Fourteenth 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 fourteenth 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.[1]

The primary subject of this Report is the Monitor's testing of Credit Suisse's September 2023 submission of principal forgiveness loan modifications. As a result of that testing, the Monitor found that all 74 modifications in Credit Suisse's submission were eligible for credit, and that Credit Suisse was entitled to receive the full amount of principal forgiveness credit claimed for those modifications – $10,044,478.03 – toward its outstanding principal forgiveness obligation.

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 $176,405,193.16 in credit for principal forgiveness loan modifications, consisting of $68,685,990.21 in credit for modifications completed prior to the deadline, and $107,719,202.95 in credit for modifications completed after the deadline.

As explained in the Ninth Report, Credit Suisse is continuing to submit additional principal forgiveness relief completed before the deadline, which, if validated, will count toward Credit Suisse's pre-deadline principal forgiveness consumer relief obligation. Credit Suisse has informed the Monitor that, at this stage, short payoffs are the only type of pre-deadline principal forgiveness relief that remains to be submitted to the Monitor. In December 2023, Credit Suisse submitted an initial 100-loan sample of completed short payoffs to the Monitor so that the Monitor can confirm that the agreed-upon testing protocols are functioning as envisioned. After the review of the 100-loan sample is complete, Credit Suisse will submit short payoffs it completed prior to the deadline to the Monitor for credit.

Until Credit Suisse submits for credit eligibility verification 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% penalties Credit Suisse incurred at the end of 2022 and the end of 2023 for failing to satisfy its obligations by those dates until Credit Suisse has submitted all relief completed in 2022 and 2023, respectively. Credit Suisse expects to complete its submissions to the Monitor of all eligible relief completed before the December 31, 2021 deadline in the coming months, when it anticipates submitting to the Monitor the full set of short payoffs completed before the deadline. Credit Suisse also expects to complete its submissions of all eligible relief completed in 2022 and 2023 this year. After those submissions are complete, the Monitor will make and report on the shortfall- and penalty-related calculations required by the Settlement Agreement.

This Report also provides an update on the three virtual borrower outreach events Credit Suisse hosted 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,[2] 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").[3]

To remediate harms resulting from Credit Suisse's alleged unlawful conduct, the Settlement Agreement requires Credit Suisse to provide consumer relief to distressed borrowers and others affected by the financial crisis.[4] 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.[5] First, 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.[6] Second, Credit Suisse must provide funding to construct, rehabilitate, or preserve affordable housing developments for low-income residents.[7]

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."

The Settlement Agreement required that Credit Suisse engage an independent monitor to oversee and periodically report to the public on Credit Suisse's progress towards meeting its consumer relief obligation.[8] Neil M. Barofsky of the law firm Jenner & Block LLP was appointed to serve as the independent monitor (collectively, the "Monitor").[9]

The Monitor has published thirteen reports to date:

- Initial Report. On October 27, 2017, the Monitor published its initial report pursuant to the Settlement Agreement (the "Initial Report").[10] 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.

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.

- Second Report. On February 20, 2018, the Monitor published its next report (the "Second Report"), which 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.[11] 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.[12] 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.[13] 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 towards 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.[14] 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. As of the date of the Fifth Report, Credit Suisse had earned an overall total of $156,790,804.27 in credit.

- 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.[15] 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.[16] 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.[17] 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 obligation by the

December 31, 2021 deadline in the Settlement Agreement.[18] The report also described 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.[19] 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.[20] 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.

- Twelfth Report. On August 25, 2023, the Monitor published its twelfth report (the "Twelfth Report"), which focused on the Monitor's testing of 506 principal forgiveness loan modifications that were submitted for credit in January 2023.[21] That submission was notable because it included for the first time a substantial number of principal forgiveness modifications on loans owned by Credit Suisse. As a result of the Monitor's testing of that submission, the Monitor found that Credit Suisse was entitled to receive $53,358,576.75 in credit toward its consumer relief obligation. As of the date of the Twelfth Report, Credit Suisse had earned an overall total of $1,878,868,609.65 in pre-deadline credit and $61,172,732.70 in post-deadline credit.

- Thirteenth Report. On October 31, 2023, the Monitor published its thirteenth report (the "Thirteenth Report"), which focused on the Monitor's testing of 439 principal forgiveness loan modifications that were submitted for credit in May and June 2023.[22] As a result of the Monitor's testing of the May and June 2023 loan submissions, the Monitor found that Credit Suisse was entitled to receive $46,147,250.58 in credit toward its consumer relief obligation. As of the date of the Thirteenth Report, Credit Suisse had earned an overall total of $1,888,685,990.21 in pre-deadline credit and $97,502,602.72 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). 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. These 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 SEPTEMBER AND OCTOBER 2023 PRINCIPAL FORGIVENESS LOAN MODIFICATION SUBMISSIONS

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

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.[23] 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.[24] This type of modification, called "principal forgiveness," is discussed in greater detail in the Initial Report at Part II.A.2.a.

A. The September 2023 Submission

In September 2023, Credit Suisse made another submission of principal forgiveness loan modifications to the Monitor. The submission included 74 principal forgiveness modifications, for which Credit Suisse claimed a total of $10,044,478.03 in credit.[25]

The Monitor followed the same loan eligibility and credit calculation testing procedures outlined in the Monitor's prior reports. Pursuant to the Monitor's testing protocol, the Monitor reviewed all 74 of the principal forgiveness modifications in the submission and determined that all 74 were eligible for credit in the amounts claimed. The Monitor therefore validated $10,044,478.03 in principal forgiveness credit, the total credit amount claimed by Credit Suisse.

Summary of Consumer Relief Credit Earned for September 2023 Principal Forgiveness Loan Modification Submission	
Total Amount of Credit Claimed	$10,044,478.03
Total Amount of Credit Earned	$10,044,478.03
Credit Earned for Modifications Completed Between 2017 and 2021	$0.00
Credit Earned for Modifications Completed in 2022	$762,609.82
Credit Earned for Modifications Completed in 2023	$9,281,868.21
Total Number of Modifications Earning Credit	74
Total Amount of Principal Forgiveness to Borrowers (including Earned Forgiveness)	$8,035,711.45
Total Amount of Principal Forgiveness to Borrowers on Loans Owned by Credit Suisse	$8,034,097.28
Total Amount of Credit Arising from Loans Owned by Credit Suisse	$10,042,621.73

Loan Owner. All but one of the loans (73 loans) were owned by Credit Suisse. The remaining loan was owned by an RMBS trust.

