

Appendix 1.1

FRB Consent Order (the "Order") BANK OF AMERICA CORPORATION

Paragraph 2. Plan to Strengthen Board Oversight Action Steps

Action Plan as of November 30, 2011 for December 12, 2011 Submission

Subject to Federal Reserve Board/Reserve Bank Review and Approval

The Plan and the corresponding action steps do not describe all the core elements of the Board's oversight of BAC's enterprise-wide risk management, internal audit, and compliance programs concerning the residential mortgage loan servicing, loss mitigation, and foreclosure activities conducted through the Bank. Prior to the issuance of the Order, BAC had made significant progress in enhancing the Board's oversight of these programs in accordance with supervisory guidance and expectations. The Plan was based on an evaluation of the effectiveness of the Board's oversight of these programs, which was completed in May 2011. Action steps presented in Appendix 1.1 reflect activity as of November 30, 2011. The action steps in the Plan are supplemental to the enhancements BAC had already implemented or had begun implementing and contribute to safe, sound, and compliant residential mortgage loan servicing, Loss Mitigation, and foreclosure activities.

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Paragraph 2. Plan to Strengthen Board Oversight FRB Consent Order Effective April 13, 2011 Action Plan as of November 30, 2011 for December 12, 2011 Submission		
Area	Requirement	Action Steps
Paragraph 2. Board Oversight		
1. Board Structure	No specific requirement under Paragraph 2.	<p>A. Existing and Ongoing Practices</p> <p>A.1 The Board's current structure is comprised of six committees: Audit, Compensation and Benefits, Corporate Governance, Credit, Enterprise Risk and Executive Committees. All Board committees (with the exception of the Executive Committee) have charters, designated chairpersons, hold regularly scheduled meetings and keep minutes. The Executive Committee has a charter, a designated chairperson and keeps minutes when it meets. According to its charter, the Executive Committee meets only in an emergency when the full Board is unable to convene.</p> <p>A.2 The Audit Committee provides strong oversight of and direction to the Internal Audit function. The Committee regularly receives and reviews information necessary to gauge both the capability and the effectiveness of Internal Audit.</p> <p>A.3 Risk Management reports into the Enterprise Risk Committee and Compliance reports into the Audit Committee. These committees receive substantial documents, information, and reports on the enterprise-wide operations and all lines of business.</p> <p>A.4 With respect to Risk Management and Compliance reporting, the Board receives regular reports from these functions the focus of which is the risk and compliance positions, respectively, in the HL and LAS businesses.</p> <p>A.5 Board continues to ensure effective governance and oversight over BAC, including through enhanced issue escalation processes via the Audit Committee, Credit Committee, and Enterprise Risk Committee.</p> <p>B. Completed Action Steps</p> <p>B.1 The Board has designated a Compliance Committee to provide governance and oversight of the activities and remediation required under the Order.</p> <p>B.2 The Bank appointed a Special Advisor on Remediation Strategies to oversee and drive progress of the Action Steps and provide recommendations to senior management and the Board.</p> <p>B.3 Since its inception in March 2011, the Compliance Committee has met regularly to discuss and monitor the development of the Consent Order Remediation Plans and track BAC's progress in implementing them. Through their monthly meeting, the Compliance Committee has strengthened BAC's risk management through their review of the Consent Order requirements.</p> <p>B.4 The Compliance Committee has provided regular progress reports this year to the Enterprise Risk Committee and the Board. These reports cover both BAC's compliance with the requirements under the OCC and FRB Consent Orders and the progress made in implementing remediation plans.</p>

