

I. Population

- a. The instructions that define the population state:

All loans meeting the definition of FR Y-9C, Schedule HC-C, item 1.c.(2)(a) (first lien closed-end loans secured by 1-4 family residential real estate) shall be reported.

- *All inventory that has been transferred to another servicer, but only if transferred in the month that it was transferred*
- *All inventory that was liquidated, but only if liquidated during the reporting month.*

HC-C 1.c.(2)(a) only contains Balance Sheet assets. There are many attributes within the 14M that appear relevant only when reporting the Bank's servicing portfolio, which is not included in HC-C 1.c.(2)(a). Additionally, the statement concerning "inventory that has been transferred to another servicer" is not clear nor does Ally see the relevance in this statement since inventory transferred to another servicer is still an on balance sheet asset and would be included in the HC-C 1.c.(2)(a). Are you instead requesting that we include any loan that was sold during the reporting period? If so there are many places throughout the document that needs clarification to replace "servicing" context with "sold". Please provide clarification on the actual population required for the report.

- b. When would an institution provide *Servicing Rights Purchased* for the *Loan Source*? Further details provided for *Servicing Rights Purchased* state:

Note: This reporting category applies exclusively to the Servicing Portfolio.

The instructions state the base population should be based on HC-C 1.c.(2)(a). The HC-C consists of only Balance Sheet assets, not assets within our Servicing Portfolio. Please confirm that the population should consist of only Balance Sheet assets as reported on HC-C 1.c.(2)(a).

- c. Could you please confirm if active REO properties are included within the population? If not, are loan level details removed in the reporting month they become REO?

II. Format

- a. The instructions state that the submission will be in a text format but limited details are given. Could you please specify finite details on the format of the file including the delimiter for attributes?

III. Definitional Questions – Mortgage

- a. What is banker's rounding

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- b. #27 Buydown Flag – Could you please provide the definition of buy-down? Should we assume this reflects borrowers that have paid points to reduce the interest rate?
- c. #29 Recourse Flag – When would an institution use the recourse flag for loans on our balance sheet? Again, this sounds like something that would apply to loans sold that are in our servicing portfolio and not included in the HC-C.
- d. #53 Investor Type – When would an institution use investor type other than *Portfolio*? The detailed description specifically states: *Identifies the owner of the mortgage*. If an institution is to only report balance sheet assets as reported in the HC-C then the appropriate selection for *Investor Type* will always be *Portfolio*.
- e. #54 Servicer Advances – There are no servicer advances on portfolio loans, which are the subject of this report. What is expected in this field for portfolio owned loans? Same as question IIc, does it include loans active, paid, sold or liquidated during the month? If liquidated during the month we could have advances for the loans that completed the liquidation process. It would be hard to capture the data through the liquidation process. The definition of advances is a little different i.e. typically we think Payment Advance (PI) but are you including escrow and preservation expenses?
- f. #69 Repurchase Type – When would an institution have something in this process bucket? Is this attribute related to us repurchasing a loan that was sold, or instead having the loan repurchased from us by an institution who originally sold it to us?
- g. #70 Repurchase Request Date – Is this referring to loans we sold and may have to repurchase from the investor, or instead where we have requested the seller of the mortgage to repurchase from us?
- h. #71 Refreshed Property Value – The description mentions servicing, do you want us to use a value if it was collected outside of servicing (e.g. for portfolio management/analysis) and not available in the servicing system? If based only on the servicing values gathered through loss mitigation efforts this would be only available for loans delinquent.
- i. #98 Total Debt at Time of REO – Please confirm this will only appear once in the month when the loan is liquidated. Does this also include loans that are liquidated through third party sales, short payoffs and charge-offs?
- j. #99 Net Recovery Amount – If we are not reporting REOs, we would only include loans that are liquidated (i.e. completed foreclosure) and sold as REO within the reporting month. As stated in the loan population questions above, are we supposed to be reporting REOs in addition to loans? REOs are not reported on 1.c.(2)(a) of the HC-C.
- k. #100 Credit enhanced Amount – Recoveries are usually lagged and would most likely not be received in time to be reported if we only report loans that liquidate in the month that they liquidate. Again, description references pool insurance on sold securities which would only be

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applicable if we are reporting the servicing portfolio, not loans on balance sheet.