Geographic Distribution. More than half of the loan modifications (42 loans, or 57%) for which Credit Suisse earned principal forgiveness credit were performed on loans secured by properties in five states or territories: New York (14 loans, or 19%), New Jersey (9 loans, or 12%), Puerto Rico (9 loans, or 12%), Illinois (6 loans, or 8%), and Connecticut (4 loans, or 5%).[26]

The Monitor's website (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 explained in the Twelfth Report, Credit Suisse may submit modifications performed on loans which, at the time of modification, were **non-performing**, were in **imminent default**, had a **loan-to-value ratio ("LTV")** at or above 100%, or had a **troubled loan history**.[27] The vast majority of the modifications (70 loans) were completed on loans that were non-performing at the time that they were modified. Three loans were in imminent default, and one loan was eligible for modification because, although it was performing and not in imminent default, it had an LTV at or above 100%. The table below sets forth the number of modifications in each pre-modification category.

Pre-Modification Status	Number of Modifications
Non-Performing (90 or more days past due)	70
Troubled Loan History	0
Imminent Default	3
LTV at or Above 100%	1

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	2
Earned Principal Forgiveness Only	39
Earned and Immediate Principal Forgiveness	33

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

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

Imminent Default: Condition in which 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.

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.

Troubled Loan History: Loan status in which the borrower has missed two or more payments over the life of the loan.

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.[28] 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.[29]

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.[30] 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.[31]

All 74 of the modifications submitted for credit reduced the borrower's loan-to-value ratio below 100%, and therefore received credit enhancement for helping borrowers increase ownership interest in their homes. The vast majority of those modifications (73 modifications) reduced the borrower's loan-to-value ratio to 75% or lower, and one modification reduced the borrower's loan-to-value ratio to between 100% and 90%. Credit Suisse received an additional credit enhancement of $2,008,766.45 in connection with these 74 modifications.

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 21%, or $203.

Summary of Impact of Principal Forgiveness Loan Modifications on Borrowers	
Average Decrease in Borrower's Monthly Mortgage Payment	21% / $203
Average Amount Borrowers Owed Prior To Modification	$272,931
Average Amount of Forgiveness	$108,591
Average Pre-Modification Interest Rate	3.82%
Average Post-Modification Interest Rate	2.98%

B. The October 2023 Submission

In October 2023, Credit Suisse re-submitted seven Credit Suisse-owned loans, which were originally modified to forgive principal and submitted to the Monitor for principal forgiveness credit in the September 2022 submission. These loans were resubmitted in order to receive credit for an additional principal forgiveness modification that had been performed on each loan. Specifically, SPS forgave an additional principal amount equal to one monthly payment that, as a result of an administrative delay in finalizing the borrower's permanent modification agreement, had been deferred to the end of the loan as part of the prior modification pursuant to SPS's standard procedures. Credit Suisse originally claimed $1,097,768.51 in principal forgiveness credit and $2,327.95 in principal forbearance credit for these seven loans, which the Monitor validated in the Tenth Report.[32] In the October 2023 submission, Credit Suisse claimed an additional $172,122.20 in principal forgiveness credit for these seven loans, based on the application of the 125% credit enhancement for reducing the loans' LTV to 75%, and withdrew its claim for $2,327.95 in principal forbearance credit.[33]

As explained in the Monitor's Sixth Report, in certain circumstances, SPS is unable, as a practical matter, to implement a permanent modification immediately after the borrower's successful completion of a trial modification.[34] This could happen for a variety of reasons, such as the need to obtain approvals from the loan owner.[35] In those situations where SPS is unable to send the borrower a permanent modification agreement by the 15th day of the month prior to the month when the first payment would be due under the modification, SPS's policy is to defer any of the borrower's payments that, absent such deferral, would have been due and unpaid in the period after the borrower's trial modification ends but before SPS implements a permanent modification. SPS accomplishes this by adding any such payments to the principal balance of the loan as a forbearance amount as part of the permanent modification. Under these circumstances, the Monitor has awarded Credit Suisse principal forbearance credit for any monthly payments that have been deferred to the end of the loan as the result of SPS's administrative delays in providing and implementing a permanent modification.[36]

For each of the seven loans, SPS originally modified the loans to reduce principal in an amount that, but for the deferral of one month's payment pursuant to the procedure described above, would have reduced each loan's LTV to 75%. Credit Suisse did not seek the 125% credit enhancement for reducing the loans' LTV to 75% when submitting the loans in September 2022 because the deferred payment increased the principal balance of each loan. However, because Credit Suisse's intention was to reduce principal on the loans such that it could take advantage of the 125% credit enhancement, Credit Suisse proposed re-modifying the loans to forgive the deferred payment on each loan so it could claim the 125% credit enhancement. The Monitor approved that approach, and SPS subsequently performed a second principal forgiveness modification on the loans to forgive an amount equal to the deferred payment.[37]

In October 2023, Credit Suisse re-submitted the loans to the Monitor to seek an increased amount of principal forgiveness credit to include the forgiveness of the previously deferred payments and reflect the application of the 125% credit enhancement for reducing LTV to 75%. Credit Suisse also withdrew the amount of principal forbearance credit it had originally earned for those modifications because the previously deferred payment had been forgiven, meaning the borrower no longer received the benefit of the forbearance. In total, Credit Suisse sought to increase the amount of principal forgiveness credit for these loans by $172,122.20 and to decrease the principal forbearance credit by $2,327.95.[38] The Monitor reviewed the revised submission and validated the credit amounts claimed by Credit Suisse.

As explained in the Monitor's prior reports, Credit Suisse previously was not eligible to earn any additional principal forbearance credit because it had earned the maximum amount of non-principal forgiveness credit under the Settlement Agreement.[39] However, the aforementioned reduction in principal forbearance credit brought Credit Suisse $2,327.95 under the non-principal forgiveness credit maximum, meaning that Credit Suisse was eligible to earn $2,327.95 in non-principal forgiveness credit. To fill the gap, the Monitor validated $2,327.95 in principal forbearance credit arising from a separate submission of principal forbearance modifications. As a result, on a net credit basis, the total amount of principal forbearance credit Credit Suisse has earned to date remains the same, and Credit Suisse has once again achieved the maximum amount of credit for non-principal forgiveness relief.

Example: Additional Principal Forgiveness Modification

Below is an example of how the additional principal forgiveness modification described above works in practice.

