

Appendix 4.1

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| FRB Consent Order BANK OF AMERICA CORPORATION |
| Paragraph 5. Plan to Enhance Internal Audit 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 | | | | | |
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| Paragraph 5. Plan to Enhance the Internal Audit Program FRB Consent Order Effective April 13, 2011 | | | | | |
| Area | Requirement | Action Steps | Executive Owner | Status | Target Date |
| Paragraph 5. Internal Audit | | | | | |
| 1. Internal Audit Program of Residential Mortgage Servicing | Ensure that the internal audit program encompasses residential mortgage loan servicing, Loss Mitigation, and foreclosure activities; | 1.1 Develop scopes and work programs for each of Audit's responsibilities on the Work Detail and Accountability Chart. | [REDACTED] | In Process | 12/30/11 |
| | | 1.2 In the Corporate Audit 2011 HL and LAS Audit Approach Playbook dated April 1, 2011, in the "Strategic Planning Session" phases, in the "Inputs" column add: - Regulatory Guidance - All Issues relevant to the business in the OCC and FRB Consent Orders, - MRAs and other issues being tracked relevant to the business to be audited, - Lessons learned from the last audit performed and - Particular attention to customer-facing activities. | | In Process | 08/30/11 |
| 2. Periodic Compliance and Risk Management Review | Periodically review compliance with the effectiveness of the ECP and ERM with respect to residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, and compliance with the Legal Requirements and supervisory guidance of the Board of Governors; | 2.1 Develop the standards against which the Risk and Compliance programs will be evaluated and the procedures and testing that will form the basis for conclusions. In this regard, we recommend that Audit develop procedures to determine whether the Risk and Compliance functions are meeting the requirements in published regulatory guidance and expectations stated or implied in either the OCC or FRB Consent Order. | | In Process | 10/30/11 |
| | | 2.2 Develop and document a methodology to perform interim evaluations of Risk Management and Compliance during their respective transformation processes. | | In Process | 09/30/11 |
| | | 2.3 Conduct an independent validation of Internal Audit's completion of corrective actions in response to OCC-identified deficiencies. | | Not Started | 10/30/11 |
| | | 2.4 Evaluate and confirm the effectiveness of Internal Audit's reviews of the Compliance and Risk Management functions in HL and LAS. | | Not Started | 09/30/11 |
| 3. Adequate Qualified Audit Staff | Ensure that adequate qualified staffing of the audit function is provided for residential mortgage loan servicing, Loss Mitigation, and foreclosure activities; | 3.1 Consider whether additional Audit staff should be dedicated to Default related activities. Ensure that the resources dedicated to Default related activities grows proportionately to increases in the associated business activities. | | In Process | 08/30/11 |
| | | 3.2 Continue funding initiatives to automate testing to ensure coverage of the broad and constantly-changing universe of Legal requirements, and to permit continuous monitoring to help drive audit planning. Continue to expand use of automation to identify more comprehensively and assess risk throughout the business. | | In Process | 12/30/11 |
| 4. Resolution of Internal Audit Findings | Ensure timely resolution of audit findings and follow-up reviews to ensure completion and effectiveness of corrective measures; | 4.1 Consider whether certain types of audit-related issues, including disagreements between audit staff and management concerning findings and recommendations, should be brought to the Enterprise Risk Committee for resolution. | | In Process | 08/30/11 |
| 5. Comprehensive Documentation, Tracking and Reporting | Ensure timely resolution of audit findings and follow-up reviews to ensure completion and effectiveness of corrective measures; | 5.1 Consider augmenting the risk measuring methodology to incorporate the duration associated with identified risks. | | In Process | 09/30/11 |
| | | 5.2 Consider including in audit reports a summary of residual risks and the direction of risk i.e., decreasing, stable or increasing. | Not Started | 10/30/11 | |
| | | 5.3 Perform independent validation of Enhancement Plans and report status periodically to the Audit Committee of the Board until full implementation of the Plan is achieved. | Not Started | Ongoing | |