transactions because of race, color, religion, sex, handicap, familial status, or national origin.

**Fannie Mae and Freddie Mac:** The Federal National Mortgage Association (commonly known as Fannie Mae) and the Federal Home Loan Mortgage Corporation (commonly known as Freddie Mac) are United States government-sponsored enterprises. Their purpose is to increase the supply of money available for mortgage lending which, in turn, increases the money available for new home purchases.

**Federally Backed Mortgage Loans:** The CARES Act defines federally backed mortgage loans to include loans purchased or securitized by Federal National Mortgage Association or Federal Home Loan Mortgage Corporation; loans insured or guaranteed by the Federal Housing Administration or the Department of Veterans Affairs; and loans made, guaranteed, or insured by the Department of Agriculture.

**First Lien:** Lien that has priority over all other liens or claims on a property, other than a tax lien or certain other liens pursuant to state law (*i.e.*, mechanic's lien), in the event of borrower default.

**Fixed-Rate Mortgage:** Mortgage loan with an interest rate that does not change over the course of the loan.

**Form 1099-C:** Financial institutions such as banks and mortgage servicers must file a Form 1099-C with the Internal Revenue Service for each borrower for whom \$600 or more of debt was canceled. The Form 1099-C informs the IRS of the amount of the borrower's debt that the loan owner canceled in connection with the modification. Under the Settlement Agreement, Credit Suisse is required to provide the Monitor with the Form 1099-C for each loan modification that included principal forgiveness as evidence of the cancellation of debt.

**Foreclosure:** Legal process in which a borrower who has failed to make timely payments on a mortgage loan loses ownership of her home. It is not automatic, but must be initiated by the lender, and it may or may not require the lender to seek a court's approval. It may transfer ownership of the home to the lender or may allow the lender to auction the home and keep all proceeds up to the amount owed to the lender.

**Fourth Report:** Report published by the Monitor on February 28, 2019.

**Gross Monthly Income:** The total amount of income a borrower receives each month, including salary, pension, Social Security, public assistance, and other sources.

**Held-for-Sale:** Under U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), an accounting treatment for mortgage loans the owner of which is looking to sell to another entity.

**Held-for-Investment:** Under U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), an accounting treatment for mortgage loans the owner of which intends to hold onto for at least the foreseeable future.

**Home Affordable Modification Program ("HAMP"):** Loan modification program of the U.S. Department of the Treasury and U.S. Department of Housing and Urban Development, intended to help struggling homeowners reduce monthly mortgage payments to affordable, sustainable levels and prevent avoidable foreclosures. Part of the broader "Making Home Affordable" initiative, created by the federal government in 2009 as part of the Treasury Department's Troubled Asset Relief Program. HAMP ended in 2016. For more information, refer to the Initial Report, at Part II.A.1.

**Home Affordable Foreclosure Alternatives:** The Home Affordable Foreclosure Alternatives (HAFA) initiative is a component of the U.S. Department of Treasury and U.S. Department of Housing Development's "Making Home Affordable" initiative, created by the federal government in 2009 as part of the Treasury Department's Troubled Asset Relief Program. HAFA offers certain borrowers who do not qualify for or complete a permanent loan modification under the Home Affordable Modification Program (HAMP) or other home retention option a means to avoid foreclosure and transfer to more affordable housing. Along with HAMP, the HAFA program terminated in December 2016.

**Housing Choice Vouchers:** Housing choice vouchers are part of a federal government program known as Section 8 which provides subsidies to renters. Under the program, the federal government allocates housing choice vouchers to low-income families. The family can then live in the apartment of their choice and use the voucher to pay a portion of their rent so that the family does not have to contribute more than 30% of their own income toward rent. Alternatively, some vouchers are assigned to particular affordable housing projects and made available to whichever tenants qualify to live at the project.

**HUD-1 Settlement Statement / Closing Disclosure:** A closing disclosure is a government-mandated form providing final details of a mortgage transaction, including sale amount, the names of the parties, closing costs, and closing date. There are different versions of these forms, which have changed over time to reflect changes in regulations.

**Immediate Principal Forgiveness:** Method of modifying a mortgage loan in which a portion of the principal balance of the loan is written off the moment the loan modification becomes permanent.

**Imminent Default:** Condition in which it is reasonably foreseeable that a borrower will not be able to make his or her next mortgage payment, typically due to a hardship such as job loss, reduced hours, death of a spouse, unexpected illness, etc. Loans in imminent default may be eligible for a loan modification.