In December 2021, Credit Suisse offered a borrower a principal forgiveness modification in the amount of $327,572.61, reducing the outstanding loan balance from $618,572.61 to $291,000. The terms of the borrower's trial modification required the borrower to make trial payments of $1,934 on January 1, February 1, and March 1, 2022, which the borrower made. The borrower's permanent modification agreement set out a new monthly payment amount of $1,956, which typically would be due on April 1. However, in this case, SPS needed additional time to process the borrower's permanent modification, and did not mail the permanent modification agreement to the borrower until March 24, 2022. To give the borrower time to make the next payment, SPS did not require the borrower to make a payment on April 1, and instead added the $1,956 payment that would have been due on April 1 to the principal balance of the loan and deferred it to the end of the loan through principal forbearance. As a result, the borrower's next payment was not due until May 1.

Credit Suisse submitted this modification to the Monitor for credit in the September 2022 submission. At the time of the modification, the borrower's home was worth $388,000. But for the deferred payment amount, the principal forgiveness would have reduced LTV to exactly 75% ($291,000 ÷ $388,000 = 0.75). However, deferring the first payment of $1,956 until the end of the loan increased the balance of the loan to $292,956 ($291,000 + $1,956). Using the higher balance amount to calculate LTV results in an LTV of 75.5%, and therefore Credit Suisse did not seek the 125% credit enhancement when submitting the loan in September 2022. Instead, Credit Suisse claimed the 115% credit enhancement for the portion of principal forgiveness that reduced the LTV from 100% to 90%, and the 120% credit enhancement for the portion of principal forgiveness that reduced the LTV from 90% to 75.5%. Of the total $327,572.61 forgiven as part of the modification, $232,528.61 reduced the LTV to 100%, $38,800 reduced the LTV from 100% to 90%, and $56,243.67 reduced the LTV from 90% to 75.5%. Accordingly, principal forgiveness credit was calculated as follows:

($232,528.94 × 100%) + ($38,800 × 115%) + ($56,243.67 × 120%) =
$344,641.34

The Monitor validated this amount. The Monitor also validated $313.01 of principal forbearance credit for the $1,956 of forbearance ($1,956.33 × 8 years assumed life of loan × 2% interest rate on the loan).

In August 2023, Credit Suisse performed a second modification on the same loan, forgiving the $1,956 deferred payment. In October 2023, Credit Suisse submitted this second modification to the Monitor for credit. Credit Suisse claimed a total of $409,465.76 in principal forgiveness credit for both modifications to this loan. The increase in credit came from application of the 125% credit enhancement for reducing LTV to 75% to the total forgiveness amount of $327,572.61. Credit Suisse calculated the revised amount of principal forgiveness credit as follows:

$$\$327{,}572.61 \times 125\% = \$409{,}465.76$$

The Monitor agreed with this calculation. However, because the Monitor had previously validated $344,641.34 of principal forgiveness credit for this loan in the Tenth Report, the Monitor only credited an additional $68,824.42 in principal forgiveness credit ($409,465.76 - $344,641.34 = $68,824.42) for the re-submission. Credit Suisse also withdrew its request for $313.01 in principal forbearance credit for this loan.

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.[40] 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.[41] Of this total, Credit Suisse was required to achieve a minimum of $980 million in credit for principal forgiveness loan modifications,[42] 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.[43] 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	$68,685,990.21	7.01%
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	$838,685,990.21	47.92%
Affordable Housing Credit	$240,000,000	$240,049,597.06	100%
Total Consumer Relief Credit	$2,800,000,000	$1,888,685,990.21	67.45%

Under the Settlement Agreement, Credit Suisse must utilize its "best efforts" to endeavor to earn at least $25 million in credit for principal forgiveness loan modifications performed on properties in 25 specified counties in Colorado.[44] Prior to the date of this report, Credit Suisse had not earned any principal forgiveness credit in the 25 specified counties in Colorado. However, in the June 2023 submission, Credit Suisse submitted its first loan modification on a mortgage secured by a property located in one of the specified counties in Colorado, earning $80,757.18 in principal forgiveness credit.

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.[45] 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.[46] 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. Credit Suisse is targeting early 2024 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 by the end of 2022 and the end of 2023 to satisfy its consumer relief obligations, as increased each year by the 5.0% penalty. The Monitor cannot calculate the additional 5.0% penalties Credit Suisse incurred at the end of 2022 and 2023 until Credit Suisse has submitted all relief completed in 2022 and 2023, respectively. Credit Suisse is also targeting early 2024 as the date by which it expects to submit all relief completed in 2022. Credit Suisse anticipates that it will submit all relief completed in 2023 by late 2024. Credit Suisse has told the Monitor that it continues to explore options to meet its outstanding principal forgiveness obligation.

<u>Validated Post-Deadline Relief</u>. As of the date of this Report, the Monitor has also validated $81,587,994.60 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.

The Monitor has also validated $26,131,208.35 in credit for principal forgiveness modifications that were completed in 2023. This amount will count toward the amount of Credit Suisse's consumer relief obligation that remains after the Monitor has applied both the 5.0% penalty the Monitor will calculate based on the shortfall in relief completed as of December 31, 2021, and the 5.0% penalty the Monitor will calculate based on the shortfall in relief completed as of December 31, 2022.

Review of Additional Non-Principal Forgiveness Relief. In September 2023, Credit Suisse submitted 122 principal forbearance loan modifications and 59 short sales performed by SPS. As discussed in Part II.B above, Credit Suisse withdrew $2,327.95 in principal forbearance credit that the Monitor previously had validated in the Tenth Report, decreasing the total amount of validated credit for non-principal forgiveness relief to $1,819,997,672.05. To allow Credit Suisse to claim the maximum amount of credit for non-principal forgiveness relief, the Monitor validated $2,327.95 of principal forbearance credit arising from two principal forbearance modifications in the September 2023 submission.

