

Consent Order Response –
Board of Directors Oversight (Section 2)

Consent Order Response

Board of Directors Oversight

(Consent Order Section 2)

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1. Board of Directors Oversight

1.1 Overview –SunTrust Bank, SunTrust Mortgage

About SunTrust and SunTrust Mortgage

SunTrust Banks, Inc., headquartered in Atlanta, GA, is one of the nation's largest banking organizations, serving a broad range of consumer, commercial, corporate and institutional clients. As of June 30, 2011, SunTrust had total assets of \$172.31¹ billion and total deposits of \$121.9.0¹ billion. SunTrust Mortgage, Inc. headquartered in Richmond, VA, ranks as the eighth² largest servicer in the mortgage industry with 1.5%² of the residential mortgage loan servicing market share, and services approximately 950,000 loans of which 94% are current. SunTrust Mortgage is licensed to operate in 49 states (excluding Hawaii).

The SunTrust Mortgage Program

During the early stages of the economic crisis, SunTrust recognized that the mortgage industry in general, and SunTrust Mortgage in particular, was facing unprecedented challenges. This was further evidenced by historical levels of delinquencies, loss mitigation and foreclosure activity. These challenges required significant changes in business practices, controls, infrastructure, existing processes, products and systems, resulting in significant redesign and enhancement to meet the demands of the changing environment.

As a result, since 2007, SunTrust has aggressively been adding staff, developing enhanced processes, improving controls, and investing in systems and reporting capabilities across all areas of the mortgage business. This work is collectively referred to as “The Mortgage Program,” and it continues today with significant investments that are providing improved levels of service to our clients and the assurance of quality execution and delivery. The focus of The Mortgage Program can be broadly categorized into three areas: Strategy and Leadership, Originations, and Servicing and Default.

Strategy and Leadership

The purpose of our Strategy and Leadership efforts is to redefine the strategic vision for the mortgage company and instill a culture of quality throughout the organization. We have engaged an independent third party to assist us in the definition of our strategic vision and to confirm our actions are aligned with the direction of the mortgage industry. Through this initiative, we are committed to improving all aspects of the mortgage company including our people, our processes and our technology.

A significant milestone in this effort began with an organizational restructuring that was announced on April 1, 2010. We created a new Consumer Banking organization reporting to ██████ a Corporate Executive Vice President and now Head of Consumer Banking. The Consumer Banking structure includes our mortgage business as well as credit card, consumer lending and branch banking businesses. All of the origination, underwriting, servicing and operations for the lending areas within Consumer Banking, including our mortgage business, now report to ██████. Additionally, all of the risk functions that were part of SunTrust Mortgage are now part of the Consumer Banking organization. Further, we have added significant resources to the Credit, Operational Risk, Compliance and Modeling and Analytics teams that support our mortgage business. Another key advantage of this new organizational structure is that risk, underwriting and other key operational areas are managed independently of the sales and production area.

In addition to ██████ appointment, in April 2011, Jerome Lienhard was named as the President and Chief Executive Officer of SunTrust Mortgage, Inc. Mr. Lienhard is a seasoned banking veteran with extensive experience in the mortgage industry. Mr. Lienhard is currently conducting an internal management assessment, within SunTrust Mortgage, to identify the appropriate leaders necessary to enact the desired

¹ SunTrust Quarterly Earnings Statement, Jun 2011

² Inside Mortgage Finance, March 2011

cultural change. This assessment is informed by the work previously performed by an independent third party regarding the organizational structure of the mortgage company.

Originations

Over the past eighteen months, SunTrust and SunTrust Mortgage have made significant investments in the areas of mortgage originations and fulfillment to stabilize the environment and define the strategy for the future. In the third quarter of 2009, SunTrust launched a foundational mortgage origination and fulfillment transformation program called [REDACTED] [REDACTED]). [REDACTED] defines a new, industrialized future state originations process that positions SunTrust to successfully compete in the evolving mortgage originations environment. [REDACTED] represents a fundamental cultural shift from a distributed, disparate, manual originations process to a standardized, centralized, automated process. The result is a strategic initiative that will deliver faster, more predictable results at a lower cost, improve loan quality and investor relationships, and provide better quality service for our clients, teammates and partners.

Servicing and Default

Beginning in 2007, in response to deteriorating economic conditions and the historically unprecedented stress in the mortgage portfolio, SunTrust launched a large-scale transformational program focused on applying a more disciplined approach to default management. This transformational program is known as the Default Program. The Default Program defined a common vision for default management across our consumer loan products and centralized the organization. This single default organization comprises all default activities, including Collections, a greatly enhanced Loss Mitigation function, Foreclosure, Bankruptcy, Real Estate Owned (REO) Management, Recovery, the newly created analytics group (Default Operations, Reporting and Strategy – DORS) and the Default Operational Risk and Compliance team.

Within the Default Program, an important project we have underway is the implementation of enhanced processes supported by the [REDACTED] workflow system as our end-to-end default management solution. The new solution is intended to improve the efficiency of handoffs between collections, loss mitigation and foreclosure, enhance loss mitigation eligibility and the decision process, and enable SunTrust to more rapidly adjust to changes in the regulatory environment. The [REDACTED] project began in late 2008 and to date we have invested more than [REDACTED] to customize and install the system. We have applied a phased approach to the installation, with our own portfolio converted in July 2010, which accounted for 15% of loans serviced, and the Fannie Mae and Freddie Mac portfolios converted in October 2010, which accounts for another 70% of loans serviced. The remainder of the servicing portfolio, which includes Federal Housing Administration (FHA), Veterans Affairs (VA) and private investors, is scheduled for conversion during the fourth quarter of 2011. Work continues with this system to implement various enhancements, as well as modifications necessary to comply with the new single point of contact requirements.

The SunTrust Consent Order Response Program

SunTrust's Consent Order became effective on April 13, 2011. In anticipation of the Order, SunTrust created a formal program organization, comprised of individual working teams for each section of the Consent Order, to respond to the concerns and actions cited in the Order. A senior executive from SunTrust was designated as the sponsor for each working team and another executive was identified as the program lead for each working team. The overall program sponsor is [REDACTED] Corporate Executive Vice President and Head of Consumer Banking. The program executive manager and day-to-day supervisor is [REDACTED] Senior Vice President, Consumer Banking Administration. Both have significant experience in leading large, transformational programs. Not including the independent third parties engaged to perform the Risk Assessment and Foreclosure Review, more than fifty dedicated resources have been focused on the Consent Order.

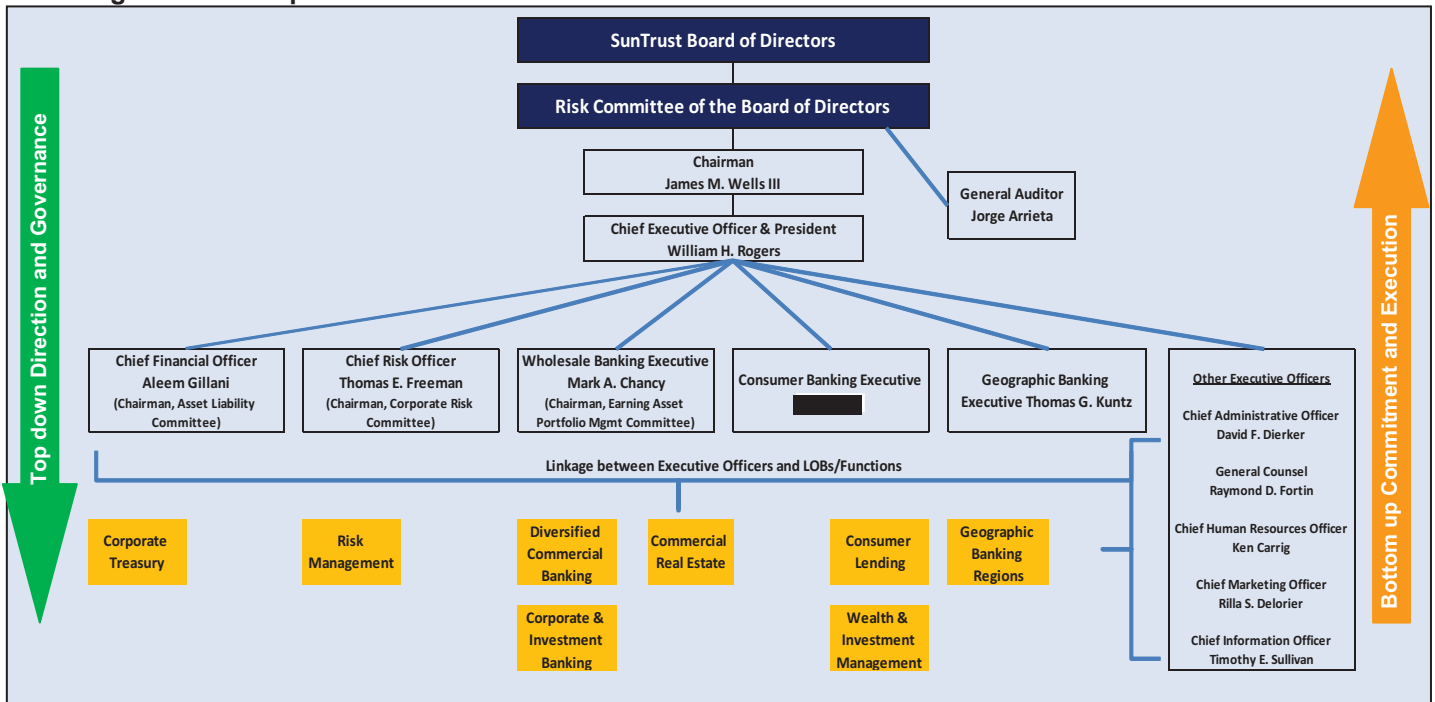
SunTrust's Consent Order response program is supported by a formal governance structure, including a Steering Committee comprised of the Chief Risk Officer, Head of Consumer Banking, President and Chief Administration Officer (CEO) of the Mortgage Company, Chief Legal Counsel and Corporate Compliance Officer. The Steering Committee meets on a weekly basis to review the status of the program, provide direction to the individual work teams and address any escalated issues or risks. The General Auditor of SunTrust also attends these meetings. In addition to the Steering Committee, the program is supported by a

Program Management Office (PMO), which facilitates a weekly cross-work team meeting to share program direction and feedback from the Steering Committee or Federal Reserve Bank, manage dependencies between working teams, discuss common issues and risks, and confirm adherence to program operating principles and processes. Finally, each of the working teams is supported by a full-time project manager who is responsible for facilitating working team meetings, at minimum, on a weekly basis. The working team project managers are required to submit weekly progress reports and maintain a high-level project plan for both the Consent Order response and their defined action plan to remediate any identified gaps.