**Initial Report:** Report published by the Monitor on October 27, 2017.

**Internal Review Group ("IRG"):** Internal Credit Suisse group composed of senior Credit Suisse personnel from various business areas and functions, including the CEO of Credit Suisse Global Markets, the General Counsel for Credit Suisse Global Markets and Credit Suisse Holdings (USA) Inc., and additional personnel from Legal, Compliance, Finance, and Internal Audit, among others. The Internal Review Group reviews Credit Suisse's consumer relief activities to confirm that they meet the requirements of the Settlement Agreement before submitting that consumer relief to the Monitor for credit.

**Investor Current Borrower Incentive:** Incentive paid to Credit Suisse in connection with all HAMP modifications if: (1) the borrower is current at the time of trial modification; (2) the property is owner-occupied; and (3) the modification reduces the borrower's monthly housing payment, including principal, interest, taxes, and insurance costs, by at least 6%. If these conditions are satisfied, Credit Suisse receives a flat payment of \$1,500. For more information, refer to the Third Report, at Part II.C.3.c.

**Investor Home Price Decline Protection Incentive:** Incentive paid to Credit Suisse in connection with all HAMP modifications annually on the first two anniversaries of the modification if the borrower remains current on the loan, the monthly mortgage payment is reduced by 6%, and the borrower's property is located in an area where home prices have recently declined. For more information, refer to the Third Report, at Part II.C.3.c.

**Investor Payment Reduction Cost Share Incentive:** Incentive paid to Credit Suisse in connection with all HAMP modifications. It is paid on a monthly basis over 60 months so long as the borrower remains current on the loan. The amount of the incentive is calculated based on a number of factors, including a comparison of the borrower's pre-modification and post-modification monthly mortgage payments. For more information, refer to the Third Report, at Part II.C.3.c.

**Junior Lien:** Lien that is not a first or second lien. A junior lien is lower in priority than either a first or second lien in the event of borrower default.

**Lien:** Interest in property held by a creditor to secure payment of a debt. A mortgage is a type of lien.

**Loan-to-Value Ratio:** Ratio between the amount owed on a mortgage loan and the value of the home securing the loan. Where a borrower's loan-to-value ratio is greater than 100%, the amount the borrower owes on her mortgage exceeds the value of the home. Where the loan-to-value ratio is less than 100%, the value of the home exceeds the amount the borrower owes on her mortgage. For more information and illustrative examples, refer to the Initial Report, at Part II.A.2.

**Low-Income:** A household is generally considered low-income when its annual income is less than a certain fraction of the area median income. The specific fraction applied depends on the particular statute at issue. For example, the Community Reinvestment Act defines low-income as less than 50% of the area median income.

**Low-Income Housing Tax Credit ("LIHTC"):** Federal tax credit awarded to certain affordable rental housing projects. Once awarded, project developers sell the tax credits to private investors, who use the tax credits to reduce their federal tax liabilities. To receive the tax credit, an affordable rental housing project must meet certain requirements. For example, the project must set aside at least 40% of the residential units for renters earning no more than 60% of the area's median income (the 40/60 test) or 20 percent of the residential units for renters earning 50% or less of the area's median income (the 20/50 test). These units are subject to rent restrictions to ensure that the rent is affordable, which the project must maintain for at least 30 years.

**Maturity Term:** The length of time until the balance of a mortgage loan must be paid in full.

**Monitor:** Neil M. Barofsky of the law firm Jenner & Block LLP, appointed as independent monitor to oversee and periodically report to the public on Credit Suisse's progress toward meeting its total consumer relief obligation under the Settlement Agreement.

**Monthly Mortgage Payment:** A borrower's monthly mortgage payment includes payments of scheduled principal and interest on the loan. It does not, however, include any additional amounts that the borrower may have to pay at the end of the loan (for example, a non-interest bearing "balloon" payment).

**Mortgage:** When a person borrows money to buy a home, the bank receives an interest in the home called a mortgage. If the borrower does not repay the loan in a timely fashion, the mortgage gives the bank the right to obtain ownership of the home. The mortgage is said to "secure" repayment of the loan, and commonly that loan is called a "mortgage loan."

**Mortgage Forgiveness Debt Relief Act of 2007:** Act passed by Congress to provide relief to homeowners who otherwise would have owed taxes on forgiven mortgage debt. Debt reduced through principal forgiveness loan modifications and debt forgiven in connection with a foreclosure both qualify for this relief.