Although additional 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 also reviewed the remaining 120 principal forbearance loan modifications and 59 short sales in the September 2023 submission at Credit Suisse's request. The Monitor determined that they met the requirements of the agreed-upon eligibility protocols. Credit Suisse calculated $824,703.14 in principal forbearance credit and $9,325,134.06 in balance forgiveness credit in connection with this relief.[47] The Monitor determined that Credit Suisse's calculations were consistent with the agreed-upon credit calculation protocols.[48]

Pending Submissions. As of the date of this Report, the Monitor has completed its review and validation of all loan modification submissions made by Credit Suisse through September 2023. On December 12, 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 $10,275,511.78 in credit for the 84 principal forgiveness modifications in that submission.[49] In addition, the December 2023 submission included 111 principal forbearance modifications, for which Credit Suisse calculated $681,995.84 in principal forbearance credit, and 70 short sales, for which Credit Suisse calculated $13,823,259.21 in balance forgiveness credit.[50] The Monitor's review of this submission 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 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.[51] The Initial Report details the specific requirements for these outreach events. As discussed in the Initial Report, Credit Suisse designated SPS to coordinate and hold the required outreach events.[52]

Because SPS's virtual events ended up being more impactful than its in-person events, the Monitor agreed that SPS could once again conduct the borrower outreach events for 2023 virtually.[53] The format for these virtual events was the same as the format for the 2021 and 2022 events, including a live presentation, a chat feature that allows borrowers to ask questions during the event, and the option to schedule an appointment.

In contrast to SPS's prior events, which targeted borrowers living within a certain number of miles from a major metropolitan area, at the Monitor's suggestion SPS increased the number of borrowers invited to each virtual event in 2023 by targeting borrowers living in a certain time zone.[54] For the three virtual events in 2023, SPS focused on borrowers living in the Central Time Zone, the southern half of the Eastern Time Zone, and the Pacific and Mountain Time Zones.

A. Format

The format for the 2023 events was the same as the 2021 and 2022 events. The live presentation provided background information about the Settlement Agreement, the types of mortgage assistance offered by SPS, the process for applying for mortgage assistance, the types of documents required to do so, and contact information for local housing counselors. Borrowers could again join the presentation by either videoconference or telephone. Borrowers who attended the event via videoconference were able to view a slideshow that accompanied the presentation and to use a chat function to submit questions or request an appointment to have a phone call with an SPS associate. After SPS gave the live presentation in English, it provided the same presentation in Spanish. SPS also made its translation service line available to all attendees if borrowers needed assistance in other languages.

Throughout the presentation borrowers were also provided the phone number of SPS's call center and were encouraged to call SPS's counselors to discuss the mortgage assistance options available to them based on their individual circumstances. Borrowers who called SPS during or after the presentation and requested mortgage assistance followed the same procedures as all borrowers who call and request mortgage relief. This process involves discussing the borrower's individual circumstances, working with the borrower to complete a request for mortgage assistance if required, and collecting documents necessary to evaluate the borrower for potential relief. More information about the process SPS uses to evaluate borrowers for mortgage assistance is in the Initial Report at Part II.A.1.

B. Central Time Zone Event

On Thursday, August 10, 2023, SPS held its first virtual outreach event for the 2023 calendar year, which targeted 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). The presentation portion of the event took place from 6:00 pm to 6:30 pm local time.

Monitor's Observations

The Monitor observed the presentation portion of the Central Time Zone outreach event. The Monitor followed the same instructions SPS provided to borrowers to access the presentation via both videoconference and phone. The presentation started on time and ran smoothly.

Event Metrics

Number of Invitees and Attendees. SPS sent invitations to 15,039 borrowers. 372 borrowers ultimately attended the event, resulting in an approximate 2.5% return rate on attendance.[55] This compares to a 1% return rate from prior in-person events arranged by the HOPE NOW Alliance and the U.S. Department of the Treasury, the 2.1% to 3.2% return rate for the 2017, 2018, and 2019 in-person events, and the return rates ranging from 2.1% to 3.9% for the 2020, 2021, and 2022 virtual events.[56] The majority of borrowers polled by SPS said that they had learned of the event through the mailed invitation.[57]

Of the 372 borrowers in attendance, 229 attended via videoconference, 134 attended via telephone, and nine attended using both methods. During the event, 37 borrowers utilized the chat function. The borrowers asked questions about eligibility for mortgage assistance and the status of pending requests for mortgage assistance.

Outcome. In the week following the event, 243 of the attendees called SPS to discuss their accounts. According to SPS, as of January 26, 2024, SPS was still evaluating 34 of those accounts for mortgage assistance. The borrowers for all 34 of these accounts were still collecting the documentation necessary for SPS's review of their accounts.[58]

Outcome	Number of Borrower Accounts
Pending Documents	34
Mortgage Assistance Offered	83
No Mortgage Assistance Offered	103
Did Not Request Mortgage Assistance	23
Did Not Call In	129

Types of Mortgage Assistance Offered. As of January 26, 2024, SPS offered some type of mortgage assistance option to 83 borrower accounts (34% of attendees that called SPS after the event as noted above; 22% of all in attendance), including 22 accounts where SPS offered a trial modification and one account where SPS offered a permanent modification. SPS offered **payment deferral** to 16 accounts, a repayment plan to 40 accounts, and an **assumption** to four accounts.

Mortgage Assistance Offered	Number of Borrower Accounts
Trial Loan Modification	22
Permanent Loan Modification	1
Assumption	4
Payment Deferral	16
Repayment Plan	40

Loan-to-Value Ratio. Borrower accounts' loan-to-value ratios varied. Thirty-one of the accounts of the borrowers in attendance had a loan-to-value ratio greater than 100% (based on the most recent property value in SPS's system, which may not be within the last 90 days); 28 had a loan-to-value ratio between 80% and 100%; and 270 had a loan-to-value ratio below 80%. Specifically, the loan-to-value ratios were distributed as follows.[59]

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.

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.

Loan-to-Value Ratio	Number of Borrower Accounts
< 80%	270
80% - 100%	28
> 100%	31
Second Lien	11
Unknown: No Property Valuation Conducted by SPS as of the Date of the Event	32

Delinquency Status. The majority of accounts with borrowers in attendance (approximately 70%) were classified as delinquent by SPS (*i.e.*, they were 30 or more days past due on their mortgage loan payments). The distribution of delinquency statuses was as follows.[60]

Delinquency Status	Number of Borrower Accounts
Current	110
30-90 Days	87
120 + Days	175

Cost. SPS calculated that the event cost $38,000, which includes the costs of retaining a vendor to help with the logistics of presenting the event via videoconference and telephone and tracking the borrowers in attendance; a vendor that translated the presentation to borrowers; compensating SPS associates who participated in the event; and mailing invitation letters to borrowers.[61]

C. Eastern Time Zone Event

On Thursday, September 14, 2023, SPS held its second virtual outreach event for the 2023 calendar year, which was targeted toward borrowers in the 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). The presentation portion of the event took place from 6:00 pm to 6:30 pm local time.

