

EXHIBIT A



UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION-BAY CITY

In re:

**DAVID S. BELZAK,
LYNDA J. BELZAK,**

Debtors.

Case No. 10-23963-dob

Chapter 13

Hon. Daniel S. Opperman

**STIPULATION FOR MODIFICATION OF AGREEMENT EMBODIED IN ORDER
APPROVING SETTLEMENT BETWEEN THE UNITED STATES TRUSTEE
PROGRAM AND JPMORGAN CHASE BANK, N.A.**

Daniel M. McDermott, the United States Trustee for Region 9, the Executive Office for United States Trustees (EOUST), the United States Trustees and Acting United States Trustees for Regions 1 through 21, and JPMorgan Chase Bank, N.A., by their respective counsel, respectfully file this Modification of Agreement Embodied in Order Approving Settlement Between the United States Trustee Program and JPMorgan Chase Bank, N.A.

**DANIEL M. McDERMOTT
UNITED STATES TRUSTEE
Region 9**

K&L GATES LLP

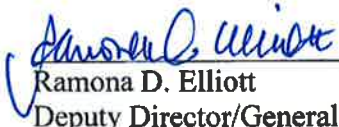
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Dated: April 28, 2017

Dated: April 28, 2017

**EXECUTIVE OFFICE FOR
UNITED STATES TRUSTEES**

By: 

Ramona D. Elliott
Deputy Director/General Counsel

Dated: April 24, 2017

JPMORGAN CHASE BANK, N.A.,
On behalf of itself and its affiliates

By: 

Peter Muriungi
Head of Servicing, Mortgage Banking

Dated: April 24, 2017



Ramona D. Elliott
Deputy Director / General Counsel
Executive Office for U.S. Trustees
441 G Street, NW, Suite 6150
Washington, DC 20530

Re: Modification of Agreement Embodied in Order Approving Settlement Between the United States Trustee Program and JPMorgan Chase Bank, N.A.

Dear Ms. Elliott:

This letter will confirm the agreement of Chase¹ and the USTP to modify the settlement agreement (“the Agreement”) set forth in the March 9, 2015 Order Approving Settlement Between the United States Trustee Program and JPMorgan Chase Bank, N.A., in *In re Belzak*, No. 10-23963-dob, Dkt. No. 143 (Bankr. E.D. Mich. Mar. 9, 2015) (the “Order”). Modification of the Agreement by a writing signed by the Parties is provided for by paragraph 108 of the Order, and this letter is executed by the Parties pursuant to paragraph 108.

BACKGROUND

The Parties have agreed to modify the Agreement as set forth herein as a result of additional facts and information relating to the service of PCNs that have come to light subsequent to the Agreement.

In February 2016, Chase became aware that, in some cases, it filed timely PCNs with inaccurate mailing dates on the accompanying certificate of service. Because the certificates of service stated that they had been served the same day they were filed, the failure to mail them the day they were filed rendered the certificates inaccurate, and in some cases meant that timely filed PCNs were not actually served 21 days prior to the new payment amount was due as Federal Rule of Bankruptcy Procedure 3002.1 requires. Chase self-reported this issue to both the USTP and the Independent Reviewer. Subsequently, the USTP and Chase engaged in discussions to resolve these issues. As a result of those discussions, the parties have agreed to certain modifications and additions to the Agreement.

DEFINITIONS

The following definitions are added to Article II of the Agreement:

“PCN Service Relevant Period” shall mean the period from December 1, 2011 through April 25, 2016.

“Untimely Served PCNs” shall mean PCNs that: (1) were timely filed with bankruptcy courts during the PCN Service Relevant Period; (2) were not mailed to borrowers on the date reflected

¹ Capitalized terms not otherwise defined in this letter agreement are defined, and shall have the meanings ascribed to them, in the Order.

in the certificate of service filed with the PCN; and (3) were served by mail less than 21 days prior to the date of the payment change.

“Untimely Served PCN Covered Conduct” shall mean:

- (a) The timeliness of service by mail of Untimely Served PCNs during the PCN Service Relevant Period; and
- (b) The accuracy of the date of service by mail reflected in certificates of service for Untimely Served PCNs filed during the PCN Service Relevant Period.

“Untimely Served PCN Released Parties” shall mean JPMorgan Chase Bank, N.A.; Chase Home Finance, LLC; Chase Bank USA, N.A.; Chase Manhattan Mortgage Corp.; Chase Mortgage Services, Inc.; EMC Mortgage Corporation; EMC Mortgage Company LLC; JPMC Specialty Mortgage LLC; Washington Mutual Bank, FA; and Washington Mutual Home Loans, Inc., and any of their respective corporate successors or assigns, whether acting on their own behalf or as servicer or agent for a third party.