**Mortgage Servicer:** Company that serves an administrative function on behalf of lenders and owners of debt. Servicers typically do not originate or own the loans they service and are hired by owners of loans. A servicer's main duties are collecting payments, distributing those payments to the parties entitled to receive them, communicating with borrowers, and maintaining records. Servicers may also decide when to modify the terms of distressed loans in order to avoid foreclosure.

**Non-Performing Loan:** Loan on which the borrower has not made a payment in 90 days or more.

**Origination:** Process by which a loan is made. The lender that makes the loan is known as the originator of the loan. The originator may deal with borrowers directly or may contract brokers to find potential borrowers and evaluate loan applications.

**Payment Deferral:** Payment deferral is one option a servicer or owner of a loan may offer to a borrower who has not made payments on their loan during a period of payment forbearance or delinquency. A borrower who receives payment deferral has their missed principal and interest payments transferred into a non-interest-bearing balance which the borrower will not have to pay until the end of the loan. In contrast, with a principal forbearance modification, a portion of the borrower's unpaid principal (not missed payments) is transferred to a non-interest-bearing account. With a principal forbearance modification, a borrower's monthly payment is decreased and the borrower does not have to pay interest on the amount of the forborne principal. With payment deferral, a borrower's monthly payment stays the same and no interest is forgiven.

**Primary Mortgage Market Survey ("PMMS"):** Survey conducted by the Federal Home Loan Mortgage Corporation of mortgage lenders across the United States to determine the average 30-year fixed-rate mortgage rate, which is then reported on a weekly basis.

**Principal Forbearance:** Method of modifying a mortgage loan in which the borrower's repayment of a portion of the principal is deferred until the end of the term of the loan. The principal forbearance amount is sometimes referred to as a "non-interest bearing balloon."

**Principal Forgiveness:** Method of modifying a mortgage loan in which the borrower's unpaid principal balance is permanently reduced.

**Principal Reduction Alternative Investor Incentive:** Incentive that would be paid to Credit Suisse in connection with all HAMP loan modifications that include earned principal forgiveness. For more information, refer to the Third Report, at Part II.C.3.c.

**Rating Agency:** In order for a debt security to be sold to a wide group of investors, a security generally receives a rating from a "rating agency." A rating agency is not part of the federal government, but instead is a company that analyzes the security to determine the risk that investors owning the security may suffer a loss. Investors frequently consider credit ratings when making investment decisions.

**Request for Mortgage Assistance:** A Request for Mortgage Assistance is a form a borrower fills out and submits to her mortgage servicer if the borrower is experiencing a financial hardship and is requesting a loan modification. On SPS's Request for Mortgage Assistance form, the borrower must give at least one reason why the borrower is having difficulty making her monthly mortgage payment.

**Residential Mortgage-Backed Security ("RMBS"):** Type of debt security involving a collection of mortgage loans. An investor who owns an RMBS has the right to receive a portion of the monthly payments made under the mortgage loans. RMBS can be freely traded among investors. The process by which loans are packaged into these securities is called "securitization." For more information, refer to the Initial Report, at Part I.B.2.

**RMBS Trust:** Mortgage loans included in an RMBS are formally owned by a trust. The trust is set up during the securitization process for the purpose of holding the mortgage loans and administering payments in a particular RMBS. Each month, the mortgage servicer for the loans in the RMBS trust collects monthly payments from borrowers, and then remits those payments to the trust. The "trustee" for the trust is in charge of aggregating these monthly payments and then distributing them to investors in the RMBS.

**Screenshot:** Picture of whatever appears on a computer's display screen at that moment in time.

**Second Lien:** Lien that has priority over all other liens or claims on a property, other than the first lien, a tax lien, or certain other liens pursuant to state law (*i.e.*, mechanic's lien), in the event of borrower default. An example of a second lien is a home equity line of credit on an already-mortgaged home.

**Securitization:** Process of taking a group of assets that generate a regular stream of payments, like a collection of residential mortgage loans, and transforming them into a security through financial engineering. An example of securitization is a residential mortgage-backed security ("RMBS"), which is a type of security that is backed by a collection of home mortgage loans.

**Select Portfolio Servicing, Inc. ("SPS"):** A mortgage servicer owned by Credit Suisse.

**Selection Bias:** Selection of data for analysis in such a way that proper randomization is not achieved, thereby calling into question whether the sample is representative of the population intended to be analyzed.

