



U.S. Department of Justice

Executive Office for United States Trustees

Office of the General Counsel

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February 4, 2020

Elizabeth M. DeSilva
VP Chief Servicing Counsel
Ditech Financial LLC
1100 Virginia Dr., Ste 100A
Fort Washington, PA 19034

Re: Statement of the United States Trustee Program (USTP) in Response to the Validation Assurances of Ditech Financial LLC (Ditech)'s Compliance Testing Operations Division (CTO)

Dear Ms. DeSilva:


On September 25, 2019, Ditech and the USTP entered into a Memorandum of Understanding (MOU) concerning Ditech's historical escrow, corporate advance and loan modification practices and attendant remediation. As part of ensuring that Ditech timely and accurately completed its obligations under the MOU, Ditech engaged its Compliance Testing Operations division to independently review the population approach, review the remediation via a statistically valid sampling of Mortgage Loans in the Remediation Populations, and confirm the Operational Enhancements via review of present day policies and procedures (the Validation Assurances). Section V of the MOU affords the USTP an opportunity to review Ditech's Validation Assurances and submit questions or concerns therewith as appropriate. This response summarizes the USTP's assessment of the independent review and validation of the remediation processes undertaken by Ditech pursuant to the MOU. Words and terms used in this response will have the meanings given them in the MOU where defined.

In order to confirm that the remediation required under the MOU was accurately completed, the USTP engaged in a focused evaluation of the Validation Assurances for the LMA Remediation, Escrow Remediation and Advances Remediation described in Appendices 1-3 of the MOU. For purposes of the assessment, the CTO provided the USTP with remediation data as well as access to information regarding processes, procedures, and protocols the CTO used in randomly selecting samples for the Remediation Populations subject to loan-level testing. The USTP evaluated the appropriateness of the CTO sampling methodology for each of the Remediation Populations. Further, the USTP accomplished confirmatory testing of the CTO's review through the review of work papers containing loan-level data for a statistically meaningful sample of loans tested by the CTO, and through the in-person meeting with the CTO and regular conference calls with Ditech's counsel relative to the Remediation Populations and Ditech's remediation processes.

During the course of its assessment, the USTP made requests for supplemental information to clarify data and to test Ditech's representations that the redress process was effective and comprehensive. Ditech also determined that certain loan testing populations inadvertently omitted testable transactions. The CTO performed additional test work and corrective actions and, in January 2020, represented to the USTP that the LMA Remediation, Escrow Remediation and Advances Remediation processes were complete and accurate, remediating consumer harm fully and accurately. The USTP reviewed the additional test work, corrective action, and supplemental assurances provided by Ditech.

In reliance upon these representations, the USTP has completed its review of the Validation Assurances. As contemplated under Section V of the MOU, a summary of the CTO report is not confidential and will be made publicly available on the USTP's website.

Regards,

A handwritten signature in black ink, appearing to read "Vivieon K. Jones". The signature is stylized with a large initial "V" and a cursive "K".

Vivieon K. Jones
Trial Attorney
Executive Office for United States Trustees

cc: Christian W. Hancock, Esq.