1.2 Background- SunTrust Board of Directors, Risk Management

The Board of Directors of SunTrust Banks, Inc. (and its affiliates), and management of the Company have an established Enterprise Risk Governance Process (refer to **Diagram 1**) to manage the major risks that are inherent to the Company. The Company measures and manages risk along the following primary dimensions: credit risk, liquidity risk, market risk, operational risk, compliance risk and reputational risk and legal risk. The Chief Risk Officer manages these risks on a consolidated basis under the Company’s Enterprise Risk Governance Process and Risk Management Framework (refer to **Diagram 2**).

Diagram 1: Enterprise Risk Governance Process



Board Risk Committee Membership: Jeffrey C. Crowe (Chair), Alston D. Correll, Blake P. Garrett, Jr., David H. Hughes, David Ratcliff, Dr. Phaiil Wynn, Jr.

BOD and Board Risk Committee:

- Define SunTrust’s Risk Tolerance level
- Delegate responsibility to the Chairman for formation & execution of corporate strategies and tactics consistent with established risk tolerance
- Provide oversight of risk management

Chairman delegates responsibility to the CEO/President, CFO and CRO:

- To form corporate level risk policies and guidelines
- Define risk limits and lending authorities
- Ensure adequate risk measurements and reporting exist
- Provide appropriate risk oversight

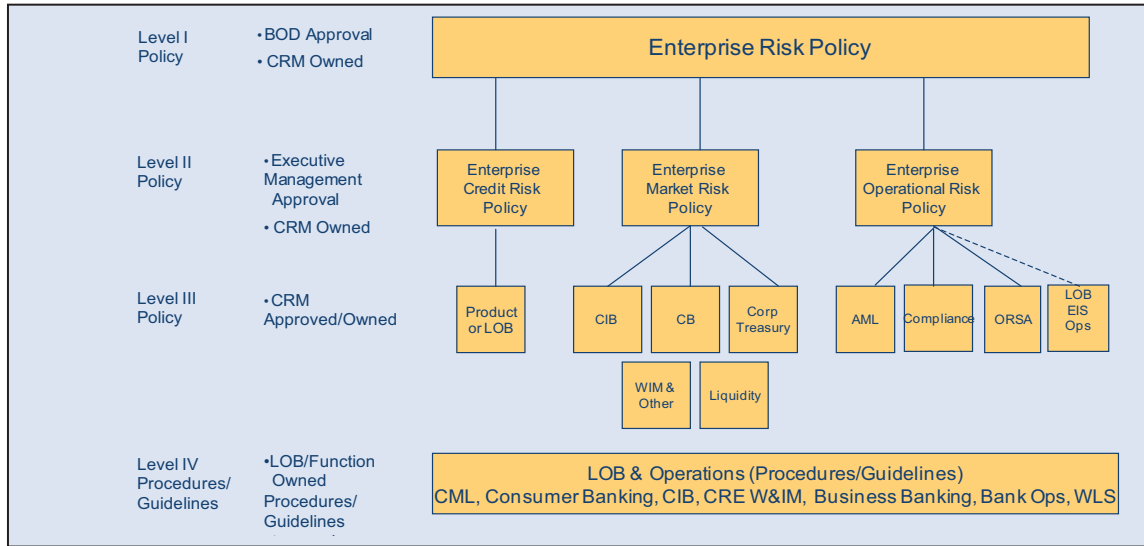
Business Management Level:

- Provides further guidance for business-specific risk management processes and programs
- Annually reviews risk management policy guidelines & procedures
- LOB actions reported to internal management committees

Corporate Risk Management:

- Provides independent oversight of all risk taking opportunities
- Monitors compliance with all risk related policies and risk frameworks

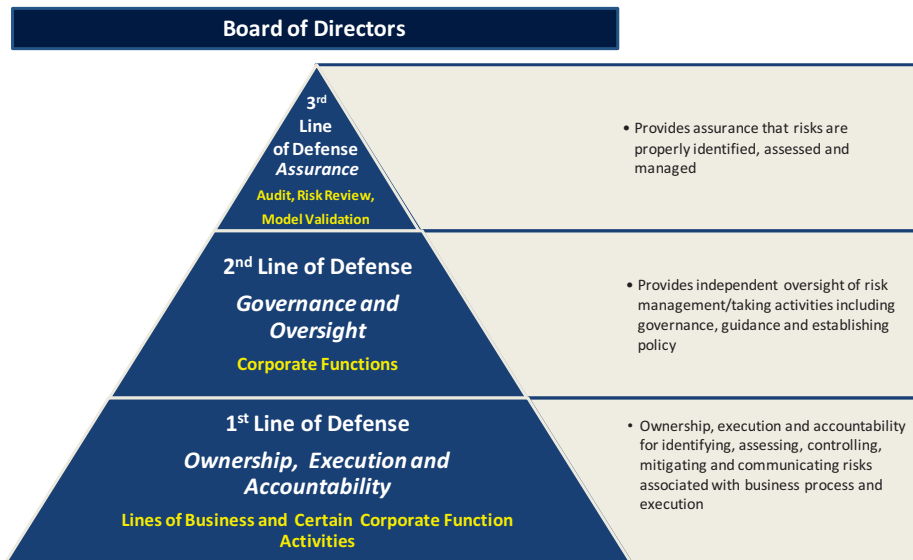
Diagram 2: Risk Management Framework



The **Risk Committee of the Board of Directors** (the “BRC”) reports to and assists the Board of Directors in overseeing and reviewing information regarding the Company’s Enterprise Risk Management Framework, Enterprise Capital Adequacy Framework and material regulatory matters. Membership is comprised of external board members. The BRC’s oversight, review and/or approval responsibilities include, among other things, significant policies, procedures, practices and metrics employed to manage credit risk, liquidity risk, market risk, operational risk, compliance risk and reputational risk and legal risk. Meeting content is adjusted at the discretion of the Chairman of the Risk Committee of the Board of Directors, in consultation with the Corporate Risk Officer.

SunTrust subscribes to the Three Lines of Defense risk governance framework. This framework is codified in the BRC-approved Enterprise Risk Policy, which was updated in September 2011 to provide additional clarity regarding roles and responsibilities:

Diagram 3: Lines of Defense



Each Line of Business, including Consumer/Mortgage, is charged with further defining roles, responsibilities and accountabilities of credit, operational and compliance risk teammates within the First Line of Defense (refer to SunTrust’s Action Plan response to Consent Order Sections 8/9-Compliance for an example). In some

instances, organizational changes have been required to appropriately segregate First and Second Line of Defense activities. For example, within Consumer/Mortgage Lines of Business (LOBs), Default Management responsibilities have been shifted from the risk organization to Servicing and Operations.

The focus on the Three Lines of Defense, coupled with improved clarity regarding roles/responsibilities and organizational realignments have, aim to improve execution and compliance with regulations and Company policies and procedures.

The Board takes its responsibilities seriously and, through the BRC, will enhance its oversight activities regarding material regulatory matters, actions and/or orders. The BRC and/or Bank Management will brief the full Board on the status of compliance on a regular basis. In addition, the BRC will continue to receive regular monthly reporting regarding risk management activities, issues and trends within each of the Lines of Defense to assist it in executing its oversight responsibilities.

1.3 Work Stream Overview – Board Oversight

The Consent Order dated April 13, 2011, between the Board of Governors of the Federal Reserve and SunTrust Banks, Inc., SunTrust Bank and SunTrust Mortgage (the “Company”), directs SunTrust’s Board of Directors (the “Board”) to take appropriate steps to fully utilize the Company’s financial and managerial resources to serve as a source of strength to the bank, including, but not limited to, taking steps to ensure that the Company complies with provisions of the Consent Order. Refer to **Section 1.4** below for excerpts from the Consent Order pertaining to the Board; **Section 1.5**, which details specific actions taken related to each component of Section 2 of the Consent Order; and **Section 1.6**, which details enhanced Board Reporting to promote knowledge transfer and improve the ability of the Board Risk Committee to provide oversight.

Key components of the Board Oversight Work Stream, which are detailed later in this document and within other Work Stream Action Plans, include:

- Enhancement of the Board Risk Committee Charter, ERM policies (e.g., Enterprise Risk and Compliance policies), and business level procedures to ensure appropriate governance of risk management activities;
- Increased Board level focus on/oversight of Consent Order/Mortgage Company activities through dedicated meeting segments designed to transfer knowledge, foster active dialogue; and improve oversight;
- Strengthening of risk governance, oversight and management activities through amplification of the Three Lines of Defense; this has involved select realignments of risk management activities and reporting lines;
- Resource (human, financial, other) augmentation to facilitate development, implementation and ongoing management of new Mortgage technologies, processes and activities. This has involved development of improved metrics and tools to assess staffing adequacy/competency, as well as the allocation of sufficient financial, technological and other resources. Management, supported by the Board, is committed to dedicating sufficient resources to address the letter and the spirit of the Consent Order. Resource assessments are provided at the Work Stream and aggregate levels to the Board;
- Enhancement of Consent Order and Mortgage activity reporting at all levels of the organization. This includes weekly Federal Response Program Status Updates; Weekly Federal Response Steering Committee Meetings; regular and customized monthly/quarterly Corporate Risk Committee Reporting; and regular and customized monthly/quarterly Board Risk Committee Reporting. This reporting informs management/Board Risk Committee of Action Plan status and general Mortgage Company activities so that they may exercise appropriate oversight and direction.

