

**TAB G-1**

Tom/Ken/Craig 4/18

Date and time 06/07/01 11:11:39

From: HFC5192 --HFCVM01  
To: HFC5195 --HFCVM01 Castelein, C L.  
cc: HFC0123 --HFCVM01 Eads, Krista W  
From: Robert P. O'Han - RPOHAN  
Subject: WA STATE

Craig--Good job here by Jon. Please ensure dam and bsms aware of our state issues especially w/the newness of some of the wa bsms and they know to escalate. thank you

krista file wa state file  
\*\*\* Forwarding note from HFC3172 --HFCVM01 06/05/01 13:51 \*\*\*  
To: HFC5192 --HFCVM01 O'Han, Robert P.  
cc: HFC5195 --HFCVM01 Castelein, Craig L

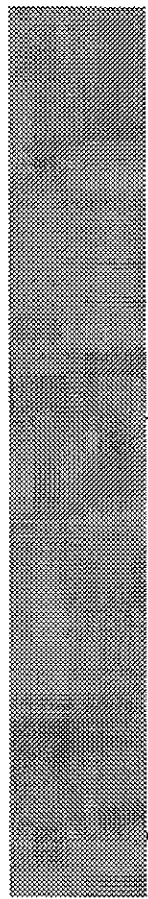
From: Jon R Shrum - JRSHRUM  
AVP Quality Assurance and Compliance  
Western United States  
Subject: WA STATE

Privileged Material Redacted

\*\*\* Forwarding note from HFC3172 --HFCVM01 06/05/01 13:33 \*\*\*  
To: HFC5192 --HFCVM01 O'Han, Robert P.  
cc: HFC5195 --HFCVM01 Castelein, Craig L

From: Jon R Shrum - JRSHRUM  
AVP Quality Assurance and Compliance  
Western United States  
Subject: WA STATE

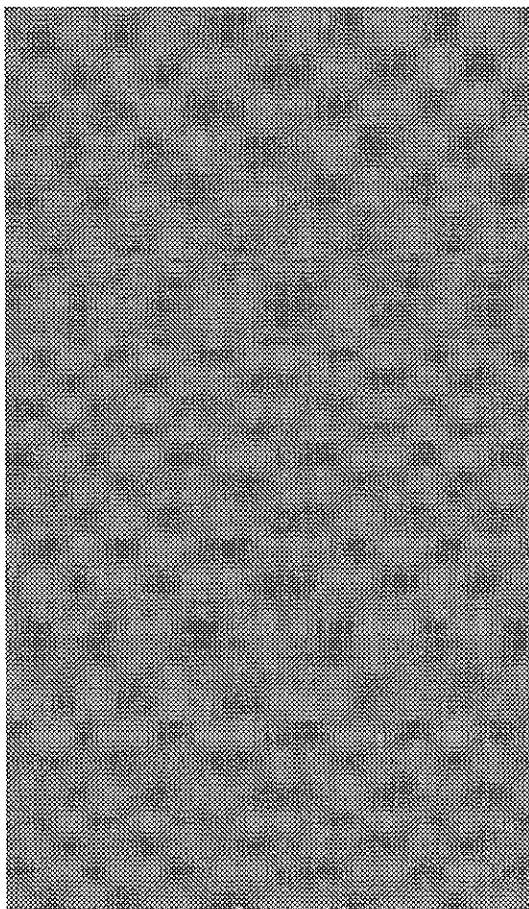
1. OK
2. BSM long letter responses are part of the "defensive" attitude that we have taken with customers.
3. Branch visit will be on BVTs, if you need faxed somewhere let me know.



O'HAN  
DEP. EXH. # 46  
Date: 5/24/06

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SUBJECT TO  
PROTECTIVE ORDER

H008084



\*\*\* Reply to note of 06/05/01 12:20  
 To: HFC3172 --HFCVM01 Shrum, Jon R  
 cc: HFC5192 --HFCVM01 O'Han, Robert P. HFC5195 --HFCVM01 Castelein, C L.

From: Robert P. O'Han ~ RPOHAN  
 Subject: WA STATE

- jon--a couple of things.
- 1)lets ensure either you or craig involved in any complaint in regards to ppp,gfe issues or contract rate questions.we need these resolved prior to getting escalated.
- 2)bam drury wrote a few long response letters.What did your investigation turn up on these,it seems "odd".
- 3)can you send a summary or copy of your branch visit



finally you indicate broker coaching of customers..do you have any specifics or particular brokers?

