



Organizational Development Review of COPS Plan

Date Prepared: June 27, 2011

The Order states:

Within ninety (90) days of this Order, the Holding Company shall submit to the Regional Director an acceptable written plan to evaluate the effectiveness of, and strengthen, the Association's compliance program addressing residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations, as detailed in the Association Order.

Response

EverBank Financial Corp recognizes the need for an effective compliance department. To ensure the compliance department remains effective, changes and enhancements to the Compliance Oversight and Process Support (COPS) Department functions are evaluated on an ongoing basis. EverBank began an enterprise-wide effort to expand and enhance its compliance and regulatory oversight functions beginning in early 2010. The recently-formed COPS Department merged EverBank's Compliance and Quality Control Departments into a centralized department reporting to EverBank's General Counsel in November 2010. The Board of Directors (Board) of EverBank Financial Corp realizes the need for a structured and formalized compliance management program and an effective communication process to ensure the Board is made aware of any significant compliance matters that may affect the health of the organization. The structure of committees that report on compliance matters was addressed, and plans to enhance compliance reporting to the Board through the Regulatory Compliance Committee is in process. The Board is fully committed to oversight of the compliance management program and understands the increased regulatory scrutiny and importance of adherence to consumer protection laws.

The Board of EverBank has approved the COPS Regulatory Compliance Program and the Compliance Monitoring and Testing Program with the submission of the documents in June 2011 pertaining to the EverBank Consent Order. The programs were a cumulative development effort of various outside legal firms, in-house counsel, and compliance team members and managers to ensure EverBank has a complete compliance management program that addresses the full cycle of compliance from regulatory communications through corrective action completion and documentation processes in all areas of EverBank, including Mortgage Servicing and Loan Administration.

In addition to the current compliance oversight of mortgage production and servicing activities, several key areas will have compliance oversight managed under the COPS Department that include: EverTrade/World Markets, EverBank Wealth Management, the various Banking Operations areas, an enhanced and centralized BSA/AML program, an enhanced Compliance Monitoring and Testing program and Fair Lending analytics unit. The Fair Lending group within COPS also manages HMDA and CRA reporting responsibilities.

The Board of EverBank has reviewed and agrees with plans to leverage additional technology and staffing resources to implement several key compliance oversight initiatives identified in 2010 and 2011, and will be monitoring the schedule for implementation dates for completion in 2011 and 2012. Some of these initiatives include, but are not limited to, the following enhancements:

- Staffing and Development;

An analysis was conducted by outside consulting firm and internal staff to quantify appropriate staffing levels for the compliance functions. [REDACTED]

[REDACTED] Subsequent to the analysis, management concluded in November 2010 to create an integrated Compliance and Quality Control program. Since that time the number of compliance staff dedicated to Residential Mortgage Loan Servicing, Loss Mitigations and Foreclosure compliance and monitoring and testing activities has expanded significantly. In the organization structure approved as of December 2011, there are thirteen staff members dedicated to compliance functions for these business units. Open positions exist and are projected to be filled during first half of 2012.

In the interim, outside firms are being employed to supplement staffing levels and provide subject matter expertise.

Reporting on staff recruiting will be incorporated into EverBank's Consent Order Office CTR Reporting.

- Review of committee communications & formulation of a "Compliance Steering Committee" (reporting through the Regulatory Compliance Committee);

As part of the Enterprise Risk Management ("ERM") formation an analysis of EverBank's committee and reporting structure was conducted. The Compliance Steering Committee was determined to be redundant to the Regulatory Compliance Committee ("RCC"). RCC reporting includes compliance related updates from members and incorporates an escalation process to the Operational Risk Committee. RCC members, who also serve as management to business units at EverBank, are actively involved in regular business activities and are accountable for reporting compliance related issues to the RCC. The Chairperson of the RCC is the Managing Mortgage Regulatory Director of COPS, with full responsibilities for reporting compliance issues and ensuring corrective actions are addressed.

The RCC Charter was reviewed to ensure proper policies and processes are in place to monitor and report on all new or modified compliance matters; to ensure that action plans are monitored and reported on, with escalation as appropriate.

The Servicing Change Control Committee meets twice per month with Legal and COPS staff in attendance. Agenda items focus on Residential Mortgage Loan Servicing, Loss Mitigation and Foreclosure servicing initiatives, changes to regulations and plans to remediate systems, policies and procedures where necessary. The Servicing Risk Committee also meets quarterly with Legal and COPS staff in attendance. The meetings focus on similar agenda, however, are strategic and risk focused in nature. The status of this effort is complete and ongoing.

- Creation of the “Regulatory Accountability and Communications Matrix” to ensure all regulatory compliance matters are communicated and have the proper oversight in COPS;

Regulatory matrices have been developed to identify the laws and regulations associated with Residential Mortgage Loan Servicing, Loss Mitigation and Foreclosure for which the COPS department is accountable. The specific regulations are defined in the Regulatory Compliance Committee Charter (attached) as “Covered Laws”. While initial matrices are complete, the process of maintenance is ongoing.

- Creation of the Compliance Library and Procedures;

COPS has developed and implemented a readily accessible sharepoint site to house all source documents for corporate review. The site is maintained to include all updated materials and is available to all EverBank employees.