Monitor's Observations

The Monitor observed the presentation portion of the Eastern Time Zone outreach event. The Monitor followed the same instructions SPS provided to borrowers to access the presentation via both videoconference and phone. The presentation started on time and ran smoothly.

Event Metrics

Number of Invitees and Attendees. SPS sent invitations to 11,782 borrowers. 401 borrowers ultimately attended the event, resulting in an approximate 3.4% return rate on attendance.[62]

Of the 401 borrowers in attendance, 222 attended via videoconference, 169 attended via telephone, and ten attended using both methods.[63] The majority of borrowers polled by SPS said that they had learned of the event through the mailed invitation.[64]

During the event, 37 borrowers utilized the chat function. The borrowers asked questions about the documents they were required to submit with an application for mortgage assistance, how long it takes SPS to evaluate a completed application, and eligibility for different types of mortgage assistance.

Outcome. In the week following the event, 267 of the attendees called SPS to discuss their accounts. According to SPS, as of January 26, 2024, SPS was still evaluating 46 of those accounts for mortgage assistance. The borrowers for all 46 of these accounts were still collecting the documentation necessary for SPS's review of their accounts.[65]

Outcome	Number of Borrower Accounts
Pending Documents	46
Mortgage Assistance Offered	79
No Mortgage Assistance Offered	104
Did Not Request Mortgage Assistance	38
Did Not Call In	134

Types of Mortgage Assistance Offered. As of January 26, 2024, SPS had offered some type of mortgage assistance option to 79 borrower accounts (30% of accounts for which a borrower called in; 20% of all in attendance), including 15 accounts where SPS offered a trial loan modification and one account where SPS offered a permanent modification. SPS offered payment deferral to 25 accounts, an assumption to three accounts, and a repayment plan to 35 accounts.[66]

Mortgage Assistance Offered	Number of Borrower Accounts
Trial Loan Modification	15
Permanent Loan Modification	1
Payment Deferral	25
Assumption	3
Repayment Plan	35

Loan-to-Value Ratio. Borrower accounts' loan-to-value ratios varied. Seventeen of the accounts of the borrowers in attendance had a loan-to-value ratio greater than 100% (based on the most recent property value in SPS's system, which may not be within the last 90 days); 23 had a loan-to-value ratio between 80% and 100%; and 307 had a loan-to-value ratio below 80%. Specifically, the loan-to-value ratios were distributed as follows.[67]

Loan-to-Value Ratio	Number of Borrower Accounts
< 80%	307
80% - 100%	23
> 100%	17
Second Lien	14
Unknown: No Property Valuation Conducted by SPS as of the Date of the Event	40

Delinquency Status. The majority of accounts with borrowers in attendance (approximately 90%) were classified as delinquent by SPS (*i.e.*, they were 30 or more days past due on their mortgage loan payments). The distribution of delinquency statuses was as follows.[68]

Delinquency Status	Number of Borrower Accounts
Current	39
30-90 Days	192
120 + Days	170

Cost. SPS calculated that the event cost $33,000, which includes retaining a vendor to help with the logistics of presenting the event via videoconference and telephone and tracking the borrowers in attendance; a vendor that translated the presentation to borrowers; compensating SPS associates who participated in the event; and mailing invitation letters to borrowers.[69]

D. Pacific and Mountain Time Zones Event

On Thursday, October 12, 2023, SPS held its third virtual outreach event for the 2023 calendar year, which was targeted toward 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). The presentation portion of the event took place from 6:00 pm to 6:30 pm Mountain Time, or 5:00 pm to 5:30 pm Pacific Time.

Monitor's Observations

The Monitor observed the presentation portion of the Pacific and Mountain Time Zones outreach event. The Monitor followed the same instructions SPS provided to borrowers to access the presentation via both videoconference and phone. The presentation started on time and ran smoothly.

Event Metrics

Number of Invitees and Attendees. SPS sent invitations to 9,583 borrowers. 264 borrowers ultimately attended the event, resulting in an approximate 2.8% return rate on attendance.[70]

Of the 264 borrowers in attendance, 182 attended via videoconference, 77 attended via telephone, and five attended using both methods. The majority of borrowers polled by SPS said that they had learned of the event through the mailed invitation.[71]

During the event, 29 borrowers utilized the chat function. The borrowers asked questions about terms of loan modifications, and how to obtain more information about the Settlement Agreement.

Outcome. In the week following the event, 162 of the attendees called SPS to discuss their accounts. According to SPS, as of January 26, 2024, SPS was still evaluating 28 of those accounts for mortgage assistance. The borrowers for all 28 of these accounts were still collecting the documentation necessary for SPS's review of their accounts.[72]

Outcome	Number of Borrower Accounts
Pending Documents	28
Mortgage Assistance Offered	58
No Mortgage Assistance Offered	59
Did Not Request Mortgage Assistance	17
Did Not Call In	102

Types of Mortgage Assistance Offered. As of January 26, 2024, SPS had offered some type of mortgage assistance option to 58 borrowers (36% of attendees that called in; 22% of all in attendance), including 17 accounts where SPS offered a trial loan modification. SPS offered payment deferral to 13 accounts, and a repayment plan to 28 accounts.[73]

Mortgage Assistance Offered	Number of Borrower Accounts
Trial Loan Modification	17
Payment Deferral	13
Repayment Plan	28

Loan-to-Value Ratio. The majority of borrower accounts' loan-to-value ratios were below 80%. Three of the accounts of the borrowers in attendance had a loan-to-value ratio greater than 100% (based on the most recent property value in SPS's system, which may not be within the last 90 days); 17 had a loan-to-value ratio between 80% and 100%; and 209 had a loan-to-value ratio below 80%. Specifically, the loan-to-value ratios were distributed as follows.[74]

Loan-to-Value Ratio	Number of Borrower Accounts
< 80%	209
80% - 100%	17
> 100%	3
Second Lien	11
Unknown: No Property Valuation Conducted by SPS as of the Date of the Event	24

Delinquency Status. The vast majority of accounts with borrowers in attendance were classified as delinquent by SPS (*i.e.*, they were 30 or more days past due on their mortgage loan payments). The distribution of delinquency statuses was as follows.[75]

Delinquency Status	Number of Borrower Accounts
Current	16
30-90 Days	121
120 + Days	127

Cost. SPS calculated that the event cost $30,000, which includes retaining a vendor to help with the logistics of presenting the event via videoconference and telephone and tracking the borrowers in attendance; a vendor that translated the presentation to borrowers; compensating SPS associates who participated in the event; and mailing invitation letters to borrowers.[76]

E. Comparison to Prior Virtual and In-Person Events

The table below compares the average attendance and outcome metrics for the 2023 virtual events to the nine in-person events SPS held in 2017, 2018, and 2019, and the nine virtual events SPS held in 2020, 2021, and 2022.