- l. #33 Arm Index – Should we provide index at origination or as of today (could change if modified)?
- m. #75 #76 Refreshed DTI Back end / Front end – Is this for the entire population or just modified loans? We do not generally get updated borrower income except in certain loss mitigation strategies (e.g. Mod).
- n. #61 Scheduled Balance – This attribute is more related to loans in a security where the servicer is advancing payments if the borrower is delinquent. We also have the #63 borrower's unpaid principal balance. Do we need both?
- o. #62 Principal and Interest (P&I) Amount Current refers to scheduled payment due, but item #45 Total payment due on Home Equity Loan/Line is defined as scheduled payment due. These appear to be the same field, is this correct? If so, can we keep the naming consistent between the two submissions?
- p. #95 #96 Loss/ Write down Amount/Date – Which date should an institution use if there is more than one date? Is #95 Loss/Write down Amount cumulative or the amount during the month?
- q. #17 Lien Position at Origination – Can a code be added for “unknown”?
- r. #44 Negative Amortization Flag – Can a code be added for “unknown”?
- s. #21 Number of units – The definition refers to code value of 9 but this is not one of the acceptable values.
- t. #43 Option ARM Flag – Should this include Payment Option mortgages with a Fixed rate?
- u. #77 Modification Type – Do we include Non-HAMP trial mods?
- v. #15 Credit Class – Only three options are provided: Prime, Alt-A, and Non-prime. Our institution has government loans on our balance sheet and we are unsure of how to classify their Credit Class based on these options. Credit wise, they may look like non-prime, but they are government insured making them fit the prime profile from a loss standpoint (usually non-prime do not carry insurance or are self-insured). Our recommendation is adding a fourth bucket labeled “Government”.

IV. Definitional Questions – Home Equity

- a. What is banker’s rounding
- b. #6 Original Loan Amount – Should we assume this is the initial draw amount for a line of credit and the loan amount for closed end
- c. #7 Original Loan/Line Amount – Should we assume that for a closed end loan this is the loan amount on the note and for line of credit this is the max line amount?
- d. #8 Appraisal Amount – Original Property Value – We use the lower of sale price or appraisal when the transaction is a purchase (not a refi) since

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- sale price could be outdated. The definition does not refer to a purchase transaction when comparing sale price and appraisal amounts.
- e. #9 Combined LTV – The term CLTV means we use the initial draw and for High Combine Loan to Value or HCLTV we use the max line amount. This field is called CLTV but has the HCLTV definition. Are you expecting the max line (HCLTV) in this field?
 - f. #10 Documentation Type – Code values are different than 1st #10 Documentation type. Can these be standardized?
 - g. #15 Occupancy – Code values are different than 1st lien item #14 Occupancy Code. Can these be standardized?
 - h. For #18 Number of Units format is a character but in 1st lien #21 Number of units is numeric. Can these be standardized?
 - i. Home Equity #26 Loan/line Owner and 1st lien #53 Investor Type are similar in nature i.e. #26 value 2= portfolio and #53 value 7 = portfolio. Can these be standardized? Can the fields have the same name?
 - j. 1st lien #31 ARM Initial Rate Period states:

ARM initial rate adjustment period (In months) Identifies the term, in months, from the time of origination to the first interest rate change date for ARMs.

2nd lien #27 ARM Initial Rate Period states:

Initial fixed principal and interest payment period in months for adjustable rate hybrid loans.

We assume that these two definitions mean the number of months from loan origination date to the first ARM rate reset date and apply to all ARMs. Is this correct?