The Board Oversight Work Stream relies upon the individual Consent Order Work Stream Action Plans, which must be approved by both the Federal Reserve Bank and the Board Risk Committee, to address specific sections of the Consent Order. Each Plan establishes action steps and timelines for implementation. Refer to **Appendix A** for a sample of action plan status and timeline summaries. Individual Work Streams include:

- Foreclosure Review (Consent Order Sections 3, 4)
- Policies and Procedures (Consent Order Section 5)
- Single Point of Contact (Consent Order Section 6)
- Vendor Management (Consent Order Section 7)

- Compliance (Consent Order Sections 8, 9)
- MERS (Consent Order Section 10)
- Mortgage Information Systems (Consent Order Section 11)
- Training (Consent Order Section 12)
- Risk Management (Consent Order Sections 15, 16)
- Audit (Consent Order Sections 17, 18)
- FRB Reporting (Consent Order Section 19)
- Consent Order Borrower Outreach Program
- Safety and Soundness

Overall, the Board Oversight Work Stream aims to enhance reporting and oversight to promote adherence to the letter and the spirit of the Consent Order, address the specific needs of the Mortgage Company and achieve the Company's overall business and risk management objectives. To this end, the activities described herein will extend beyond the Consent Order and are being incorporated into ongoing reporting and risk management processes.

1.4 Consent Order: Section 2-Board Oversight

1.4.1 Response Assessment Process

Prior to the recent financial crisis, the BRC met approximately five times a year to exercise its oversight responsibilities of the Company's risk management framework and activities. In response to the financial crisis, the BRC increased its meeting frequency to monthly. Part of each monthly meeting has been dedicated to a review of regulatory and compliance issues, and the Company's response to these issues.

In addition, management has periodically updated the Risk Committee of the Board of Directors, the Audit Committee of the Board of Directors and the full Board of Directors regarding mortgage-related issues and activities. These reviews have provided insight into changes in the operating and regulatory environments, as well as internal initiatives and programs designed address market and operating challenges.

The Consent Order outlines additional, more detailed Board/BRC oversight responsibilities. To discharge these responsibilities, the BRC and management believe that more frequent updates regarding the status of all of the Company's mortgage enhancement initiatives and programs, as well as more regular and detailed updates regarding the adequacy of the resources being deployed, are required. By increasing the frequency of the updates, as well as the type and depth of the information provided, the BRC will be able to specifically conform to the responsibilities as outlined in the Consent Order.

The approach outlined below (refer to **Section 1.5** for details regarding Approach) aims to provide the BRC with both critical assessments of mortgage programs, processes and staffing/resources, as well as sufficient detail to foster confidence in the validity of these assessments.

The enhanced oversight program outlined herein will continue until otherwise directed by the Chairman of the Risk Committee of the Board of Directors.

1.4.2 Excerpts from the Consent Order dated April 13, 2011, regarding Board Oversight

It is hereby ordered by the Board of Governors that, pursuant to sections 8(b)(1) and (3) of the FDI Act (12 U.S.C. §§1818(b)(1)) and 1818(b)(3)), SunTrust, the Bank, SunTrust Mortgage, and their institution-affiliated parties shall cease and desist and take affirmative action as follows:

Source of Strength

1. The Board of Directors of SunTrust shall take appropriate steps to fully utilize SunTrust's financial and managerial resources, pursuant to section 225.4(a) of Regulation Y of the Board of Governors (12 C.F.R. §

225.4(a)), to serve as a source of strength to the Bank, including, but not limited to, taking steps to ensure that the Bank complies with the applicable provisions of this Order.

Board Oversight

2. Within 60 days of this Order, the boards of directors of SunTrust, the Bank, and SunTrust Mortgage shall submit to the Reserve Bank an acceptable written plan to strengthen the boards' oversight of SunTrust Mortgage, including the boards' oversight of risk management, internal audit, and compliance programs concerning residential mortgage loan servicing, Loss Mitigation, and foreclosure activities conducted by SunTrust Mortgage. The plan shall also describe the actions that the boards of directors will take to improve SunTrust Mortgage's residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations, and a timeline for actions to be taken. The plan shall, at a minimum, address, consider, and include:
 - (a) Policies to be adopted by the board of directors of SunTrust that are designed to ensure that SunTrust's enterprise-wide risk management ("ERM") program provides proper risk management with respect to SunTrust Mortgage'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.
 - (b) Policies and procedures adopted by SunTrust 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 SunTrust's, the Bank's, and SunTrust Mortgage's internal policies and procedures, consistent with supervisory guidance of the Board of Governors.
 - (c) Steps to ensure that SunTrust's ERM, audit, and compliance programs have adequate levels and types of officers and staff dedicated to overseeing SunTrust Mortgage'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;
 - (d) Steps to improve the information and reports that will be regularly reviewed by the boards of directors of SunTrust and the Bank or authorized committees of the boards 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;
 - (e) Funding for personnel, systems, and other resources as are needed to carry out SunTrust Mortgage's residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations in full compliance with the Legal Requirements and the requirements of this Order, taking into consideration the current and expected volume of past due loans;
 - (f) Funding for personnel, systems, and other resources as are needed to operate risk management and compliance programs that are safe and sound and that are commensurate with the risk profile of SunTrust Mortgage;
 - (g) Steps to ensure that SunTrust Mortgage has adequate levels and types of officers and staff to carry out residential mortgage loan servicing, Loss Mitigation, and foreclosure activities in compliance with Legal Requirements and the requirements of this Order, and taking into account the size and complexity of the Servicing Portfolio; that they have officers and staff with the requisite qualifications, skills, and ability to comply with the requirements of this Order; and a timetable for hiring any necessary additional officers and staff.
 - (h) Periodic reviews of the adequacy of the levels and types of officers and staff to carry out residential mortgage servicing, Loss Mitigation, and foreclosure activities in light of changes in the Servicing Portfolio or the Legal Requirements. To conduct this review, the plan shall establish metrics to measure and ensure the adequacy of staffing levels relative to existing and future Loss Mitigation and foreclosure

activities, such as limits for the number of loans assigned to a Loss Mitigation employee, including the single point of contact as hereinafter defined, and deadlines to review loan modification documentation, make loan modification decisions, and provide responses to borrowers;

- (i) Steps to ensure that the risk management, audit, and compliance programs for SunTrust Mortgage have adequate levels and types of officers and staff and that they have officers and staff with the requisite qualifications, skills, and ability to comply with the requirements of this Order, and a timetable for hiring any necessary additional officers and staff;
- (j) Workload reviews of residential mortgage loan servicing, Loss Mitigation, and foreclosure personnel who are responsible for handling individual loan issues (including single point of contact personnel), including an initial review within 90 days of this Order, and then annual reviews thereafter. Such reviews, at a minimum, shall assess whether the workload levels are appropriate to ensure compliance with the requirements of paragraphs 2(g) and 6 of this Order. Promptly following completion of such reviews, SunTrust Mortgage shall adjust workload levels to ensure compliance with the requirements of paragraphs 2(g) and 6 of this Order.
- (k) Policies to ensure that the risk management, audit, and compliance programs have the requisite authorities and status within the organization to effectively operate the programs, and that there is adequate coordination with respect to these programs to ensure that any problems or deficiencies that are identified in SunTrust Mortgage’s residential mortgage servicing, Loss Mitigation, and foreclosure activities and operations are comprehensively reviewed and remedied; and
- (l) Steps to improve the information and reports that will be regularly reviewed by SunTrust’s, the Bank’s, and SunTrust Mortgage’s boards of directors to assess the performance of mortgage servicing, Loss Mitigation, and foreclosure activities and operations, as well as the risk management and compliance programs and associated functions including, compliance risk assessments, and the status and results of measures taken, or to be taken, to remediate mortgage servicing, Loss Mitigation, and foreclosure deficiencies, and to comply with this Order.

Diagram 4 summarizes the board reportable work streams that address the Consent Order requirements outlined above.

Diagram 4: Consent Order Section 2 Work Stream Reporting Coverage

Order Section	Consent Order Requirements Pertaining to Mortgage Servicing, Loss Mitigation, and Foreclosure	Level	Board Reportable Work Stream Reporting Coverage of Consent Order Sections
2(a)	Enterprise Policies to Ensure Appropriate Risk Management	• Enterprise • STM	• Policies
2(b)	Vendor Management	• STM	• Vendor Mgmt, Policies
2(c)	Enterprise Oversight Staffing Adequacy	• Enterprise	• Retail Credit, Audit, Risk Review, Compliance, Operational Risk
2(d)	Reporting re: Operations	• Enterprise • STM	• Audit Risk Review, STM Reporting
2(e)	Adequacy of STM Funding for Personnel, Systems, Other – Execution Servicing, Loss Mitigation and Foreclosure Activities	• STM	• Default Management, Servicing, MIS, Training, Vendor Mgmt, Reporting
2(f)	Adequacy of STM Funding for Personnel, Systems, Other – Risk Mgmt & Compliance Activities	• STM	• Credit Risk, Operational Risk, Compliance
2(g)	STM Staffing Levels and Competency	• STM	• Management, Default Management, Servicing, MIS, Training Vendor Mgmt, Reporting
2(h)	Periodic Reviews of STM Staffing Metrics	• STM	• Default Management, Servicing, MIS, Training, Vendor Mgmt, Reporting
2(i)	SMT Risk, Audit, and Compliance Staffing Adequacy	• STM	• Credit Risk, Operational Risk, Compliance
2(j)	Workload Reviews (within 90 days)	• STM	• STM Default Management, Servicing
2(k)	Policies to Ensure that Risk Management, Audit and Compliance have Requisite Authorities	• Enterprise • STM	• Policies
2(l)	Reporting re: Mortgage Operations Performance	• STM	• Reporting

1.5 Approach-Board Oversight Provision-Specific Activities

SunTrust has implemented an expansive program to ensure compliance with the specific requirements of the Consent Order; it has also established a sustainable management and oversight infrastructure at all levels of the organization, from the Board to line units, to promote long-term adherence to the letter and spirit of regulatory

and Company objectives. Existing and augmented resources have been applied these efforts; management is committed to providing the human, financial, technological and other resources to execute these activities.

The Company's action plan pertaining to Board Oversight ensures that the Board, through its Risk Committee, will maintain appropriate insight into and oversight of Consent Order activities, as well as ongoing Mortgage Company operations, through robust reporting, structured presentations and formal/informal discussions (refer to **Section 1.6** for details regarding enhanced BRC reporting).