Compliance procedures are being reviewed for completeness and accuracy. Enhancements will be incorporate into revised procedures as warranted through the review process. BuckleySandler has been engaged to conduct the review of procedures and matrices. Project plans are in development in conjunction with BuckleySandler

Once the project plans have been approved and implementation begun, tracking of progress to plan will be incorporated into the Consent Order Office CTR.

- Enhancement of the Regulatory Compliance Training Program for new Dodd-Frank rules;

COPS initiated a review of compliance training delivery mechanisms and tools in early 2011. The purpose was to evaluate the best method for delivering compliance training

to users with greatest understanding and retention as evidenced by post training evaluations. A team comprised of employees from Learning & Organizational Development, Mortgage Loan Production Training, Mortgage Loan Servicing Training, and Branch Operations Training was formed and reviewed vendors providing online training. The vendor selected for delivery of EverBank's compliance training offers online video and knowledge exercises imbedded within courses to actively engage the employee above and beyond final exams for each course. EverBank began using the new vendor for online compliance course assignments on July 1, 2011. COPS determines appropriate courses based on the business unit areas of responsibility while the Learning and Organizational Development department manage the learning management system and assigns the courses to the targeted employees.

During the review of training practices, the Regulatory Compliance Training Policy was reviewed and enhanced. The revised policy was submitted and approved by the RCC.

While the new training program is in production, curriculum is under ongoing revision to reflect changes such as Dodd-Frank.

- Review and enhancement of complaint management processes and reporting and analysis of trends;

In the time prior to October 2011, EverBank maintained a process for complaint monitoring that incorporated designated staff in various business units to capture and report complaints in spreadsheets, and submission of those spreadsheets to COPS for monitoring and testing purposes. In October 2011, COPS released a Complaint Tracking System that users in business units employ to enter specific data related to complaint intake. The system allows for more robust reporting and incorporates specific questions relative to Residential Mortgage Loan Servicing, Loss Mitigation and Foreclosure. In addition, the system maintains information and indicators which allow for ready tracking of complaints related to third party vendors. Reports are provided to the COPS monitoring and testing units, business units and Third Party Review Committee on a regular schedule. The Complaint Tracking System has been deployed and is in use.

Enhancements to the Complaint Tracking System are underway and include reporting enhancements scheduled for production in first quarter 2012. Monitoring of the reporting enhancements will be incorporated into the Consent Order Office CTR.

- Review of business unit policy and procedure documentation to ensure compliance and consistency with actual business practices;

As a result of the Consent Order, COPS engaged subject matter experts from KPMG to evaluate the Monitoring and Testing process as it related to Residential Mortgage Loan Servicing, Loss Mitigation and Foreclosure activities. Monitoring and Testing protocols were enhanced based upon the review to incorporate Consent Order requirements.

Treliant Risk Advisors has been engaged to assist EverBank COPS management in performing a Compliance Risk Assessment of all business units. The assessment will include a review of policies and procedures within the business units and comparison to practices.

Reporting on progress to plan will be incorporated into EverBank's Consent Order Office CTR.

- Enhancement and creation of efficiencies in management and committee reporting of Compliance Testing results and loan level trending;

EverBank has engaged the firm Buckley Sandler to assist in a review and design enhancement of its Monitoring and Testing program. The review will incorporate all requisite operational, regulatory and agency checkpoints to ensure a rigorous Monitoring and Testing program that supports EverBank's Compliance program. Project Plans are in development and are due in early 2012 for EverBank review. Reporting on progress to plan will be incorporated into EverBank's Consent Order Office CTR.

- Enhancement of servicing compliance and investor monitoring and testing;

Achievement of this component of EverBank's response will be facilitated through the BuckleySandler and Treliant engagements.

- Alignment of compliance reviews with internal audit reviews.

Testing of adherence to regulatory requirements was formerly bifurcated between Internal Audit and Quality Control. With the creation of COPS, all Covered Laws as defined in the RCC Charter are under the purview of the combined organization, COPS. Several well-qualified employees have been hired starting in late 2010 up to the present date for the build out of the COPS Department. Three COPS Managers (in addition to the Managing Director of Regulatory Compliance) and five Compliance Analysts (seven more staff are planned for hire in the next two months) have been added to the COPS Department. All of the managers and four staff members are dedicated to mortgage servicing compliance oversight and monitoring and testing reviews.

A formal "Change Control Procedure and Checklist" has been implemented to document changes in business practices and ensure COPS management and the Legal Department authorizes changes affecting compliance with laws and regulations. The change control process will also ensure that scheduled compliance reviews are performed as corporate or regulatory environments change. A thorough compliance risk assessment of the COPS Department is in process to ensure adequate staffing and resources are allocated to compliance management.

The Legal Department will retain the responsibilities of examination management oversight; however, COPS will coordinate the document gathering and business area support of agency audits. Corrective action plans will be documented and completed efficiently with a record of the follow-up performed by the COPS Department.

The Board of EverBank Financial Corp is committed to full compliance with the Consent Order. Additional details on the COPS Department can be found within Section 11(o) of EverBank's Compliance Program on the enclosed CD.