- k. #36 #37 ARM Periodic Pay Cap/Floor as a % – Can the definition be expanded or an example provided? Additionally, for 1st lien #41 #42 ARM Periodic Pay Cap/Floor is requested as (\$) dollars. These fields appear to be the same. Can these be standardized?
- l. #41 P & I Frequency and 1st lien #46 P & I Frequency the allowed values listed are different. Can these be standardized?
- m. #59 Liquidation Status, #55 Paid-in-full coding, and 1st lien #67 Paid in Full Coding contain similar allowed values but the definition is different. i.e. #59 Liquidation Status contains an option for 2 – *Involuntary Liquidation*, whereas 1st lien #67 Paid in Full Coding the option for 2 – *foreclosure completed this month*. A loan may be completed foreclosure but not be considered an involuntary liquidation until the property is liquidated. Can these be standardized?
- n. Do we need both #59 Liquidation Status and #55 Paid in Full Coding as they both show generally the same thing? Also, we need a code added for *loans sold to investors and removed from balance sheet* (we may or may not still have servicing). Both of these elements have a code for *Service*

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Released, but not sold loan and servicing retained. This will be the case for most of our HFS book.

- o. #61 Repayment Plan Performance Status and 1st lien #81 Repayment Plan Performance Status are in different formats (char v/s numeric) and the allowed values code list is different for *HAMP*. 2nd lien includes *2MP* and is also missing *10 trial extended*. Can these be standardized?
- p. #66 Workout Type Completed / Executed and 1st lien #80 Workout Type Completed are in a different format (char v/s numeric) and the allowed values code list is different. Can these be standardized?
- q. #49 Current Credit Limit – We assume this is accounting for frozen lines. Is this assumption correct?

V. Added Fields for Consideration

- a. There are fields in the Home Equity list that are not in the 1st lien list that may be useful. Not in 1st Lien in Home Equity
 - i. Orig Interest Type ie Fix or ARM in the Home Equity Loan/ Line this is field #20.
 - ii. Duration of Interest Only Payments (IO Term) in the Home Equity Loan/ Line list this is field #23.
 - iii. ARM Payment Reset Frequency in the Home Equity Loan/ Line list this is field #28.
 - iv. Interest Type in Current Month in the Home Equity Loan/ Line list this is field #44.
 - v. Loan Status (MBA method) in the Home Equity Loan/ Line list this is field #50.
 - vi. Troubled Debt Restructure in the Home Equity Loan/ Line list this is field #60.
 - vii. Unpaid Principal Balance (Net) in the Home Equity Loan/ Line list this is field #81.
- b. There are fields in the 1st lien list that are not in the Home Equity list that may be useful. Not in 2nd Lien in 1st:
 - i. ORIG_PI_PMT_AMT in the 1st lien list this is field #48.
 - ii. Loan_Purpose_Type_Dscr in the 1st lien list this is field #20.
 - iii. Remaining Term (or maturity date) in the 1st lien list this is field #60.
 - iv. Modification Type in the 1st lien list this is field #77.
 - v. Last Modified Date in the 1st lien list this is field #78.
 - vi. Bankruptcy Chapter in the 1st lien list this is field #57.
- c. There are fields not in either list and may be useful.
 - i. Amort Term Mths - The term use to determine a payment that would amortize the balance to zero.

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- ii. **Financial Reporting Date** - The financial date the data represents ie 2nd quarter would be June 30th
- iii. **Collateral or Servicing Cutoff Date** - In financial reporting period contains data from the servicer that could be on a one month lag and therefore, payment collection activity could be through May 31 for some loans and June 30th for others all reported as of June 30th. The servicing cut-off date is important in determining delinquency and aging of a loan.
- iv. **Beginning of Month UPB** - This Unpaid Principal Balance field would be populated on all loans or lines. A loan removed from balance sheet payoff, liquidated or sold would have zero i.e. 1st lien list #63 at the end month UPB but this field would be populated.

Corporate Loan 14Q Commentary

It appears that attributes #44 and beyond are new reporting requirements, even though they do not show as being red-lined. While our institution has access to most of this information for each of our loan exposures through review of the related financial statements, we do not capture this information in any database. Therefore, providing this information would put a significant burden on business resources.