**Servicer Completed Modification Incentive:**

Incentive paid to SPS in connection with all HAMP modifications. The amount of the incentive is based on the number of days the borrower is past due on the loan at the time the borrower is offered a modification. If the borrower is less than or equal to 120 days past due, SPS receives a payment of \$2,000; if between 121 and 209 days past due, SPS receives \$1,600; if 210 or more days past due, SPS receives \$1,200. For more information, refer to the Third Report, at Part II.C.3.c.

**Servicer Pay for Success Incentive:**

Incentive paid to SPS in connection with HAMP Tier 1 modifications if the modification reduces the borrower's monthly mortgage payment by 6% or more. This incentive is paid annually for three years so long as the borrower remains current on the loan. The amount paid to SPS each year is the lesser of \$1,000 or 50% of the reduction in the borrower's annualized monthly payment. For more information, refer to the Third Report, at Part II.C.3.c.

**Servicing Advances:** Amounts that were owed by the borrower and were paid by the servicer on the borrower's behalf.

**Settlement Agreement:** Agreement of January 18, 2017, between Credit Suisse and DOJ, resolving potential claims relating to Credit Suisse's alleged unlawful conduct in connection with the packaging and sale of residential mortgage-backed securities, or "RMBS," between 2005 and 2007.

**Short Payoff:** Transaction in which the lender agrees with the borrower to accept less than the amount owed on the mortgage loan as payment in full for the debt. In contrast to a short sale (where the borrower sells their home to a third party and remits the proceeds from the sale of the home to the lender as payment of the debt), with a short payoff the borrower does not have to sell their home and instead pays the lender the agreed-upon lesser amount.

**Short Sale:** Transaction in which the borrower sells their home to a third party for less than the amount owed on the mortgage and the lender agrees to accept the proceeds from the sale of the home as payment in full for the debt.

**SPS Compliance Group:** Internal SPS group responsible for performing audit and compliance functions across SPS's business in the ordinary course. Among other things, this group is responsible for ensuring that SPS is compliant with all relevant laws and regulations, as well as internal policies and procedures.

**SPS Quality Control Group:** Internal SPS group responsible for confirming that the business decisions made by other SPS groups were made in accordance with SPS's policies and procedures. For example, in the ordinary course of its business, the Quality Control group re-evaluates all loan modification applications to confirm the accuracy of the decision previously made by SPS's loan resolution department.

**Subprime Mortgage:** Borrowers with the best credit histories can borrow money from banks at the so-called prime rate. Subprime mortgages carry interest rates higher than the prime rate, and are generally offered to prospective borrowers who have poor credit histories and to whom lending is therefore riskier.

**Third Report:** Report published by the Monitor on August 31, 2018.

**Underwater:** A homeowner is said to be "underwater" when the amount owed on a mortgage loan is greater than the current market value of the home. Many homeowners found themselves underwater after home values fell significantly during the 2008 financial crisis.

**Underwriting Guidelines:** Guidelines used by originators of mortgage loans to decide whether a borrower should be given a loan to buy a home. The guidelines are intended to ensure, among other things, that a borrower has enough income to cover his or her monthly mortgage payment, and that in the event the borrower fails to repay the loan, the value of the property on which a mortgage is given is greater than the amount borrowed.

**Unpaid Principal Balance ("UPB"):** Amount owed on a loan at any given time, and on which interest accrues until it is repaid.

**Unsecured Mortgage Debt:** Mortgage loan that was previously secured by a lien on a home (*i.e.*, at the time of origination), but now the lien no longer exists. This type of debt would result, for example, after foreclosure and sale of a borrower's home if the proceeds are insufficient to repay the loan in full. The unpaid portion of the loan then becomes unsecured mortgage debt. Unsecured mortgage debt is even lower in priority than a junior lien, as the property that originally served as collateral for the loan can no longer be seized in satisfaction of the debt.

**Variable Interest Rate:** A loan with a variable interest rate has an interest rate that is scheduled to increase over time. Variable rates include step-rates (where the rate increases in regular intervals over a set number of years, up to a defined cap) and adjustable rates (where the rate is periodically adjusted based on an index rate). In contrast, a loan with a fixed interest rate has an interest rate that does not change over the course of the loan.

**Veterans Affairs Support Housing (“VASH”):** A federal program administered by the Department of Housing and Urban Development that provides Housing Choice Voucher rental assistance along with case management and clinical services through the Department of Veterans Affairs for veterans experiencing homelessness.

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