Average Attendance and Outcome Metrics for Borrower Outreach Events

	Borrowers in Attendance	Spoke to SPS Counselor	SPS Offered Mortgage Assistance	SPS Offered Loan Modification	Pending Documents
2017-2019 In-Person Events	96	96	52	24	0
2020 Virtual Events	121	51	25	5	0
2021 Virtual Events	72	38	19	6	0
2022 Virtual Events	257	163	73	30	5
2023 Virtual Events	346	224	73	18	36

As the metrics above show, the 2023 virtual borrower outreach events again had higher attendance levels and resulted in mortgage assistance being offered to more borrowers than SPS's previous in-person events. As of the date of this Report, the 2023 events have also resulted in mortgage assistance being offered to roughly the same number of borrowers as the 2022 virtual events. The number of borrowers receiving mortgage assistance as a result of the 2023 events may increase as approximately 36 of the accounts in attendance at each of those events are still pending documents and potentially could be offered mortgage assistance in the future.

F. Upcoming Events

As of the date of this Report, SPS has not yet finalized its plans for the three outreach events to be held in 2024. The Monitor will publish the date and time of each event on the Monitor's website thirty days before each event occurs and will provide information on the 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 or 2023. 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 and 2023 after it submits all relief completed in those years.

- The principal forgiveness loan modifications submitted by Credit Suisse in the September 2023 submission are eligible for credit under the Settlement Agreement in the amounts claimed by Credit Suisse.

- To date, Credit Suisse has earned $68,685,990.21 in pre-deadline and $107,719,202.95 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.

- Credit Suisse has held all of the three required borrower outreach events for 2023, and those events have complied with the parameters set forth in the Settlement Agreement.

ENDNOTES

ENDNOTES FOR EXECUTIVE SUMMARY

[1] 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

[2] As of June 12, 2023, Credit Suisse Group AG, the parent company of Credit Suisse Securities (USA) LLC, was acquired by UBS Group AG.
[3] Settlement Agreement between the United States and Credit Suisse Securities (USA) LLC ¶¶ A-24, Jan. 18, 2017 (hereinafter "Settlement Agreement").
[4] Settlement Agreement ¶ 2.
[5] Settlement Agreement, Annex 2 – Consumer Relief, at 2-6, Jan. 18, 2017 (hereinafter "Credit Suisse Annex 2").
[6] Credit Suisse Annex 2 at 2-4 (Menu Items 1.A-1.F).
[7] Credit Suisse Annex 2 at 5-6 (Menu Item 2).
[8] Credit Suisse Annex 2 at 7.
[9] Settlement Agreement ¶ 2.
[10] 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 (last visited Jan. 25, 2024).
[11] 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 (last visited Jan. 25, 2024).
[12] 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 (last visited Jan. 25, 2024).
[13] 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 (last visited Jan. 25, 2024).
[14] 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 (last visited Jan. 25, 2024).
[15] 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 (last visited Jan. 25, 2024).
[16] 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 (last visited Jan. 25, 2024).
[17] Monitor for the Credit Suisse RMBS Settlement, Eighth Report of the Monitor for the Credit Suisse RMBS Settlement, Oct. 13, 2021 ("Eighth Report"), *available at* www.creditsuisse.rmbsmonitor.com/reports (last visited Jan. 25, 2024).
[18] 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 (last visited Jan. 25, 2024).
[19] 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 (last visited Jan. 25, 2024).
[20] 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 (last visited Jan. 25, 2024).
[21] Monitor for the Credit Suisse RMBS Settlement, Twelfth Report of the Monitor for the Credit Suisse RMBS Settlement, Aug. 25, 2023 ("Twelfth Report"), *available at* www.creditsuisse.rmbsmonitor.com/reports (last visited Jan. 25, 2024).

[22] Monitor for the Credit Suisse RMBS Settlement, Thirteenth Report of the Monitor for the Credit Suisse RMBS Settlement, Oct. 31, 2023 ("Thirteenth Report"), *available at* www.creditsuisse.rmbsmonitor.com/reports (last visited Jan. 25, 2024).

ENDNOTES FOR PART II: THE SEPTEMBER AND OCTOBER 2023 PRINCIPAL FORGIVENESS LOAN MODIFICATION SUBMISSIONS

[23] Twelfth Report at Part II.
[24] Credit Suisse Annex 2 at 2-3 (Menu Item 1.A); Initial Report at Part II.A.2.a.
[25] Credit Suisse, Consumer Relief Report, Sept. 15, 2023.
[26] Due to rounding, the percentages of loans modified in these five states appear to add up to 56%.
[27] 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; (2) loans in imminent default; (3) loans with LTVs at or above 100%; (4) loans with troubled loan history; and (5) loans with interest rates substantially above Freddie Mac's Primary Mortgage Market Survey. Credit Suisse Annex 2 at 2 n.3 (Menu Item 1.A). As explained in the Twelfth Report, Credit Suisse contemplates submitting principal forgiveness modifications for credit pursuant to the first four scenarios under the Settlement Agreement for loans that it owns, but will likely continue to only submit loans under the first two scenarios for those loans serviced by SPS but owned by RMBS trusts and financial institutions other than Credit Suisse. Twelfth Report at Part II.A.
[28] Fourth Report at Part II.C.1.
[29] Credit Suisse Annex 2 at 2 n.1 (Menu Item 1).
[30] Initial Report at Part II.A.2.a.
[31] Credit Suisse Annex 2 at 2-3 (Menu Item 1.A).
[32] Tenth Report at Part III.A.
[33] Credit Suisse, Consumer Relief Report, Sept. 9, 2022, rev. Oct. 4, 2023.
[34] Sixth Report at 9 n.24.
[35] Monitor Call with SPS, June 25, 2019.
[36] Sixth Report at Part II.A.2.
[37] Monitor Call with Credit Suisse and SPS, Aug. 2, 2023.
[38] Credit Suisse, Consumer Relief Report, Sept. 9, 2022, rev. Oct. 4, 2023.
[39] Twelfth Report at Part III; Eleventh Report at Part VII.C.