Specific actions taken to comply with various sections of the Consent Order include:

(a) **Requirement:** Policies to be adopted by the board of directors of SunTrust that are designed to ensure that SunTrust's enterprise-wide risk management ("ERM") program provides proper risk management with respect to SunTrust Mortgage'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;

Overview: The foundation of risk management roles and responsibilities within SunTrust is the Enterprise Risk Policy, the provisions of which are cascaded through other risk policies with increasing detail down to the business through procedures.

An enhanced enterprise policy and procedure governance framework and infrastructure was instituted in 2010 to promote more consistency and improve execution. This has resulted in all policies being redrafted; efforts to standardize all procedures are in process. In addition, SunTrust has created a Regulatory Reform Program (2010) office to oversee adoption of new regulations. Appropriate enterprise policies and charters have been adjusted to more explicitly address risk management roles and responsibilities (Three Lines of Defense; Board Risk Committee oversight responsibility for regulatory orders and actions) and compliance with supervisory guidance and standards. Ownership of risk and execution lies with line units, as does procedure development and implementation; corporate functions provide oversight and governance; and Risk Review, SunTrust Audit and Model Risk Management providing overall assurance. The Board Risk Committee provides overall oversight to risk management activities. These represent permanent changes that apply to all lines of business, including Mortgage, and extend beyond Consent Order activities.

		Status	Artifact(s)	Target Date
Actions:	(1)	Completed	Enterprise Risk Policy	10/11
			Enterprise Compliance Policy	10/11
	Board Risk Committee Charter		07/11	
	(2)	In Process	Third parties engaged-Complete Inventory/Gap Assessments	Complete
			Foreclosure Process/Procedures (Pilot)	Complete
			Servicing, Default Processes/Procedures	02/12

(b) Requirement: Policies and procedures adopted by SunTrust 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 SunTrust's, the Bank's, and SunTrust Mortgage's internal policies and procedures, consistent with supervisory guidance of the Board of Governors

Overview: SunTrust's Action Plan response to Section 7 details the Company's program to enhance third party vendor management, including contractors, consultants, law firms and others. This program supplements the general corporate program for supply chain management. Key components of the program include: Program Strategy/Development; Default Design/Implementation; Servicing Design/Implementation; and Technology. The processes, platforms, documentation and reporting from this program, while having their genesis in the Consent Order, are being integrated into standard operating procedures for the Mortgage Company and will extend beyond Consent Order.

		Status	Artifact(s)	Target Date
(1)	Development and submission of Vendor Management Action Plan. Refer to SunTrust's Action Plan for Section 7 of the Consent Order-Vendor Management. The Vendor management Action Plan includes: a. Draft Default Vendor Management Policy b. Define Default Vendor Management Procedures c. Implement Client Response Team (CRT) Launch d. Launch Operational Excellence Process Improvement Team e. Develop Scorecard for Third Party Vendor Performance	FRB Approved	Vendor Mgmt Action Plan	05/11
			Vendor Management Policy	07/11
		Vendor Management Procedures	07/11	
		Operational Excellence Process Improvement Team	08/11	
		Scorecard for Third Party Vendor Performance	08/11	
(2)	Program Strategy/Development: Training and Communication, Supplier Dashboard, Implementation Tool Kit	In Process	Training Program Communication Packet	11/11 10/11
(3)	Default Supplier Management Design/Implementation	In Process	Processes/Procedures Documented	08/11
(4)	Servicing Supplier Management Design/Implementation	In Process	Processes/Procedures Documented	10/11
(5)	Technology	In Process	Requirements/Sign-Off	10/11
(6)	Management Reporting	Ongoing	Vendor Mgmt Plan Review/Approval	5/11
			Fed Response Program Update	Weekly
			Steering Committee Update Pkgs	Weekly
(7)	Board Risk Committee Reporting <i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>	Ongoing	BRC Consent Order Update	Monthly
			BRC Vendor Mgmt Work Stream Rev*	Quarterly
			BRC Vendor Mgmt Detailed Review	09/11

(c) Requirement: Steps to ensure that SunTrust's ERM, audit, and compliance programs have adequate levels and types of officers and staff dedicated to overseeing SunTrust Mortgage'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;

Overview: To ensure that enterprise risk, assurance functions and compliance activities provide appropriate Second and Third Line of Defense oversight/assurance, and that they are adequately staffed with teammates with appropriate skills sets, staffing levels are assessed (quantitatively, through assessment of workloads, and qualitatively, as appropriate) relative to the functions being performed; staffing adequacy, skill development and resource deployment are integrated into existing Company processes. It is also specifically integrated into specific Consent Order Work Streams (refer to SunTrust's Action Plan response to Consent Order Sections 8/9 (Compliance), 15/16 (Risk Management) and 17/18 (Audit)). Training has been/is being developed/delivered where needed (as detailed in SunTrust's Action Plan response to Consent Order Section 12) and reporting to management and the Board Risk Committee has been instituted. These assessments are being integrated into ongoing processes and will extend beyond terms of the Consent Order; assessment results are currently incorporated into Consent Order reporting.

		Status	Artifact(s)	Target Date
Action(s):	(1) Compliance, ERM oversight and Audit assurance staffing and skill set adequacy relative to Mortgage servicing, loss mitigation and foreclosure activities will be regularly evaluated using quantitative and qualitative assessments, as appropriate, and reported to management and the Board Risk Committee. Needs will be communicated to management and the Board Risk Committee. <i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>	Ongoing	KPMG Audit Staffing Adequacy	11/11
			Fed Response Program Update	Weekly
			Steering Committee Update Pkgs	Weekly
BRC Consent Order Update-see Appendix B	Monthly			
BRC Consent Order Work Stream Rev*-see Appendix C	Qtly			
BRC Detailed Assessments-see Appendix D	Periodic			
Private Audit, Risk Review Meetings with Board Audit/Risk Committees	As needed			
(2) Detailed assessments of, and implementation of refinements regarding, compliance and risk management activities will be undertaken to assess program requirements, institute process changes and resource needs (refer to SunTrust's Action Plan response to Consent Order Sections 8/9 (Compliance), 15/16 (Risk Management) and 17/18 (Audit))	In Process	CO Section 8/9 Compliance Action Plan-	Approved by FRB	
CO Section 15/16 Risk Management Action Plan;		Submitted; work In Process -- 05/30		
CO Section 17/18 Audit Plan and Program Action Plan		Submitted; work In Process -- 02/29		
(3) Skills sets will be enhanced through training (refer to SunTrust's Action Plan response to Consent Order Section 12-Training for details). The training plan includes inventorying, assessing gaps, refreshing existing/creating new content and delivering training re: Loss Mitigation, Foreclosure, Servicing, Single Point of Contact, MERS, Compliance and Vendor Management	Ongoing	Inventory/Gap Assessments	Completed	
Loss Mitigation/Compliance/MERS/SPC-		Delivered		

(d) Requirement: Steps to improve the information and reports that will be regularly reviewed by the boards of directors of SunTrust and the Bank or authorized committees of the boards 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;

Overview: The Board Risk Committee regularly receives asset quality and risk management updates, in varying detail, as part of routine reporting on a monthly and quarterly basis. Content is continually refined to enhance transparency and knowledge transfer, e.g., asset quality metrics detail focusing on LOB and product views; Quarterly Risk Profile enhancements to provide more conclusion-based observations of key credit, operational, market and compliance risks and activities; additional information regarding Risk Review issue remediation status.

The Board Risk Committee has historically provided oversight for regulatory matters, including remediation activities. The frequency of BRC meetings, and the content of meetings, have been adjusted in light of the financial crises and increased regulatory activity. Portions of each monthly meeting are dedicated to Compliance and Regulatory issues, including the Consent Order. The type and depth of reporting has also been enhanced to provide the Committee with sufficient insight into regulatory issues and bank activities so that it may appropriately execute its oversight responsibilities (refer to SunTrust's Action Plan relating to Consent Order Section 11, Mortgage Information Systems). Information provided to the Committee regarding Consent Order and Mortgage operations is delivered primarily through three vehicles: (1) Monthly Consent Order Updates (refer to Appendix B), including a dashboard of overall Mortgage Company activities (which leverage the MIS work stream output); (2) Quarterly Consent Order Work Stream Updates, which provide summary data regarding the adequacy of staffing, competencies and financial/other resources for key functions and activities; and (3) In-depth reviews of key mortgage functions, activities and/or work streams. Results of operational and compliance reviews are also reviewed with executive management and the Board Risk Committee as part of routine risk reporting, e.g., the Corporate Risk Profile. In addition, Committee members and executive management, including Mortgage leadership, engage in active discussions regarding presented materials and topical issues. Examples of the quarterly reports presented to the Board are included in Appendices B and D.

		Status	Artifact(s)	Target Date	
Action(s):	(1)	Ongoing	BRC/Exec-Comp Meeting Agendas	Monthly	
	(2)	In-Process	Mortgage Information Systems/Reporting Plan	Approved by FRB 11/11	
	(3)	Complete	BRC Consent Order Work Stream Rev* – See Appendix C	5/11	
	<i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>				
	(4)	Ongoing	BRC Consent Order Update - See Appendix B Mortgage Dashboard-see Appendix B BRC Consent Order Work Stream Rev* – see Appendix C	Monthly Quarterly Quarterly	
	<i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>				
(5)	Ongoing	Default Management Mortgage Servicing Vendor Management Single Point of Contact Process & Procedures Training Compliance Risk Management	07/11 07/11 9/11 10/11 10/11 11/11 1Q12 1Q12		
(6)	Ongoing	Asset Quality Metric Reporting Refined – delivered monthly/quarterly Corporate Risk Profile Reporting Refined – delivered Quarterly Risk Review Issue Remediation Status-Reporting Enhancements delivered Quarterly	9/11 8/11 8/11		

(e) Requirement: Funding for personnel, systems, and other resources as are needed to carry out SunTrust Mortgage’s residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations in full compliance with the Legal Requirements and the requirements of this Order, taking into consideration the current and expected volume of past due loans;

Overview: SunTrust is committed to providing appropriate financial, human, systems and other resource availability to execute SunTrust Mortgage’s residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations in conformance with regulatory and Company expectations, as well as ERM oversight of these activities to ensure compliance. To this end, additional financial, human and technological resources have been directed toward these efforts. Assessment of ongoing needs occurs through regular evaluation of current and expected volumes and workloads in Servicing and Default/Foreclosure operations. In addition, financial and systems are regularly evaluated. Workloads, staffing assessments and resource needs/availability regarding Mortgage servicing, default and foreclosure operations are presented to management and the Board Risk Committee on a regular basis.