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2. Board Policies	Policies to be adopted by the board of directors that are designed to ensure that the ERM program provides proper risk management oversight with respect to the Bank's residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, particularly with respect to compliance with the Legal Requirements, and supervisory standards and guidance of the Board of Governors as they develop.	<p>A. Existing and Ongoing Practices</p> <p>A.1 Since 2005, BAC has had a risk framework document that sets forth its enterprise risk management and culture. The Board enhanced this risk framework with the adoption in October 2009 of an expanded risk document and a risk appetite statement (the "Risk Framework Documents") together with the institution of a risk reporting routine developed by management for the Board to consolidate in a consistent manner risk reporting across the organization.</p> <p>A.2 The Board's efforts beginning in 2009 have formed a strong foundation for the Board to exercise its oversight responsibilities in a systematic and comprehensive manner. The adoption of the Risk Framework Documents has strengthened BAC's enterprise risk management program and provided definitive guidance in identifying, measuring, mitigating, controlling, monitoring, testing and reporting risks throughout the enterprise. The Risk Framework Documents are reviewed and approved by the Board at least once within each calendar year.</p>
		<p>B. Completed Action Steps</p> <p>B.1 In light of the Order and as part of its annual review, the Board, through its Credit Committee and Enterprise Risk Committee, has reviewed and provided feedback to updated versions of the Risk Framework Documents, and these committees, together with the full Board, plan to review and approve the Risk Governance Documents at their next regular meetings. Several enhancements were made to the Risk Framework Documents during this review cycle that reflect strong Board oversight directly tied to key businesses including consumer real estate services. These enhancements include:</p> <ul style="list-style-type: none"> • Expanded description of key businesses and their related risks, including consumer real estate services and its risks related to credit, liquidity, operational and reputational matters. • Enhanced emphasis on assessment of risk on key business models and performance drivers with transparency in reporting of this information to the Board. • Updated credit risk management practices including expanded steps to set forth loss mitigation processes. • Setting forth as an example to illustrate the design approach to risk management dictated by the Risk Framework Documents the recent inclusion of well-defined quality assurance and quality control functions related to the mortgage services business to support quality and risk management goals across a large number of manual operations that are subject to a broad range of laws, regulations and policies. <p>The Board established, through the Risk Framework Documents, its expectation that each key business will develop appropriate policies to address critical risks. As a result, the consumer real estate services business has adopted unique policies across numerous high-risk processes as identified through application of the principles in the Risk Framework Documents.</p> <p>B.2 The consumer real estate services business has established multiple new programmatic procedures and extensive desktop procedures.</p> <p>B.3 The Board, through its outline of expectations of risk management and its drive for a culture of risk control and accountability as established by the Risk Framework Documents, has overseen the consumer real estate services business's effective management of key controls integral to compliance with legal requirements and supervisory standards and guidance of the Federal Reserve.</p> <p>B.4 In order to establish clear channels for oversight and escalation of issues and emerging risks, management committees have been developed or reconstituted in the consumer real estate services business to provide close supervision to each of the areas of key risks identified through the Risk Framework Documents. This governance structure establishes a strong foundation for the identification, management and escalation, if necessary, to the Enterprise Risk Committee or the full Board, of developments in the risk profile of the business.</p>

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		<p>B 5 To ensure this culture of controls and risk management is spread throughout the organization on an individual level, critical populations of Bank of America associates must read the Risk Framework Documents and complete a comprehension test with a passing score.</p> <p>C. Remaining Action Steps</p> <p>C.1 The Board will continue its periodic review of the Risk Framework Documents to ensure that these critical tools continue to reflect the Board's view of the appropriate risk culture for all key Bank of America businesses including its consumer real estate services business. To more fully implement the risk parameters of the current Risk Framework Documents, the consumer real estate services business continues its development of additional policies to manage critical risks.</p>
3. Risk Oversight of Third Parties	Policies and procedures to ensure that the ERM program provides proper risk management of independent contractors, consulting firms, law firms, or other third parties who are engaged to support residential mortgage loan servicing, Loss Mitigation, or foreclosure activities or operations, including their compliance with the Legal Requirements and BAC's internal policies and procedures, consistent with supervisory guidance of the Board of Governors.	<p>A. Existing and Ongoing Practices</p> <p>A.1 Audit Committee receives periodic updates on vendor management.</p> <p>B. Completed Action Steps</p> <p>B.1 BAC's programs and processes for selecting, managing, and providing risk oversight to third party vendors are undergoing enhancements. The changes affecting third party service providers in the residential mortgage business include:</p> <ul style="list-style-type: none"> • Expanding the scope of third party suppliers and processes managed centrally, promoting consistent risk-based vendor management as well as clear standards and accountabilities for all outsourced business processes – including oversight of operational, compliance, and reputational risk; • Expanding the responsibilities of the control environment – enhanced risk tolerances, monitoring, testing, and consequence-based control and escalation processes; • Addressing consumer-specific vendor issues raised in the HL business and the LAS business of the Bank and under the Order; • Enhancing further procedures for vendors to adhere to the Bank's policies; • Executing new complaints processes and procedures that include training materials for suppliers, standards for suppliers on how to handle complaints, complaint escalation procedures and inspection routines to ensure compliance to new complaints procedures; • Implementing new business continuity standards for key vendors; and • Enhancing the Attorney Network Firm Management program. <p>B 2 Risk Management oversight of third party service providers is also being enhanced in HL and LAS Risk, including, in furtherance of the guidance outlined in the Risk Framework Documents, the implementation of a comprehensive third-party management policy.</p> <p>B 3 At each regular meeting of the Audit Committee since the Order was issued, the General Corporate Auditor has reported on vendor management issues. The Global Compliance Executive reports to the Audit Committee on vendor related compliance risks, summary materials related to continued monitoring and testing regarding vendor management, and actions to sustain vendor assessment and remediation efforts.</p> <p>C. Remaining Action Steps</p>