ENDNOTES FOR PART III: CREDIT SUISSE'S OVERALL PROGRESS

[40] Initial Report at Part I.B.
[41] Credit Suisse Annex 2 at 2 (Menu Item 1).
[42] Credit Suisse Annex 2 at 2 (Menu Item 1.A).
[43] Credit Suisse Annex 2 at 5 (Menu Item 2).
[44] Credit Suisse Annex 2 at 6 n.14.
[45] Ninth Report at Part II.B.
[46] Credit Suisse Annex 2 at 7.
[47] Credit Suisse, Consumer Relief Report, Sept. 15, 2023.
[48] In May and June 2023, Credit Suisse submitted 261 short sales, for which it calculated $38,804,969.44 in balance forgiveness credit. In the Thirteenth Report, the Monitor stated that all of these short sales met the requirements of the agreed-upon eligibility protocols and that Credit Suisse's calculations were consistent with the agreed-upon credit calculation protocols. Thirteenth Report at Part III. After the publication of the Thirteenth Report, Credit Suisse amended the May 2023 submission and calculated an additional $68,014.44 in balance forgiveness credit for one short sale. Credit Suisse did this after the Monitor identified an error in the evidence Credit Suisse and SPS relied upon in calculating credit for this short sale. Specifically, when calculating credit, SPS mistakenly relied upon a draft preliminary record generated prior to the short sale completion date, which incorrectly reflected a lower principal balance for the loan. The final record, which was used to process the short sale, accurately reflected a higher principal balance for the loan. As explained in the Tenth Report at Part II.C.7, Credit Suisse earns balance forgiveness credit for a short sale based on the difference between the amounts owed by the borrower on the loan and the proceeds from the short sale. All else being equal, a higher principal balance means that the borrower owes more on the loan and results in a higher credit amount due. The Monitor determined that Credit Suisse's amended calculation of balance forgiveness credit for this one short sale was consistent with the agreed-upon credit calculation protocols. In order to avoid this issue in the future, SPS implemented additional quality control checks to validate that the final record was pulled from SPS's system. SPS also reviewed all other short sales submitted to the Monitor since the beginning of the monitorship to confirm that the principal balance records submitted were the final records. Email from SPS to Monitor, Jan. 10, 2024.
[49] Credit Suisse, Consumer Relief Report, Dec. 12, 2023.
[50] Credit Suisse, Consumer Relief Report, Dec. 12, 2023.

ENDNOTES FOR PART IV: BORROWER OUTREACH EVENTS

[51] Credit Suisse Annex 2 at 6.
[52] Initial Report at Part II.D.2.b.1.
[53] Tenth Report at Part V.C.5.
[54] Email from SPS to Monitor, Mar. 22, 2023.
[55] SPS Central Time Zone Virtual Borrower Outreach Event, Aug. 10, 2023.
[56] Monitor On-Site Meeting with Credit Suisse, Jan. 31, 2017; Eighth Report at Part IV.A; Ninth Report at Part IV.B; Tenth Report at Part V.C.
[57] SPS Central Time Zone Virtual Borrower Outreach Event, Aug. 10, 2023.
[58] SPS Central Time Zone Virtual Borrower Outreach Event, Aug. 10, 2023.
[59] SPS Central Time Zone Virtual Borrower Outreach Event, Aug. 10, 2023.
[60] SPS Central Time Zone Virtual Borrower Outreach Event, Aug. 10, 2023.
[61] SPS Central Time Zone Virtual Borrower Outreach Event, Aug. 10, 2023.
[62] SPS Eastern Time Zone Virtual Borrower Outreach Event, Sept. 14, 2023.
[63] SPS Eastern Time Zone Virtual Borrower Outreach Event, Sept. 14, 2023.
[64] SPS Eastern Time Zone Virtual Borrower Outreach Event, Sept. 14, 2023.
[65] SPS Eastern Time Zone Virtual Borrower Outreach Event, Sept. 14, 2023.
[66] SPS Eastern Time Zone Virtual Borrower Outreach Event, Sept. 14, 2023.
[67] SPS Eastern Time Zone Virtual Borrower Outreach Event, Sept. 14, 2023.
[68] SPS Eastern Time Zone Virtual Borrower Outreach Event, Sept. 14, 2023.
[69] SPS Eastern Time Zone Virtual Borrower Outreach Event, Sept. 14, 2023.
[70] SPS Pacific and Mountain Time Zones Virtual Borrower Outreach Event, Oct. 12, 2023.
[71] SPS Pacific and Mountain Time Zones Virtual Borrower Outreach Event, Oct. 12, 2023.
[72] SPS Pacific and Mountain Time Zones Virtual Borrower Outreach Event, Oct. 12, 2023.
[73] SPS Pacific and Mountain Time Zones Virtual Borrower Outreach Event, Oct. 12, 2023.
[74] SPS Pacific and Mountain Time Zones Virtual Borrower Outreach Event, Oct. 12, 2023.
[75] SPS Pacific and Mountain Time Zones Virtual Borrower Outreach Event, Oct. 12, 2023.
[76] SPS Pacific and Mountain Time Zones Virtual Borrower Outreach Event, Oct. 12, 2023.

APPENDIX A

APPENDIX A: DISTRIBUTION OF LOAN MODIFICATION CREDIT AT CENSUS BLOCK LEVEL FOR SEPTEMBER AND OCTOBER 2023 LOAN MODIFICATION SUBMISSIONS[1]

State	County	Census Tract	Census Block	Total Principal Forgiveness Credit	Total Principal Forbearance Credit	Total Credit
AL	Mobile County	006103	1032	$20,680.83	$0.00	$20,680.83
CA	Shasta County	011900	3005	$27,465.49	$0.00	$27,465.49
CT	Fairfield County	061000	1015	$236,882.35	$0.00	$236,882.35
CT	New Haven County	154500	1001	$172,714.61	$0.00	$172,714.61
CT	New Haven County	167202	3012	$127,892.56	$0.00	$127,892.56
CT	New London County	695201	3015	$279,590.23	$0.00	$279,590.23
FL	Miami-Dade County	009806	2000	$87,323.68	$0.00	$87,323.68
FL	Nassau County	050306	4012	$118,353.08	$0.00	$118,353.08
FL	Orange County	013201	2005	$166,626.64	$0.00	$166,626.64
FL	Polk County	014123	2049	$47,262.56	$0.00	$47,262.56
GA	Catoosa County	030402	4022	$8,725.69	$0.00	$8,725.69
GA	Paulding County	120403	1005	$143,121.14	$0.00	$143,121.14
GA	Troup County	961100	1015	$20,072.00	$0.00	$20,072.00
IL	Cook County	410100	2004	$31,608.78	$0.00	$31,608.78
IL	Cook County	802701	2009	$68,241.28	$0.00	$68,241.28
IL	Cook County	808001	3023	$142,013.09	$0.00	$142,013.09
IL	Cook County	820502	1018	$55,395.96	$0.00	$55,395.96
IL	Cook County	827901	2002	$116,561.73	$0.00	$116,561.73
IL	Will County	881115	2002	$215,101.75	$0.00	$215,101.75
IN	Lake County	042301	2008	$60,623.18	$0.00	$60,623.18
LA	Acadia Parish	961100	4023	$23,044.50	$0.00	$23,044.50
LA	Jefferson Parish	023500	2033	$157,702.30	$0.00	$157,702.30

[1] 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 first nine 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.