		Status	Artifact(s)	Target Date
(1)	Servicing, Default/Foreclosure Management, Compliance, ERM oversight (risk, compliance) and Risk Review/Audit staffing, skill set and resource adequacy, including funding, relative to Mortgage activities will be regularly monitored using quantitative and qualitative assessments, as appropriate, and reported to management and the Board Risk Committee. Resource requirements are reported to management, the Federal Response Program Steering Committee and the BRC, with approval resting with those with the requisite authority. <i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>	Ongoing	KPMG Audit Staffing Adequacy	11/11
			Fed Response Program Update – see Appendix A	Weekly
			Steering Committee Update	Weekly
			BRC Consent Order Update – see Appendix B	Monthly
			BRC Consent Order Work Stream Rev* – see Appendix C	Quarterly
			Servicing, Default, Foreclosure Workload/ Staffing Assessments – see Appendix D (sample)	7/11; Periodically thereafter
(4)	Detailed assessments/refinements of compliance and risk management activities will be undertaken regarding program requirements, process changes and financial, personnel and other resource needs; refer to Consent Order Action Plans 8/9-Compliance and 15/16-Risk Management for details. Resource requirements are reported to management, the Federal Response Program Steering Committee and the BRC, with approval resting with those with the requisite authority.	In Process	CO Section 8/9 Compliance Action Plan- Approved by FRB; In-Process	Multiple Dates (see Appendix A for details)
			CO Section 15/16 Risk Mgmt Action Plan- Submitted; In-Process	Multiple Dates (see Appendix A for details)

(f) Requirement: Funding for personnel, systems, and other resources as are needed to operate risk management and compliance programs that are safe and sound and that are commensurate with the risk profile of SunTrust Mortgage;

Overview: SunTrust is committed to providing appropriate personnel, systems and other resources to execute critical risk management and compliance programs relative to the risk profile of SunTrust Mortgage. SunTrust also working to ensure that roles and responsibilities, and required risk management and compliance activities, are clearly understood and well executed to improve effectiveness, i.e., it is not just the number of teammates or the dollars allocated, but how these resources execute their responsibilities that promote safety and soundness. To this end,

- Select charters/policies have been refined (Board Risk Committee Charter; Enterprise Risk, Compliance) to better define roles and responsibilities;
- Mortgage procedures are being redrafted and refined, with appropriate training provided, to enhance understanding and accountability—refer to SunTrust’s Action Plans Processes and Procedures, as well as the Action Plan response to Consent Order Section 12-Training;
- The quantity and skills sets of risk, compliance and assurance teammates involved in Mortgage activity execution and oversight are regularly assessed at both the enterprise and line of business levels from both a quantitative and qualitative perspective; resource needs are reported to management, the Federal Response Program Steering Committee and the Board
- Staffing adequacy, skill development and resource needs are integrated into existing Company processes, e.g., the Consumer/Mortgage Operational & Compliance Risk Management Group organizational plan established in Jan-10 to enhance the teammate skills sets supporting SunTrust Mortgage’s residential mortgage loan servicing, loss mitigation and foreclosure activities and ensure that operations are conducted in accordance with applicable laws, regulations, policies and industry standards, and that adequate controls are in place. Staffing adequacy, skill development and resource deployment are also specifically integrated into certain Consent Order Work Streams—refer to SunTrust’s Action Plan regarding Consent Order Sections 8/9 (Compliance) and 15/16 (Risk Management).
- Reporting of resource need/funding will continue to be addressed through normal bank communication channels (management, finance organization); in addition, the Federal Response Program Steering Committee and the BRC receive regular updates regarding staffing, funding and other resource adequacy (refer to .Appendices C and D for examples)

These activities, while addressing this Consent Order requirement, are not exclusive to the Consent Order.

		Status	Artifact(s)	Target Date
(1)	The Enterprise Risk Policy, Enterprise Compliance Policy and Board Risk Committee Charter will be updated to clarify roles and responsibilities at the Board, enterprise and line of business levels. Policies and charters will be appropriately approved.	Completed	Enterprise Risk, Compliance Policies Board Risk Committee Charter Consumer Operational Risk Plan Consumer Operational Risk Program Consumer Compliance Program	10/11 07/11 09/11 10/11 11/11
(2)	Skills sets and accountability will be augmented through enhancement of mortgage process/ procedures oversight, management and documentation (refer to SunTrust's Action Plan regarding Policies/Procedures); plan elements include Mortgage process/ procedure governance process and framework; process/procedure inventory; gap analysis; servicing, default and foreclosure procedure redrafting. Third party resources engaged to assist. Resource requirements are reported to management, the Federal Response Program Steering Committee and the BRC, with approval resting with those with the requisite authority.	In Process	Third parties engaged Inventory/Gap Assessments Foreclosure Process/ Procedures (Pilot) Servicing, Default Processes/Procedures	Complete Complete Complete 02/12
(3)	Skills sets and accountability will be enhanced through training (refer to SunTrust's Action Plan response to Consent Order Section 12 - Training). The training plan includes assessing gaps, refreshing existing/creating new content and delivering training re: Loss Mitigation, Foreclosure, Servicing, Single Point of Contact, MERS, Compliance and Vendor Management. Resource requirements are reported to management, the Federal Response Program Steering Committee and the BRC, with approval resting with those with the requisite authority.	In Process	Inventory/Gap Assessments Loss Mitigation/Compliance/ MERS/SPC Additional Training in Process	Complete Delivered See Appendix A for Timelines
(4)	Detailed assessments/refinements of compliance and risk management activities will be undertaken regarding program requirements, process changes and financial, personnel and other resource needs; refer to Consent Order Action Plans 8/9-Compliance and 15/16-Risk Management for details. Resource requirements are reported to management, the Federal Response Program Steering Committee and the BRC, with approval resting with those with the requisite authority.	In Process	CO Section 8/9 Compliance Action Plan- Approved by FRB; In-Process CO Section 15/16 Risk Mgmt Action Plan- Submitted; In-Process	Multiple Dates (see Appendix A for details)
(5)	Servicing, Default/Foreclosure Management, Compliance, ERM oversight (risk, compliance) and Risk Review/Audit staffing, skill set and resource adequacy relative to Mortgage activities will be regularly monitored using quantitative and qualitative assessments, as appropriate, and reported to management and the Board Risk Committee. Resource requirements are reported to management, the Federal Response Program Steering Committee and the BRC, with approval resting with those with the requisite authority. <i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>	Ongoing	KPMG Audit Staffing Adequacy Fed Response Program Update - See Appendix A Steering Committee Update BRC Consent Order Update— See Appendix B BRC Consent Order Work Stream Rev* – See Appendix C BRC Detailed Assessments, See Appendix D Private Audit, Risk Review Meetings with Board Audit/Risk Committees	11/11 Weekly Weekly Monthly Quarterly Periodically As needed
(6)	Mortgage process/portfolio trend assessments will continue to be reported/discussed with management/Board Risk Committee; reporting being enhanced to improve knowledge transfer; process issues and resource needs communicated, as appropriate	Ongoing	BRC Consent Order Update- Appendix B Mortgage Dashboard - See Appendix B) Corporate Risk Profile- BRC Consent Order Work Stream Rev*-- See Appendix C BRC Detailed Assessments- See Appendix D	Monthly Quarterly Quarterly Quarterly Periodically

(g) Requirement: Steps to ensure that SunTrust Mortgage has adequate levels and types of officers and staff to carry out residential mortgage loan servicing, Loss Mitigation, and foreclosure activities in compliance with Legal Requirements and the requirements of this Order, and taking into account the size and complexity of the Servicing Portfolio; that they have officers and staff with the requisite qualifications, skills, and ability to comply with the requirements of this Order; and a timetable for hiring any necessary additional officers and staff.

Overview:

SunTrust is committed to providing appropriate financial, human, systems and other resource availability to execute SunTrust Mortgage's residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations in conformance with regulatory and Company expectations. To this end, additional financial, human and technological resources have been directed toward these efforts. Assessment of ongoing needs occurs through regular evaluation of current and expected transaction volumes and workloads in Servicing and Default/Foreclosure operations. In addition, financial resource allocation and systems adequacy are regularly evaluated. Workloads, staffing assessments and resource needs/availability regarding Mortgage servicing, default and foreclosure operations are presented to management and the Board Risk Committee on a regular basis. Organizational alignments and structures are also evaluated to enhance effectiveness and efficiency, e.g., Default and Foreclosure operations were moved from the Consumer Risk organization to Servicing and Operations. Hiring and resource allocation decisions are made in accordance with the identified needs by management, in conjunction with the Federal Response Program Steering Committee. Specific timelines for hiring and resource deployment are tailored to the specific circumstances (refer to Appendix A). For example, to fulfill Single Point of Contact requirements, workflows were designed; staffing tools were created; resource requirements were identified; funding requirements were estimated; resource requirements were approved; processes/procedures were developed; hiring occurred; training was undertaken; all prior to the program going "live." For existing functions, staffing and resource needs are addressed through established channels, with additional oversight by the Federal Response Program Steering Committee and reporting to the BRC.

