

Appendix 2.1

FRB Consent Order BANK OF AMERICA CORPORATION
Paragraph 3. Plan to Enhance Enterprise-wide Risk Management Program Action Steps

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 3. Plan to Enhance Enterprise-wide Risk Management Program FRB Consent Order Effective April 13, 2011					
Area	Requirement	Action Steps	Executive Owner	Status	Target Date
Paragraph 3. Risk Management Program					
Identify and Measure		1.1 Develop and implement an Operational Risk Coverage Model that results in comprehensive and consistent Risk coverage to Servicing which includes: - A technology platform to support the model that includes analytical tools and data repositories - An ongoing risk assessment process - The identification of key controls requiring Risk oversight - A process to assess the adequacy of Risk coverage (defined as monitoring, testing and general oversight) - A testing environment including results repository - Comprehensive, independent Risk reporting that is based upon accurate and timely data		In Process	12/31/11
Monitor and Test	a. Monitoring reports are continuously produced and distributed to appropriate management levels to prompt action when needed. b. Program assessments are performed by Global Risk Management and Enterprise Control Functions to assure that risk management programs (e.g., Compliance Program Assessment) are implemented correctly within the Lines of Business. c. Independent control assessments are performed by Line of Business Risk Teams. Corporate Audit independently tests control and mitigation plans according to a prioritized, risk-based schedule.	1.2 Complete the build-out of the testing program for Servicing: - Complete the build-out of the centralized testing team - Evaluate off-shore opportunities to improve efficiency and compress cycle times - Design LOB Risk team testing in coordination with the centralized team - Develop procedures to periodically re-evaluate testing priorities		In Process	12/31/11
Mitigate and Control	a. Risk limits and controls are established and communicated through policies, standards and procedures that define responsibility and authority for risk taking. Such processes include a well-defined escalation process and risk response plan. b. Policies and procedures are developed in accordance with the Company's Policy Framework to address key risk issues and provide the appropriate boundaries and control environment for the Lines of Business and Enterprise Control Functions to conduct their daily activities. c. Written policies and procedures are updated on a regular basis and provide clear direction to associates for meeting the control requirements for which they are accountable. d. The governance and control function designs and implements a system of controls and supervision routines to ensure business activities are conducted within the boundaries of stated limits and policies. e. Associate training and awareness is required to assure all associates understand their job duties and risk management responsibilities. Lines of Business and Enterprise Control Functions are responsible for ensuring that associates meet training requirements in a timely manner.	1.3 Develop and implement comprehensive Policies for HL and LAS: - Develop a prioritization of required Policies - Create a schedule for Policy implementation - Design, document and implement a Policy maintenance process		In Process	12/31/11
		1.4 Develop and implement training and a culture of Risk independence for the Servicing environment. - Include Risk Framework ongoing training for Risk and the Servicing LOB organization. - Include ongoing communication with the Servicing LOB organization. - Include education on role clarity – between Risk, Compliance, Quality Control, LOB.		In Process	09/30/11
		1.5 Complete an analysis to determine staffing needs for Risk for Servicing including staff size and skill sets: - Include an assessment of desired Risk locations		In Process	09/30/11
		1.6 Develop a comprehensive on-boarding program for Risk associates		In Process	10/30/11
		1.7 Focus Risk feedback on LOB management performance on compliance with the Risk Framework: - Focus feedback on demonstrated performance in reducing risk in the organization (via Risk Reduction Plans)		In Process	12/31/11
Report & Review	a. Appropriate metrics to measure risk and performance are in place and reported to senior management on a timely basis. b. Risks and issues are reported to appropriate levels of management in a timely manner and in accordance with the level of operational risks. c. Reports that are required to be filed with regulators are accurate, complete and filed in a timely manner.			In Process	12/31/11