



December 13, 2011

Ms. Lisa A. White  
Vice President  
Federal Reserve Bank of Richmond  
P.O. Box 27622  
Richmond, Virginia 23261-7622

Mr. Stephen Meyer  
Assistant General Counsel  
Mail Stop 13  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> and C Street, NW  
Washington, DC 20551

Ms. Gail K. Jensen  
Special Counsel (Manager)  
Federal Reserve Bank of Richmond  
P.O. Box 27622  
Richmond, Virginia 23261-7622

**RE: Consent Order No. 11-029-B-HC, Dated April 13, 2011: Submission of Enhancement Plans**

Dear Ms. White, Mr. Meyer, and Ms. Jensen:

I am writing on behalf of Bank of America Corporation ("BAC") in response to your request for our enhancement plans (the "Plans") pursuant to the Consent Order, dated April 13, 2011 (the "Order"), entered into by the Board of Governors of the Federal Reserve System and BAC. We have provided in the Plans a description of key existing and ongoing practices related to our residential mortgage loan servicing, loss mitigation and foreclosure activities. We are submitting as Appendices the action steps under each of the Plans, pursuant to the Order. Highlighted below are some of the core practices we describe within the Plans.

- A. **Board Oversight:** The current structure of BAC's Board of Directors (the "Board") is comprised of six committees: Audit, Compensation and Benefits, Corporate Governance, Credit, Enterprise Risk and Executive Committees. All Board committees have charters and designated chairpersons. With respect to Risk Management, Compliance and Audit reporting, the Board receives regular reports from these functions, including reports on risk, compliance and audit in Home Loans and Legacy Asset Servicing. The Board reviews on an annual basis BAC's risk framework and ensures effective governance and oversight over BAC through enhanced issue escalation for the Audit Committee, Credit Committee and Enterprise Risk Committee.
- B. **Risk Management:** The Board-approved Global Risk Management Framework articulates our risk management goals and embodies our comprehensive approach to enterprise risk management. It states the Board's desire to maintain a strong and comprehensive risk management culture as well as governance and controls to implement this culture. It details how all associates are responsible for understanding what risks impact BAC, how to manage these risks, and how to ensure an appropriate risk reward balance is in place. Finally, it highlights the risks inherent in BAC's business, describes the governance structure, and defines roles and accountabilities for lines of business and control functions.
- C. **Compliance:** Our Global Compliance Program establishes an enterprise-wide standard for compliance monitoring and testing that meets regulatory expectations. We have processes in place to escalate through governance routines significant compliance risks and key risk indicators that exceed established

limits. Finally, our monitoring and testing activities are mapped to rules and standards. These activities are reviewed and updated at least annually, in order to address business and regulatory changes and emerging risks and to reflect Compliance risk assessment results.

- D. **Internal Audit Program:** The Audit Committee of the Board is responsible for approving our risk-based audit plan annually and receiving communications from our Corporate General Auditor on Corporate Audit's performance relative to this plan. Our Corporate Audit group includes specialized audit teams that align with major lines of business and conduct risk assessments, audit planning, audit testing, issue identification and validation, issue escalation and audit reporting. With respect to issue escalation, we have an extensive process for reporting significant audit and regulatory issues, which requires all issues to be logged and tracked until corrective measures are fully implemented. Corporate Audit testing validates corrective measures are appropriate and substantial.

We look forward to your response to the Plans and to discussing them with you in the near future.

Sincerely,

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cc:

A black rectangular redaction box covering the list of recipients.

Enclosures