		Status	Artifact(s)	Target Date
(1)	Staffing and skill set adequacy relative to Mortgage servicing, loss mitigation and foreclosure activities will be regularly evaluated using quantitative and qualitative assessments, as appropriate, and reported to management and the Board Risk Committee. Needs will be communicated to management and to the Board Risk Committee. <i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>	Ongoing	Fed Response Program Update- see Appendix A	Weekly
			Steering Committee Update	Weekly
			BRC Consent Order Update-see Appendix B	Monthly
			BRC Consent Order Work Stream Rev*-see Appendix C	Quarterly
			BRC Detailed Assessments-see Appendix D	Periodically
			Private Audit, Risk Review Meetings with Board Audit/Risk Committees	As Needed
(2)	Assessments of executive management, other officers and remaining teammates will be undertaken	Ongoing	PwC Mortgage Process/ Role Assessment	1Q11
			Mortgage Executive/Default Mgmt Assessments-Internal	3/4Q11
			InBalance Performance Management Reviews	Ongoing
			Talent Management Reviews	Ongoing
(3)	Periodic In-Depth Reviews of Mortgage Servicing, Loss Mitigation/Foreclosure operations to assess current/anticipated workloads, staffing, and skills, as well as quality of service, turnover and other key metrics (refer to Appendix D for example)	Ongoing	BRC Default Mgmt Assessment-see Appendix D (sample)	07/11-- (Updates planned 12/11)
			BRC Mortgage Servicing Assessment-see Appendix D (sample)	07/11-- (Updates planned 12/11)
(4)	Skills sets and accountability will be augmented through enhancement of mortgage process/ procedures oversight, management and documentation (refer to SunTrust's Action Plan regarding Policies/Procedures); plan elements include Mortgage process/ procedure governance process and framework; process/procedure inventory; gap analysis; servicing, default and foreclosure procedure redrafting. Third party resources engaged to assist. Promotes placement of teammates with the right skills into the right jobs.	In Process	Third parties engaged	Complete
			Inventory/Gap Assessments	Complete
			Foreclosure Process/Procedures-Pilot	Complete
			Servicing, Default Processes/Procedures	02/12
(5)	Skills sets and accountability will be enhanced through training (refer to SunTrust's Action Plan response to Consent Order Section 12- Training for details). The training plan includes assessing gaps, refreshing existing/creating new content and delivering training re: Loss Mitigation, Foreclosure, Servicing, Single Point of Contact, MERS, Compliance and Vendor Management. Promotes placement of teammates with the right skills into the right jobs.	In Process	Inventory/Gap Assessments	Complete
			Loss Mitigation/Compliance/ MERS/SPC	Delivered
			Additional Training in Process	See Appendix A for Timelines

(h) Requirement: Periodic reviews of the adequacy of the levels and types of officers and staff to carry out residential mortgage servicing, Loss Mitigation, and foreclosure activities in light of changes in the Servicing Portfolio or the Legal Requirements. To conduct this review, the plan shall establish metrics to measure and ensure the adequacy of staffing levels relative to existing and future Loss Mitigation and foreclosure activities, such as limits for the number of loans assigned to a Loss Mitigation employee, including the single point of contact as hereinafter defined, and deadlines to review loan modification documentation, make loan modification decisions, and provide responses to borrowers;

Overview: SunTrust is committed to providing appropriate financial, human, systems and other resource availability to execute SunTrust Mortgage's residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations in conformance with regulatory and Company expectations. While ongoing reviews and reporting of staffing adequacy occur as part of normal Mortgage processes, specific Servicing, Loss Mitigation/Foreclosure assessments and reporting occur quarterly to management and the Board Risk Committee. These assessments examine key metrics, such as current and anticipated teammate workloads; activity counts; activity quality; turnover rates; etc. In addition,, as well as the introduction of new processes such as the Single Point of Contact and Consent Order Borrower Outreach. In addition, separate reporting occurs for these new processes/programs (refer to SunTrust's Action Plan response to Consent Order Section 6 for details regarding the Single Point of Contact and the Action Plan response to Consent Order Section 12 for details regarding Consent Order Borrower Outreach). Workloads, staffing assessments and resource needs/availability regarding Mortgage servicing, default and foreclosure operations are presented to management and the Board Risk Committee on a regular basis and will continue into the foreseeable future.

		Status	Artifact(s)	Target Date
(1)	Monthly/Quarterly Reporting content enhanced to address Consent Order remediation activities and Mortgage Company operational and compliance processes (refer to Appendices); staffing, skill set, funding and other resource adequacy monitored. <i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>	Ongoing	BRC Consent Order Update-see Appendix B	Monthly
			Mortgage Dashboard-see Appendix B	Quarterly
			Corporate Risk Profile	Quarterly
			BRC Consent Order Work Stream Rev*-see Appendix C	Quarterly
			BRC Detailed Assessments-see Appendix D (sample)	Periodic
(2)	Periodic In-Depth Reviews of Mortgage Servicing, Loss Mitigation/Foreclosure operations to assess current/anticipated workloads, staffing, and skills, as well as other key metrics/activities (refer to Appendix D for example)	Ongoing	Default Management	07/11
			Mortgage Servicing	07/11
			Vendor Management	9/11
			Single Point of Contact	10/11
			Process & Procedures	10/11
			Training	11/11
			Compliance	1Q12
			Risk Management	1Q12

(i) Requirement: Steps to ensure that the risk management, audit, and compliance programs for SunTrust Mortgage have adequate levels and types of officers and staff and that they have officers and staff with the requisite qualifications, skills, and ability to comply with the requirements of this Order, and a timetable for hiring any necessary additional officers and staff,

Overview: SunTrust is committed to providing appropriate First Line of Defense (LOB) personnel, systems and other resources to execute critical risk management and compliance programs relative to the risk profile of SunTrust Mortgage. It is also working to ensure that roles and responsibilities, and required risk management and compliance activities, are clearly understood and well executed to improve effectiveness, i.e., it is not just the number of teammates or the dollars allocated, but how these resources execute their responsibilities that promote safety and soundness. To this end,

- Select charters/policies have been refined (Board Risk Committee Charter; Enterprise Risk, Compliance) to better define roles and responsibilities;
- Mortgage procedures are being redrafted and refined, with appropriate training provided, to enhance understanding and accountability—refer to SunTrust's Action Plans regarding Mortgage Processes/Procedures and the Action Plan in response to Consent Order Section 12-Training;
- The quantity and skills sets of risk, compliance and assurance teammates involved in Mortgage activity execution and oversight are regularly assessed at both the enterprise and line of business levels;
- Staffing adequacy, skill development and resource deployment are integrated into existing Company processes, e.g., the Consumer/Mortgage Operational & Compliance Risk Management Group organizational plan established in Jan-10 to enhance the teammate skills sets supporting SunTrust Mortgage's residential mortgage loan servicing, loss mitigation and foreclosure activities and ensure that operations are conducted in accordance with applicable laws, regulations, policies and industry standards, and that adequate controls are in place. Staffing adequacy, skill development and resource deployment are also specifically integrated into certain Consent Order Work Streams—refer to SunTrust's Action Plan regarding Consent Order Sections 8/9 (Compliance), 15/16 (Risk Management) and 17/18 (Audit). Each of these plans outlines needs, and the respective functions are actively seeking additions to staff where appropriate.

These activities, while addressing this Consent Order requirement, are not exclusive to the Consent Order.

Action(s):	Status	Artifact(s)	Target Date	
(1) The Enterprise Risk Policy, Enterprise Compliance Policy and Board Risk Committee Charter will be updated to clarify roles and responsibilities at the Board, enterprise and line of business levels. Policies and charters will be appropriately approved.	Completed	Enterprise Risk, Compliance Policies	10/11	
		Board Risk Committee Charter	07/11	
		Consumer Operational Risk Plan	09/11	
		Consumer Operational Risk Program	10/11	
		Consumer Compliance Program	11/11	
	(2) Skills sets and accountability will be augmented through enhancement of mortgage process and procedures oversight, management and documentation (refer to SunTrust's Action Plan regarding Processes/Procedures for details): Plan elements include Mortgage process/procedure governance process and framework; process and procedure inventory; procedural gap analysis; servicing, default and foreclosure procedure redrafting. Third party resources engaged to assist.	In Process	Accenture, PwC engaged	Complete
			Inventory/Gap Assessments	Complete
			Foreclosure Process/Procedures-Pilot	Complete
			Servicing, Default Processes/Procedures	02/12
	(3) Skills sets and accountability will be enhanced through training (refer to SunTrust's Action Plan response to Consent Order Section 12 for details). The training plan includes assessing gaps, refreshing existing/creating new content and delivering training re: Loss Mitigation, Foreclosure, Servicing, Single Point of Contact, MERS, Compliance and Vendor Management	In Process	Inventory/Gap Assessments	Completed
			Loss Mitigation/Compliance/MERS/SPC	Delivered
	(4) Detailed assessments of, and implementation of refinements regarding, compliance and risk management activities will be undertaken regarding program requirements, process changes and resource needs	In Process	CO Section 8/9 Compliance Action Plan	Approved by FRB – 12/11
			CO Section 15/16 Risk Mgmt Action Plan	Submitted; work In Process– 05/30
	(5) Compliance, ERM oversight (risk, compliance) and Risk Review/Audit assurance staffing and skill set adequacy relative to Mortgage activities will be regularly evaluated using quantitative and qualitative assessments, as appropriate, and reported to management and the Board Risk Committee. Needs will be communicated to management and the Board Risk Committee. <i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>	Ongoing	KPMG Audit Staffing Adequacy	11/11
			Fed Response Program Update-see Appendix A	Weekly
			Steering Committee Update	Weekly
			BRC Consent Order Update-Monthly-see Appendix B	Monthly
			BRC Consent Order Work Stream Rev*-see Appendix C	Quarterly
			BRC Detailed Assessments-see Appendix D	Periodically
			Private Audit, Risk Review Meetings with Board Audit/Risk Committees	As needed
(6) Detailed assessments of, and implementation of refinements regarding, compliance and risk management activities will be undertaken to assess program requirements, institute process changes and resource needs (refer to SunTrust's Action Plan response to Consent Order Sections 8/9 (Compliance), 15/16 (Risk Management) and 17/18 (Audit))	In Process	CO Section 8/9 Compliance Action Plan	Approved by FRB	
		CO Section 15/16 Risk Management Action Plan	Submitted; work In Process– 05/30	
		CO Section 17/18 Audit Plan/Program Action Plan	Submitted; work In Process - 02/29	

(j) Requirement: Workload reviews of residential mortgage loan servicing, Loss Mitigation, and foreclosure personnel who are responsible for handling individual loan issues (including single point of contact personnel), including an initial review within 90 days of this Order, and then annual reviews thereafter. Such reviews, at a minimum, shall assess whether the workload levels are appropriate to ensure compliance with the requirements of paragraphs 2(g) and 6 of this Order. Promptly following completion of such reviews, SunTrust Mortgage shall adjust workload levels to ensure compliance with the requirements of paragraphs 2(g) and 6 of this Order;

Overview: SunTrust is enhancing its assessment capabilities and reporting regarding staffing and workload assessments in Servicing, Loss Mitigation and Foreclosure. [REDACTED] Resources have been focused on creating more robust tools, e.g., SunTrust's Consumer Productivity and Efficiency Group is conducting time/motion studies in Loss Mitigation/Foreclosure to improve tool accuracy. Reviews of workloads, staffing adequacy and competencies are presented to management and the Board on a regular basis. Staffing, as well as other resource needs such as training, are processed through normal channels, as well through the Federal Response Program Steering Committee; they are also reported to the BRC through enhanced monthly/quarterly reporting. Staffing adjustments have been made, as appropriate; e.g., Single Point of Contact, Consent Order Borrower Outreach; Default/Foreclosure Management; Servicing. Reporting is anticipated to continue into the foreseeable future.