LA	Lafayette Parish	001100	1007	$12,714.79	$0.00	$12,714.79
MA	Berkshire County	*	*	$61,835.64	$0.00	$61,835.64
MD	Anne Arundel County	731312	1018	$300,353.44	$0.00	$300,353.44
MD	Prince George's County	803513	2001	$46,599.53	$0.00	$46,599.53
MD	Prince George's County	806710	4000	$16,925.33	$0.00	$16,925.33
MI	Macomb County	241800	1050	$83,791.64	$0.00	$83,791.64
MO	St. Louis City	115400	2009	$44,908.08	$0.00	$44,908.08
MO	St. Louis County	211500	3011	$31,863.45	$0.00	$31,863.45
MS	Lauderdale County	000900	2016	$24,070.63	$0.00	$24,070.63
MS	Washington County	000701	1015	$62,356.84	$0.00	$62,356.84
NJ	Bergen County	015200	2011	$87,823.79	$0.00	$87,823.79
NJ	Bergen County	051400	1002	$250,969.98	$0.00	$250,969.98
NJ	Camden County	607300	3005	$174,185.85	$0.00	$174,185.85
NJ	Essex County	018300	1002	$194,465.14	$0.00	$194,465.14
NJ	Middlesex County	006208	2007	$96,734.86	$0.00	$96,734.86
NJ	Morris County	044800	2012	$300,972.88	$0.00	$300,972.88
NJ	Somerset County	054301	2015	$142,728.15	$0.00	$142,728.15
NJ	Sussex County	373900	4001	$110,109.71	$0.00	$110,109.71
NJ	Union County	032401	4007	$228,688.11	$0.00	$228,688.11
NY	Bronx County	039000	1001	$219,175.73	$0.00	$219,175.73
NY	Dutchess County	060201	1012	$114,240.95	$0.00	$114,240.95
NY	Nassau County	413900	3008	$177,196.80	$0.00	$177,196.80
NY	Nassau County	414501	4015	$360,499.76	$0.00	$360,499.76
NY	Richmond County	003300	2003	$382,243.15	$0.00	$382,243.15
NY	Suffolk County	*	*	$130,172.19	$0.00	$130,172.19
NY	Suffolk County	122802	2010	$421,710.83	$0.00	$421,710.83
NY	Suffolk County	145603	3008	$268,593.79	$0.00	$268,593.79
NY	Suffolk County	146105	3016	$309,258.54	$0.00	$309,258.54
NY	Suffolk County	159406	1006	$548,563.98	$0.00	$548,563.98
NY	Suffolk County	159511	1016	$87,445.79	$0.00	$87,445.79
NY	Suffolk County	159516	1047	$147,906.89	$0.00	$147,906.89
NY	Westchester County	012804	3017	$236,770.99	$0.00	$236,770.99

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

NY	Westchester County	014607	3012	$297,803.06	$0.00	$297,803.06
OH	Cuyahoga County	117800	2001	$22,322.10	$0.00	$22,322.10
OH	Cuyahoga County	171204	2003	$24,003.18	$0.00	$24,003.18
OH	Franklin County	010100	1058	$60,680.41	$0.00	$60,680.41
OK	Oklahoma County	108527	3009	$95,358.68	$0.00	$95,358.68
PA	Delaware County	401101	2002	$62,057.10	$0.00	$62,057.10
PA	Philadelphia County	025500	2019	$62,602.51	$0.00	$62,602.51
PR	Aguadilla Municipio	401304	2013	$125,631.68	$0.00	$125,631.68
PR	Aguas Buenas Municipio	*	*	$270,607.98	$0.00	$270,607.98
PR	Carolina Municipio	050803	1003	$148,052.31	$0.00	$148,052.31
PR	Cidra Municipio	240202	2003	$69,536.69	$0.00	$69,536.69
PR	Guayama Municipio	270300	3010	$70,214.63	$0.00	$70,214.63
PR	Gurabo Municipio	210505	3003	$95,685.70	$0.00	$95,685.70
PR	San Juan Municipio	009901	3011	$284,937.56	$0.00	$284,937.56
PR	Utuado Municipio	957600	2002	$143,593.45	$0.00	$143,593.45
PR	Vega Baja Municipio	560300	2001	$23,532.48	$0.00	$23,532.48
SC	Clarendon County	960300	1014	$26,980.25	$0.00	$26,980.25
VA	Hampton City	011300	1002	$1,856.30	$0.00	$1,856.30
WI	Racine County	001201	4003	$82,183.96	$0.00	$82,183.96
WV	Cabell County	001300	1019	$73,957.34	$0.00	$73,957.34
CA	Los Angeles County+	*	*	$0.00	$1,349.04	$1,349.04
FL	Broward County+	*	*	$0.00	$978.91	$978.91
IL	Kane County	851913	3006	$0.00	$(314.28)	$(314.28)
MI	Wayne County	555300	1016	$0.00	$(146.44)	$(146.44)
NJ	Essex County	005000	1014	$0.00	$(313.01)	$(313.01)
NJ	Gloucester County	501301	1004	$0.00	$(429.63)	$(429.63)
NY	Suffolk County	145702	2000	$0.00	$(343.87)	$(343.87)
OH	Erie County	041400	1006	$0.00	$(570.19)	$(570.19)
OH	Summit County	503702	4018	$0.00	$(210.53)	$(210.53)
			TOTAL	**$10,044,478.03**	**$0.00**	**$10,044,478.03**

* 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.

Troubled Loan History: Loan status in which the borrower has missed two or more payments over the life of the loan.

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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