

**Appendix 1.1**

<b>FRB Consent Order BANK OF AMERICA CORPORATION</b>
<b>Paragraph 2. Plan to Strengthen Board Oversight Action Steps</b>

**Status as of June 30, 2011 for July 12, 2011 Submission**

**Subject to Federal Reserve Board/Reserve Bank Review and Approval**

*Posted on 7/8/11 for the Compliance Committee*

BANK OF AMERICA CORPORATION					
Paragraph 2. Plan to Strengthen Board Oversight FRB Consent Order Effective April 13, 2011					
Area	Requirement	Action Steps	Executive Owner	Status	Target Date
<b>Paragraph 2. Board Oversight</b>					
1. 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.	1.1 Consider developing a Board Oversight policy/statement providing Board guidance and direction with regard to risk management program in residential mortgage activities.	[REDACTED]	In Process	08/30/11
		1.2 Consider an internal communication process and strategy to draw attention to such a new policy and underline further the Board's resolve to do everything in its power to ensure appropriate oversight in the residential mortgage business and further reiterate appropriate tone at the top.		Not Started	08/30/11
		1.3 Continue to perform periodic monitoring of Risk Management Framework to ensure maintains design and operation for proper risk management oversight in the Bank's residential mortgage business.		In Process	12/30/11
		1.4 Implement clear remediation protocols and guidelines to address [REDACTED] of risk limits to either bring risk levels within established limits or realign risk appetite to accommodate heightened risk environments.		In Process	12/30/11
		1.5 Consider performing a review to identify duplications [REDACTED] and ensure successful achievement of the Board's objective to develop a strong and cohesive internal control framework.		In Process	08/30/11
2. 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.	2.1 Continue extensive build-out of oversight of third parties.	[REDACTED]	In Process	10/30/11
		2.2 Ensure build-out is coordinated and reported in the Review identified in Action Step 1.5 of this Plan.		In Process	08/30/11
3. 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.	3.1 Ensure budgetary protections to Internal Audit's annual budget that is approved annually by the Audit Committee including requests for additional resources to its staffing levels.	[REDACTED]	In Process	Ongoing
		3.2 Implement annual staff sufficiency reviews as a portion of the annual budgeting process from well-developed staffing plans tied to BAC's strategy and goals.		In Process	11/01/11
		3.3 Commission Global Human Resources to develop and implement a robust staffing process for Risk Management that at a minimum. <ul style="list-style-type: none"> <li>Ensures alignment to BAC strategy.</li> <li>Ensures integration of goals and objectives with Risk Management's Business Plan.</li> <li>Fully analyzes and determines positions and functions necessary to meet these established goals and objectives, including:                             <ul style="list-style-type: none"> <li>Creating job profiles around measurable criteria related to ideal performance behaviors.</li> <li>Benchmarking job performance using BAC's Risk Framework as well as other best practice standards.</li> </ul> </li> <li>Maximizing our existing resources.</li> <li>Determining the gaps in current resources.</li> <li>Plans staffing requirements based on business plan.</li> <li>Develops recruiting, hiring, retention strategies to fill additional roles identified as part of the staffing plan.</li> <li>Hires proactively based on planned needs and expected attrition.</li> <li>Engages Global Learning in comprehensive training for Risk Management.</li> </ul>		In Process	11/01/11
		3.11 Commission Global Human Resources to develop and implement a robust staffing process for Compliance that at a minimum. <ul style="list-style-type: none"> <li>Ensures alignment to BAC strategy.</li> <li>Ensures integration of goals and objectives with Compliance Program and the Business Plan.</li> <li>Fully analyzes and determines positions and functions necessary to meet these established goals and objectives, including:                             <ul style="list-style-type: none"> <li>Creating job profiles around measurable criteria related to ideal performance behaviors.</li> <li>Benchmarking job performance using BAC's Global Compliance Program well as other best practice standards.</li> </ul> </li> <li>Maximizing our existing resources.</li> <li>Determining the gaps in current resources.</li> <li>Plans staffing requirements based on business plan.</li> <li>Develops recruiting, hiring, retention strategies to fill additional roles in plan.</li> <li>Hires proactively based on planned needs and expected attrition.</li> <li>Engages Global Learning in comprehensive training for Compliance Program.</li> </ul>		In Process	11/01/11
		4.1 Improve consistency in board reporting. At a minimum, ensure current and emerging risks are fully addressed and the root cause or potential underlying issues identified.		In Process	09/01/11
4. 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.	4.2 As remediation efforts continue to make significant changes in mortgage servicing business it may be necessary for more targeted reporting on status, progress, and emerging issues to be reported to the Board. Explore methods to present clear, streamlined, and effective information to the Board on these issues	[REDACTED]	In Process	Ongoing