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		C.1 As remediation efforts continue to make significant changes in the mortgage servicing vendor management, it may be necessary for more targeted reporting to the Board on status, progress, and emerging issues.
4. Staffing Enhancements to ERM, Compliance, and Internal Audit	Steps to ensure that BAC's ERM, audit, and compliance programs have adequate levels and types of officers and staff dedicated to overseeing the Bank's residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, and that these programs have officers and staff with the requisite qualifications, skills, and ability to comply with the requirements of this Order.	A. Existing and Ongoing Practices
		A.1 In its independent role the Audit Committee receives regular updates on Audit staffing to ensure it is sufficiently staffed and has the capacity to access additional skills and resources when necessary. This role includes review and approval of Audit's annual budget and the periodic approval of additional resources when required.
		B. Completed Action Steps
		B.1 At each regular meeting of the Audit Committee since the Order was issued, the General Corporate Auditor has reported on Internal Audit staffing and resource allocation, including co-sourcing and staffing and talent development. Similarly, the Global Compliance Executive reports to the Audit Committee on regulatory matters related to staffing and recently began discussing the staffing allocations for the Compliance organization.
		B.2 The Audit Committee also receives periodic updates on staffing for Compliance.
		C. Remaining Action Steps
		C.1 Beginning in 2012 the Enterprise Risk Committee will receive regular updates on the staffing for Risk.
5. Board Reports	Steps to improve the information and reports that will be regularly reviewed by the board of directors or authorized committee of the board of directors regarding residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations, including compliance risk assessments and the status and results of measures taken, or to be taken, to remediate deficiencies in residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, and to comply with this Order.	A. Existing and Ongoing Practices
		A.1 Enhancements of management reports to the Board and at the committee level also increased in 2009 with the following developments. The Board and each committee began to use a secure online portal for more timely delivery of reports and meeting packages to each director. The portal enables quick and secure review of materials by directors from any location at which they have internet access. Use of the portal also increases transparency among the committees because each committee's materials are available for review by all directors. This level of access promotes, in particular, a holistic view of all risks facing the enterprise across the Audit, Credit and Enterprise Risk Committees.
		A.2 The approach in Board and committee reporting of including an executive summary, a more detailed set of materials, and a full set of back-up data has been applied consistently across committees with continued efforts at clarity and transparency of information presented. This common framework and consistency make information more user-friendly for the directors and facilitates more productive discussion in Board and committee meetings.
		B. Completed Action Steps

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		<p>B.1 In March 2011, the Board constituted a subcommittee of the Enterprise Risk Committee (the "Compliance Committee") to oversee the Order and designated a management advisor to support directly the directors' ongoing work under the Order and to coordinate the responsibilities of Bank of America management in this area. The Compliance Committee meets at least monthly, and the special advisor and his team, working with Internal Audit and key businesses, are tracking and validating the implementation of action steps. Since its inception, the Compliance Committee has met regularly and at least monthly.</p> <p>B.2 To ensure reporting transparency of the actions undertaken by the Compliance Committee, all of its meetings are open to attendance by the full Board. Notices of the meetings are sent to all directors at least a week in advance of the meeting to enable them to arrange to attend. Director participation of non-members of the Compliance Committee has occurred. Additionally, the materials for the meetings of the Compliance Committee are distributed through the online portal described above, so that all directors are made aware of their availability and can review their content whether they choose to attend the Compliance Committee meetings or not. Compliance Committee materials employ the consistent approach of including an executive summary, a more detailed set of materials, and a full set of back-up data used with other Board reporting. The chairman of the Compliance Committee makes reports of the Compliance Committee at each regular meeting of the Enterprise Risk Committee and the full Board. In addition to these reports of the Compliance Committee activities, management has enhanced its reporting more generally on matters related to consumer real estate services.</p> <p>B.3 As appropriate, the Credit Committee has requested reports on issues particular to its risk management oversight that arise in the consumer real estate services business. The Credit Committee, the Enterprise Risk Committee and the full Board leverage the summary risk reporting routine as a consistent means to remain updated on the current risk environment and trends.</p> <p>B.4 To improve reporting to the Board overall, the online portal for electronic information delivery was updated to an enhanced version of the delivery application, and transition to this platform commenced in October 2011.</p> <p>C. Remaining Action Steps</p> <p>C.1 Overall, reports which the Board currently receives are thorough, comprehensive and clear. Information has been appropriately summarized for effective decision-making. Consideration should be given to the reporting of current and emerging risks to ensure these topics are featured in the executive summaries. Where appropriate, reports should identify future actions expected from the Board and timelines to ensure adequate engagement in advance of key decisions.</p> <p>C.2 The Board also should consider whether the current approach to reporting of risk levels against the risk appetite adequately highlights remediation efforts to either bring risk levels within established limits or realign risk appetite to accommodate heightened risk environments.</p> <p>C.3 As remediation efforts continue to make significant changes in the mortgage servicing business, it may be necessary for more targeted reporting to the Board on status, progress, and emerging issues.</p>