		Status	Artifact(s)	Target Date
Action(s):	(1) Initial Workload Review to FRB within 90 days of Order	Complete	BRC Servicing Workload Review	07/11
			BRC Default/Foreclosure Workload Review	07/11
	(2) Mortgage Servicing and Default Management workload, staffing and skill assessments will be undertaken on a periodic regular basis and presented to management and the Board <i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>	Ongoing	LOB Staffing/Workflow Analyses	Ongoing
			BRC Consent Order Work Stream Rev*-see Appendix C	Quarterly
			BRC Default Mgmt Assessment-see Appendix D (sample)	07/11-- (Updates planned 12/11)
			BRC Mtg Servicing Assessment-see Appendix D (sample)	07/11-- (Updates planned 12/11)
			Mtg Dashboard Staffing Metrics Refinements	Under review

(k) Requirement: Policies to ensure that the risk management, audit, and compliance programs have the requisite authorities and status within the organization to effectively operate the programs, and that there is adequate coordination with respect to these programs to ensure that any problems or deficiencies that are identified in SunTrust Mortgage's residential mortgage servicing, Loss Mitigation, and foreclosure activities and operations are comprehensively reviewed and remedied

Overview:

SunTrust is committed to ensuring that its risk management, audit/risk review and compliance functions have requisite authorities and status within the organization to effectively oversee Mortgage operations; status and authorities are established within the Enterprise Risk Policy and cascaded through the risk policies with increasing detail down to the business. It also seeks to improve coordination between these functions. Finally, it has instituted processes to ensure that issues are appropriately elevated and remedied in timely and effective manner.

To this end, the roles each of these functions play at the enterprise and LOB levels have been clarified with increasing detail through policies, charters, plans, programs and procedures. Organizational structures have been or are being realigned to promote clear delineation of roles, responsibilities and accountabilities. Reporting of existing and emerging issues and remediation efforts has been enhanced. Detailed assessments of, and implementation of refinements regarding, compliance and risk management activities are being undertaken (refer to SunTrust's Action Plan response to Consent Order Sections 8/9 (Compliance) and 15/16 (Risk Management); and there are also formal and informal opportunities for risk, audit/risk review and compliance function to coordinate activities. Each of these functions has appropriate visibility with executive management and the Board Risk Committee to ensure that issues are appropriately reported and vetted. These activities, while addressing this Consent Order requirement, are not exclusive to the Consent Order.

		Status	Artifact(s)	Target Date
(1)	The Enterprise Risk Policy, Enterprise Compliance Policy and Board Risk Committee Charter will be updated to clarify roles and responsibilities at the Board, enterprise and line of business levels. Policies and charters will be appropriately approved.	Completed	Enterprise Risk Policy	10/11
			Enterprise Compliance Policy	10/11
			Board Risk Committee Charter	07/11
			Consumer Operational Risk Plan	09/11
			Consumer Operational Risk Program	10/11
			Consumer Compliance Program	11/11
(2)	Review alignment of roles, responsibilities, accountabilities and activities within the Lines of Defense as outlined in the Enterprise Risk Policy; determine action steps to achieve alignment, including organizational changes and resource needs.	Ongoing	LOB LoD Assessments	09/11
			Action Plan/Implementation	In Process
(3)	Monthly/Quarterly Reporting content enhanced to address Consent Order remediation activities and Mortgage Company operational/compliance processes; includes introduction of performance and staffing metrics, as well as summary reviews of risk management activities and remediation effort status (refer to Appendices for specific examples related Consent Order reporting)	Ongoing	BRC Consent Order Update See Appendix B	Monthly
			Mortgage Dashboard-see Appendix B	Quarterly
			BRC Consent Order Work Stream Rev* – see Appendix C	Quarterly
			<i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>	
(4)	Detailed assessments of, and implementation of refinements regarding, compliance and risk management activities will be undertaken to assess program requirements, process changes and resource needs	In Process	CO Section 8/9 Compliance Action Plan	Approved by FRB – 12/30
			CO Section 15/16 Risk Mgmt Action Plan-	In Process – 05/12
(5)	Risk management, compliance and assurance function coordination will occur through both formal and informal mechanisms, including Enterprise Assurance Roundtable discussions (Risk Review, Audit, Enterprise Compliance/Oversight Testing); LOB Portfolio Review Meetings; LOB Operational Risk and Compliance meetings; Material Risk Assessment Meetings; examination schedule sharing; ongoing dialogue between functions regarding issues, trends, etc.	Ongoing	Assurance Roundtable Discussions	Quarterly
			Material Risk Assessment Meetings	Quarterly
			Examination/Testing Schedule Sharing	Ongoing

(I) Requirement: Steps to improve the information and reports that will be regularly reviewed by SunTrust’s, the Bank’s, and SunTrust Mortgage’s boards of directors to assess the performance of mortgage servicing, Loss Mitigation, and foreclosure activities and operations, as well as the risk management and compliance programs and associated functions including, compliance risk assessments, and the status and results of measures taken, or to be taken, to remediate mortgage servicing, Loss Mitigation, and foreclosure deficiencies, and to comply with this Order.

Overview: The Board Risk Committee regularly receives asset quality and risk management updates, in varying detail, as part of routine reporting on a monthly and quarterly basis. Content is continually refined to enhance transparency and knowledge transfer, e.g., asset quality metrics detail focusing on LOB and product views; Quarterly Risk Profile enhancements to provide more conclusion-based observations of key credit, operational, market and compliance risks and activities; additional information regarding Risk Review issue remediation status.

The Board Risk Committee has historically provided oversight for regulatory matters, including remediation activities. The frequency of BRC meetings, and the content of meetings, have been adjusted in light of the financial crises and increased regulatory activity. Portions of each monthly meeting are dedicated to Compliance and Regulatory issues, including the Consent Order. The type and depth of reporting has also been enhanced to provide the Committee with sufficient insight into regulatory issues and bank activities so that it may appropriately execute its oversight responsibilities (refer to SunTrust’s Action Plan relating to Consent Order Section 11, Mortgage Information Systems). Information provided to the Committee regarding Consent Order and Mortgage operations is delivered primarily through three vehicles: (1) Monthly Consent Order Updates (refer to Appendix B), including a dashboard of overall Mortgage Company activities (which leverage the MIS work stream output); (2) Quarterly Consent Order Work Stream Updates, which provide summary data regarding the adequacy of staffing, competencies and financial/other resources for key functions and activities; and (3) In-depth reviews of key mortgage functions, activities and/or work streams. Results of operational and compliance reviews are also reviewed with executive management and the Board Risk Committee as part of routine risk reporting, e.g., the Corporate Risk Profile. In addition, Committee members and executive management, including Mortgage leadership, engage in active discussions regarding presented materials and topical issues. Examples of the quarterly reports presented to the Board are included in Appendices B and D.

		Status	Artifact(s)	Target Date	
Action(s):	(1)	Ongoing	BRC/Exec-Comp Meeting Agendas	Monthly	
	(2)	In-Process	Mortgage Information Systems/Reporting Plan	Approved by FRB 11/11	
	(3)	Complete	BRC Consent Order Work Stream Rev* – See Appendix C	5/11	
	<i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>				
	(4)	Ongoing	BRC Consent Order Update - See Appendix B Mortgage Dashboard-see Appendix B BRC Consent Order Work Stream Rev* – see Appendix C	Monthly Quarterly Quarterly	
	<i>*or equivalent; includes summary assessments of staffing adequacy, competency, resource adequacy</i>				
(5)	Ongoing	Default Management Mortgage Servicing Vendor Management Single Point of Contact Process & Procedures Training Compliance Risk Management	07/11 07/11 9/11 10/11 10/11 11/11 1Q12 1Q12		
(6)	Ongoing	Asset Quality Metric Reporting Refined – delivered monthly/quarterly Corporate Risk Profile Reporting Refined – delivered Quarterly Risk Review Issue Remediation Status-Reporting Enhancements delivered Quarterly	9/11 8/11 8/11		

1.6 Approach- Board Oversight Reporting

SunTrust continuously adjusts management and Board reporting content to provide additional insight into bank activities, processes, issues and remediation efforts. This effort is broad based, and not specific to the Consent Order. General enhancements include creation of Corporate Risk Management Quarterly Overview; refinements to the Quarterly Corporate Risk Profile (Asset Quality, Credit Processes, Operational Risk, Market Risk, Compliance Risk, Risk Tolerances/Limits, Assurance Review Assessments, etc.); broader communication of Top Corporate/Corporate Risk Management Focus risks; additional LOB/Product portfolio metrics/performance trends; Assurance Function (Audit, Risk Review) Issue Remediation Status; refined ALCO, EAPMC and Business line reporting to improve transparency; etc.

To comply with the specific requirements of the Consent Order, Board Oversight of Mortgage Servicing, Loss Mitigation and Foreclosure activities will be enhanced through:

- 1.6.1 Formalization of Board oversight and governance of material regulatory matters, actions and/or orders by clarifying the responsibilities of the Risk Committee of the Board of Directors' through modification of the BRC's Charter. The BRC's Charter was modified on June 20, 2011 and such modifications were approved by the SunTrust Board of Directors. The BRC Charter specifically states that the BRC will receive management reports that will address the status of and compliance with significant regulatory matter actions or orders, as appropriate.

While a portion of each BRC meeting, more specifically the Executive Session, has historically been dedicated to compliance and regulatory matters, content has now been expanded to include specific reviews of Consent Order remediation and ongoing Mortgage company activities.