FACTS

Chase incorporates the following additional facts into Article III of the Agreement:

In February 2016, following discussions in the industry, Chase began reviewing whether PCNs filed and served on Chase’s behalf by 4 S Technologies, LLC (“4S” or the “Filing Vendor”), a third-party vendor, were subject to mailing delays and were therefore not mailed to borrowers on the date contained in the certificate of service. The Filing Vendor was responsible for electronically filing PCNs and then, for parties not registered for electronic service, serving the PCNs by mail. Under Chase’s and the Filing Vendor’s arrangement, when a Chase employee completed and approved a PCN, the Filing Vendor electronically filed the PCN through the ECF system and sent the PCN to The Walz Group, LLC (the “Mailing Vendor”), a vendor of 4S, for mailing to the borrower.

Through this February 2016 review, Chase concluded that when it timely electronically filed a PCN, in many cases the document was not timely served on the borrower, who was often served by mail because borrowers are rarely registered in the courts’ system for electronic service. Because of this delay in mailing, many of the certificates of service accompanying PCNs that had been filed by Chase after December 1, 2011 contained mailing dates that were not consistent with the date the PCN was actually mailed. As a result, some borrowers received the notice of payment change less than 21 days before a payment in the new amount was due. Chase ultimately concluded that the Mailing Vendor took an average of 2 days to put the PCN into the U.S. mail to the customer.²

Chase initiated discussions with the Filing Vendor immediately upon discovery of the issue. That month, Chase obtained vendor records reflecting the date on which PCNs were

² The longest delay that Chase has identified was 5 days.

mailed (“Mailing Records”) and used those Mailing Records to identify borrowers whose accounts had Untimely Served PCNs. In the aggregate approximately 10,390 accounts received Untimely Served PCNs during the PCN Service Relevant Period.

Chase also initiated discussions in February with the Filing Vendor about process enhancements to help ensure that filing dates, mailing dates, and dates on the certificate of service would be consistent. Chase requested that the Filing Vendor provide it with a compliant process flow by the end of the month, and the Filing Vendor indicated that procedural enhancements could be implemented within 60-90 days of final approval. Chase and the Filing Vendor agreed on the necessary enhancements and deployed them more quickly, on April 25, 2016.

OPERATIONAL ENHANCEMENTS

The following additional operational enhancements are incorporated into Article V of the Agreement:

In response to the discovery of the Untimely Served PCNs, Chase implemented certain operational enhancements to address and help resolve the issues relating to the accuracy of certificates of service and the delay in mailing PCNs. The operational enhancements include the following:

- (a) Chase implemented process enhancements, as reflected in policies, procedures, or other requirements, to help ensure that timely filed PCNs are mailed or otherwise sent to borrowers on the day that they are filed, and may further modify these process enhancements so that Certificates of Service accurately reflect that they were served and mailed “on or before” a particular date, reflecting that they are served and filed either the date of the filing of the PCN or the next business day, depending on the time of day of the filing of the PCN;
- (b) Chase and its vendor have daily cut-off times for the filing and certificate of service processes, to help ensure filing of PCNs and mailing of the certificates of service in accordance with these requirements;
- (c) Each evening, Chase’s vendor provides a report to Chase that includes the filing date and mailing date for filed PCNs;
- (d) Each morning Chase reconciles the filing date to mailing date for filed PCNs; and
- (e) Chase has incorporated a testing attribute to validate the date on the certificates of service to the filing date as part of the post-filing quality assurance.

Chase’s operational enhancements described above were implemented on or before April 25, 2016 (the “Untimely Served PCN Implementation Date”).

UNTIMELY SERVED PCN CORRECTIVE ACTION

Chase will undertake corrective action on account of the Untimely Served PCNs as follows:

For borrowers who were sent Untimely Served PCNs, regardless of whether the payment change was attributable to increases or decreases on these accounts, Chase will either credit the borrower's account or refund to the borrower, the aggregate difference between the previously effective monthly payment amount and the new monthly payment amount as those amounts appear in the Untimely Served PCN for the time period between: (a) the effective date of the payment change set forth in the Untimely Served PCN and (b) the first payment due date falling 21 days or more after the date that each Untimely Served PCN should have been served, and has therefore given the borrower the benefit of the lower or higher payment amount where a PCN was untimely served. Provided, however, that if the credit due to the borrower is already included in the credit for Untimely PCNs under the Agreement or the borrower's debt is forgiven under the remediation for Substantively Inaccurate PCNs under the Agreement, then no further remediation shall be due under this letter agreement.

Chase shall also provide a notice to the borrowers informing them of the refund or credit consistent with the requirements of paragraph 57 of the Order with respect to any Untimely Served PCN. Additionally, for the avoidance of doubt, the provisions and requirements of paragraphs 43, 44, and Article IX of the Order, where applicable, shall also apply to all Untimely Served PCNs, including Untimely Served PCNs filed subsequent to the date of the Order.

Chase shall complete the corrective action for all Untimely Served PCNs within 30 days of filing of the agreement (the "Untimely Served PCN Corrective Action Date").