1.6.2 Enhanced BRC Reporting:

- **Monthly** summary updates regarding the overall status of the Consent Order Program/Mortgage activities, associated work streams and timelines for execution. Work streams to be reported upon include:
 - Vendor Management
 - MIS/Reporting
 - Audit
 - Training
 - Policies and Procedures
 - Compliance
 - Risk Assessment
 - Single Point of Contact
 - Foreclosure Review
 - MERS
 - Board Oversight

Components of the Monthly Update will include:

- A summary of the overall Mortgage Response Program;
- A high-level status summary of these work streams and their respective timelines; and
- A Mortgage Dashboard summarizing the status of key Mortgage Company metrics, including financial, origination, operations, default management, credit/operational risk, capital markets/balance sheet, human resources and major initiatives..

Refer to **Appendix B** for an illustrative example (may evolve over time)

- **Quarterly:** A summary of the work streams will also be provided to the Committee to assist in evaluation. Quarterly Board Oversight reporting will include:
 - The Monthly Summary Update (see above)
 - **Board Oversight Summary** and **individual work stream updates** pertaining to specific requirements of the Consent Order (refer to **Appendix C**).



- Reports on Servicing and Default/Foreclosure staffing adequacy and skill sets are also presented to the BRC quarterly and provide insight into such things as staffing workloads, training, review of any operational or procedure gaps that require modification, and additional staffing or technology needs.

Analysis has been conducted by Consumer Bank Operations to review Mortgage Servicing metrics and employee competencies to confirm appropriate staffing levels and talent are in place. This information was presented to the BRC on July 12, 2011 and was focused on Mortgage Servicing.

[REDACTED]

Analysis relating to Default Management, including Loss Mitigation and foreclosure operations, workloads, staffing and competencies was completed and presented to the BRC in June 2011. [REDACTED]

[REDACTED] additional effort will be required to refine how qualitative and quantitative data within Default Management will be defined. [REDACTED]

[REDACTED] will result in realignment of roles, responsibilities and focus that will leverage existing tools and methodology to make a consistent approach to this analysis. Consumer Bank Operations has begun the design and definition of these key metrics. The redesigned staffing, workloads and competencies analysis will be presented to the BRC in December 2011.

- **Periodically**, detailed reporting/metrics will be provided to the BRC and, if appropriate, to the full Board, regarding the status of individual work streams; such detail may include work stream status and assessments of staffing and other resources adequacy (e.g., systems, funding) relative to the risk profile of the mortgage portfolio/processes. To date, special presentations of Servicing and Default Management Metrics, Vendor Management, Single Point of Contact, Processes/Procedures and Training have been reviewed with the BRC (refer to **Appendix D** for an example).

Metrics, staffing tools and resource assessment processes may vary by function and/or the activities being performed. Appropriate supporting information will be provided, as appropriate. If resource or analytical needs are identified, corrective action plans will be outlined, including timelines for implementation.

1.6.3 The BRC will continue to receive ongoing asset quality and risk process assessment information regarding all Lines of Business, including Mortgage, on a monthly and quarterly basis. This reporting continues to be enhanced to provide additional insight into Line of Business and product trends, credit processes, operational risks and compliance.

1.6.4 Execution of BRC/Board authority, when appropriate, to ensure that adequate processes are in place and are being appropriately executed, and that sufficient resources are available to promote the safe and sound residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations.

The enhanced oversight program outlined herein will continue until otherwise directed by the Chairman of the Risk Committee of the Board of Directors.

1.7 Description of Board Oversight/Reporting Action Plan

The Board Oversight Action Plan is designed to ensure that the Board of Directors, and/or appropriate subcommittee(s), have the proper authority and receive adequate and timely information to fulfill their mandated oversight responsibilities risk management in general and Mortgage Servicing, Loss Mitigation and Foreclosure, specifically. Execution of the Board Oversight Action Plan is dependent upon other Action Plans which support fulfillment of other Consent Order requirements; thus, the action steps, timelines and artifacts of the other Action Plans, incorporated herein by reference, are integral parts of the Board Oversight Action Plan and support the Board Risk Committee’s ability to execute its mandate.

The plan ensures that:

- Board oversight responsibilities and accountabilities are clearly established
- Overall Program work stream reporting is provided to the Board on a routine basis
- Detailed Board Oversight requirements as outlined within the Consent Order are fulfilled, e.g., adequacy of staffing, skill sets, technological resources, financial resources and other resources
- Appropriate Board/management forums exist to promote active dialogue and accountability for action

1.7.1 Action Plan

Reference	Assigned To	Action Item/Milestone	Evidence of Satisfaction	Completion Date
2k		In order to comply with the Consent Order a revision was necessary to the Board Risk Committee (BRC) Charter to explicitly include oversight responsibility for material regulatory matters, actions and/or orders.	BRC Charter	5/11
2k		In order to provide the BRC with proper authority on 6/13/11, BRC approved the revisions to the BRC charter and obtained subsequent full board approval on 6/14/11.	BRC, Board Minutes	6/11
2k		Present Board resolution to delegate Board Oversight responsibility to the Risk Committee of the Board	Board Minutes	6/11
2		Compile relevant Consent Order requirements pertaining to Board Oversight	Data File	5/11
2a, b, c, d, e, f, g, h, i, j, k, l		Develop LOB/Functional reporting tools and reports to support Board Oversight. In order to comply with BRC requirements, appropriate managers will complete specific progress worksheets and present the worksheets quarterly to BRC for review and remedial action if necessary.	Worksheets	5/11
2a, b, c, d, e, f, g, h, i, j, k, l		Identify key stakeholders/ contributors regarding Board reporting and oversight , including Risk Management, Policies/Procedures, Risk Review, Compliance, Default Management, Reporting, MIS, and Residential Servicing.	Response Plan	5/11
2a, b, c, d, e, f, g, h, i, j, k, l		Confirm time lines & approaches for supporting activities with key stakeholders/contributors	N/A	5/11
2a, b, c, d, e, f, g, h, i, j, k, l		Identify reporting gaps and timelines for resolution. Each section of the Consent Order was extensively reviewed by managers who would be responsible to comply with the Order requirements, any gaps were reviewed and specific remediation action was established and timelines were established. Going forward each manager is required to submit monthly status update reports to BRC detailing progress made, and address any additional needs for staffing, training or technology.	Response Plan	5/11
2d, l		Design Mock-Up of BOD monthly, quarterly reporting package	Monthly/ Quarterly BRC Package	5/27/11
2d, l		Identify Resource(s) to Manage Ongoing Compilation and Synthesis of Board Oversight and Reporting Information. New position created, interviews complete and candidate accepted position to be in place on or before 8-31-11.	Hire	8/11
2j		Monitor development/delivery of Residential Servicing staffing, workload, skill set analyses with timelines for gap remediation for presentation to the BRC. An initial analysis was conducted by Loan Servicing Management in order to comply with this action plan requirement.	Quarterly Update Doc; Supporting Data	5/11

2j		Monitor development/delivery of Loss Mitigation and Foreclosure staffing, workload, skill set analyses with timelines for gap remediation for presentation to the BRC. An initial analysis was conducted by Loss Mitigation Management in order to comply with this action plan requirement, but will require additional design due to Single Point of Contact requirements	Quarterly Update Doc; Supporting Data	12/11
2j		Presentation of servicing, loss mitigation and foreclosure staffing, workload, skill set analyses with timelines for gap remediation to the BRC	Presentation Data to BRC	7/11
2a, b, c, d, e, f, g, h, i, j, k, l		Preparation/submission of completed BOD Oversight Worksheets. This process was required in order to provide BOD with specific information pertaining to requirements of various sections of the Consent Order.	Quarterly Update Doc; Supporting Data	8/11
2d, l		Preparation of Quarterly BOD Consent Oversight Package for August 8 BOD BRC Meeting; presentation to BRC	Quarterly Update Doc; Supporting Data	8/11
2d, l		Standard monthly and quarterly reporting to the BRC	Monthly/ Quarterly BRC Submissions	Ongoing
2k		Revise the Enterprise Risk Policy as part of the annual review to include enterprise risk management roles and responsibilities specific to compliance with legal and regulatory requirements (regulatory requirements includes supervisory standards and guidance of the Board of Governors)	Enterprise Risk Policy	8/11
2k		Present revised Enterprise Risk Policy to the BRC (9/16/11) for approval	BRC Minutes	9/11

1.8 Progress Tracking

A critical component of our Consent Order response is the ongoing tracking of action plan milestones. The tracking and monitoring of action plan milestones will be managed via an active project management process. The Consent Order PMO will continue to provide the oversight and structure to the process. An objective of the Consent Order PMO is to provide the Consent Order work stream owners with a common methodology and shared platform for tracking the action plans submitted to Federal Reserve Bank.

All Board of Directors Oversight milestones have been uploaded into a common repository. Each milestone is tracked using a unique milestone identifier. In addition to the unique identifier, each milestone contains a description of the milestone, the associated work stream, the assigned owner of the milestone, the status of the milestone, the planned completion date, and the work stream sponsor and project manager. The work stream owner is responsible for maintaining the status of each milestone (e.g. Open, Complete, Closed) on a regular basis. Upon completion of a milestone, the work stream owner is expected to upload documentation to provide evidence the milestone was successfully completed. SunTrust Audit will have full access to the repository for any validation work they perform throughout the process.

The Consent Order PMO will monitor the status of milestones entered into the repository to confirm work stream owners are updating milestones as expected. The status of upcoming and past due milestones will be reviewed as part of the Consent Order weekly work stream status meetings. Past due milestones will be escalated to the Consent Order Steering Committee for awareness and executive action as necessary.

2. Glossary

Acronym	Definition
ALCO	Asset-Liability Committee
AML	Anti-Money Laundering
BOD	Board of Directors
BRC	Risk Committee of the Board of Directors
CAT	Compliance Assurance Testing
CEO	Chief Administration Officer
CIB	Corporate and Investment Banking Line of Business
CRE	Commercial Real Estate Line of Business
CRM	Corporate Risk Management
DCB	Diversified Commercial Line of Business (also referred to as Commercial Banking, or CB)
EAPMC	Earning Asset-Portfolio Management Committee
EIS	Enterprise Information Services
FHA	Federal Housing Administration
LOB	Line of Business
ORSA	Operational Risk Strategy-Assessment
PMO	Program Management Office
REO	Real Estate Owned
STM	SunTrust Mortgage Company
VA	Veterans Affairs
W&IM	Wealth and Investment Management Line of Business