INDEPENDENT REVIEW

The following provisions are incorporated into Article XII of the Agreement:

The Independent Reviewer's compliance responsibilities under the Agreement shall now include the Untimely Served PCN issues, including undertaking additional assessments as set forth below and reporting on the Untimely Served PCN issues consistent with the reporting requirements set forth in the Agreement. The Reviewer may attach a copy of this letter agreement to her next report. In reporting on her assessments of the Untimely Served PCN issues the Reviewer's report shall include a detailed account of the underlying facts and operational enhancements relating to the Untimely Served PCN issues.

The Independent Reviewer and Chase shall negotiate the terms of additional provisions and/or modifications to the Work Plan and Retention Agreement that provide for the additional compliance responsibilities relating to the Untimely Served PCN issues, including the additional assessments required herein. In her discretion, the Independent Reviewer may retain additional professionals if necessary to perform her additional responsibilities relating to the Untimely Served PCNs.

In addition to the Independent Reviewer's other responsibilities set forth in Article XII of the Order, the Independent Reviewer's mandate shall include assessing the following:

- a. That Chase has implemented, including through its vendor, the operational enhancements described herein, on or before the Untimely Served PCN Implementation Date. The Independent Reviewer shall utilize a review methodology that is agreed upon between the Independent Reviewer and Chase in undertaking this assessment;
- b. That the Remediation Population identified herein is substantially accurate. The Independent Reviewer shall utilize a sampling methodology that is agreed upon between the Independent Reviewer and Chase to perform this assessment;
- c. That for the Untimely Served PCNs, Chase has credited or refunded each account consistent with the requirements of the Untimely Served PCN Corrective Action provisions above, on or before the Untimely Served PCN Corrective Action Date. The Independent Reviewer shall utilize a sampling methodology that is agreed upon between the Independent Reviewer and Chase in undertaking this assessment;
- d. That Chase has continued to act in accordance with the PCN Policies for the Untimely Served PCNs; and
- e. That the PCNs filed by Chase subsequent to the PCN Service Relevant Period are served timely on the borrower, and the certificates of service filed in connection therewith include the correct date of mailing, consistent with the timing and notice requirements set forth in the Bankruptcy Rules, except as otherwise required by local rule or order. The Independent Reviewer shall utilize a sampling methodology that is agreed upon between the Independent Reviewer and Chase in undertaking this assessment.

The deadline for the delivery of a report of an assessment required in connection with the Order and Untimely Served PCNs shall be 180 days from the Untimely Served PCN Corrective Action Date.

The Independent Review shall be extended as necessary and shall conclude when the Independent Reviewer has completed and filed an assessment under either paragraph 93 or 94 of the Order for each of the sub-paragraphs of paragraph 92 of the Order and the additional assessments required herein.

The additional duties and responsibilities of the Independent Reviewer set forth herein are intended to supplement, not supersede, the Independent Reviewer's existing retention, duties, and authorities set forth under the Agreement.

RELEASE

The USTP consents and agrees to fully and finally release any claims, and will refrain from instituting, directing or maintaining any contested manner, adversary proceeding or participating in any contested matter or adversary proceeding by a third party (except that the United States Trustees may participate in an action to the extent ordered by a court provided that the United States Trustees may not seek such a court order formally or informally), against the Untimely Served PCN Released Parties, individually and collectively, pertaining to the Untimely Served PCN Covered Conduct.

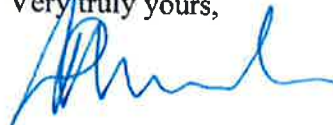
The Untimely Served PCN Released Parties, individually and collectively, consent and agree to fully and finally release the USTP and its current and former employees from claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, based on the USTP's investigation and prosecution of the Untimely Served PCN Covered Conduct.

For the avoidance of doubt, all applicable provisions contained in Article XIII of the Order remain in full force and effect with respect to this letter agreement.

MISCELLANEOUS PROVISIONS

Except as set forth herein, this letter agreement is not otherwise intended to alter, supersede, or amend the terms of the Agreement embodied in the Order. The parties agree that all other terms of the Agreement and Order continue to apply and that the Court retains exclusive jurisdiction over all matters subject to the Agreement and this modification thereto. For the avoidance of doubt and consistent with Paragraph 104 of the Order, this modification of the Agreement will not bind or prejudice the rights and claims of non-parties.

Very truly yours,



Peter Muriungi
Head of Servicing, Mortgage Banking
For: JPMORGAN CHASE BANK, N.A.,
On behalf of itself and its affiliates

Agreed:



EXECUTIVE OFFICE FOR UNITED STATES TRUSTEES

Ramona D. Elliott, Deputy Director/General Counsel
Executive Office for United States Trustees
United States Department of Justice
441 G. Street, NW
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Washington, DC 20530

Dated:

April 26, 2017