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 PROTECTIVE ORDER

H008085

appreciate feedback here. xpo

\*\*\* Reply to note of 06/05/01 12:07  
To: HFC5192 --HFCVM01 O'Han, Robert P.  
CC: HFC5195 --HFCVM01 Castelein, Craig L

From: Jon R Shrum - JRSHRUM  
AVP Quality Assurance and Compliance  
Western United States  
Subject: WA STATE

The complaints about rate quotes are valid, there are several issues that have contributed to them:

- Last year the BHAM branch was using an unauthorized letter in conjunction with their loan proposals sent to customers. It indicated that if you pay biweekly your comparative rate is 7-7.5%. It was typed by AEs on the wordpad program available on the vision PCs. I have found that similar types of letters were used in other branches and not limited to just this branch.
- Toward the end of 4th quarter 'Y2k and first quarter of this year, we started using a comparative side by side amortization chart. One amortization table showed the HFC loan, the other showed a 30 year loan with the same total of payments compared to our biweekly program. The comparative rate on a 30 year loan ended up being somewhere around 7%. Customers were aware of their contract rate of 11-12%+, but were under the impression that if they pay biweekly they were getting around 7%.
- Confirmation calls from March to the present confirmed that customers know the rate they are getting, and understand how the biweekly program reduces their total amount paid back, but does NOT lower their interest rate. Branches are now using amortization tables that compare the loans that they currently have against the loan HFC can make them and how the biweekly program can save them in overall total of payments.
- We have found that brokers are now coaching our customers on how to file an AG complaint to get their PPP waived and possibly get some money back on points they paid if the GFE points do not match the loan they received.
- The single biggest issue in the BHAM office stems from how we have handled the complaints that start in the branch. The BSM has taken a defensive approach when handling complaints which has contributed to customers having to take the next step in trying to get their issue resolved.

The steps to handle these issues on-division basis:

- Washington branches are now required to report to DSM/QAC EVERY complaint they receive, DSMs are to ensure that they are resolved.

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J. Reid:  
 (What being done in WA state branch in response to complaints about rate quotes & amortization tables)

- Covered with all DSMs on conference call and division meeting the policy on unauthorized letters and ensuring we are quoting the correct rates with the biweekly program.

- DSM/QAC covered in person with DSM Hansgen BSM meeting the policy on unauthorized letters, how rates are to be quoted, and how we are to handle customer complaints. We have had other BSMs handle complaints and show how this can be a sales opportunity when handled correctly.

- DSM Hansgen has joined me to complete the comprehensive visit in BHAM to address complaints and how they are handled with BSM.

\*\*\* Reply to note of 06/05/01 08:08

To: HFC3172 --HFCVM01 Shrum, Jon R

HFC5195 --HFCVM01 Castelein, C L.

cc: HFC5192 --HFCVM01 O'Han, Robert P.

From: Robert P. O'Han - REORHAN

Subject: WA STATE

WHAT WERE OUR FINDINGS FROM THE AUDIT?

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- Covered with all DSMs on conference call and division meeting the policy on unauthorized letters and ensuring we are quoting the correct rates with the biweekly program.

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\*\*\* Reply to note of 06/05/01 08:08

To: HFC3172 --HFCVM01 Shrum, Jon R HFC5195 --HFCVM01 Castelein, C L.

cc: HFC5192 --HFCVM01 O'Han, Robert P.

From: Robert P. O'Han - RPOHAN

Subject: WA STATE

WHAT WERE OUR FINDINGS FROM THE AUDIT?

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H008087

# **TAB G-2**

**FILED UNDER SEAL PURSUANT TO COURT ORDER**

**RESTRICTED DOCUMENT PURSUANT TO L.R 26.2**

**PURSUANT TO THE PROTECTIVE ORDER DATED NOVEMBER 5, 2004 AND THE**

**MINUTE ORDER DATED OCTOBER 10, 2006**

**TAB G-3**



Priority	State	Exam Time	Brand	CE/RL	Cause	Main Issue	Sub Issue	Issue Comments
<b>State Examination</b>								
<b>Audit Tracking</b>								
<b>Expense Summary</b>								
\\bvunas02.adiclient.com\A02J.0003\0x611x5\1x4\7x3\0x2\117073\117073.xls]Open Projects-F								
<b>CHECKS ISSUED IN SEPTEMBER BUT DID NOT MAKE SEPTEMBER LEDGER</b>								
	SD	05/06/02-05/22/02	BFC		Audit	Origination Fee/Disc Pts	Overcharge	Problem with TIL & loan summary. Fees/pontis on CE not populating TIL & loan summary, RE only
	HI	12/11/98-5/28/02	BENE		Exam Audit			
	HI	12/12/98-present	HFC/BFC		Exam Audit			
	TN	5/1/00-5/31/02	BENE		Exam	Loan List	Originated 25 mo	Branch 84-3001
<b>CUT IN EARLY OCTOBER - KEPT HERE FOR MONTH END FORECAST TRACKING TO MATCH TO SEPTEMBER REPORT</b>								
	KY	10/01/98-current	HFC/BFC	CE	Audit	Finance Charge	Overcharge	Interest is not being properly assessed for loans prepaid prior to the 16th day after the date of the loan.

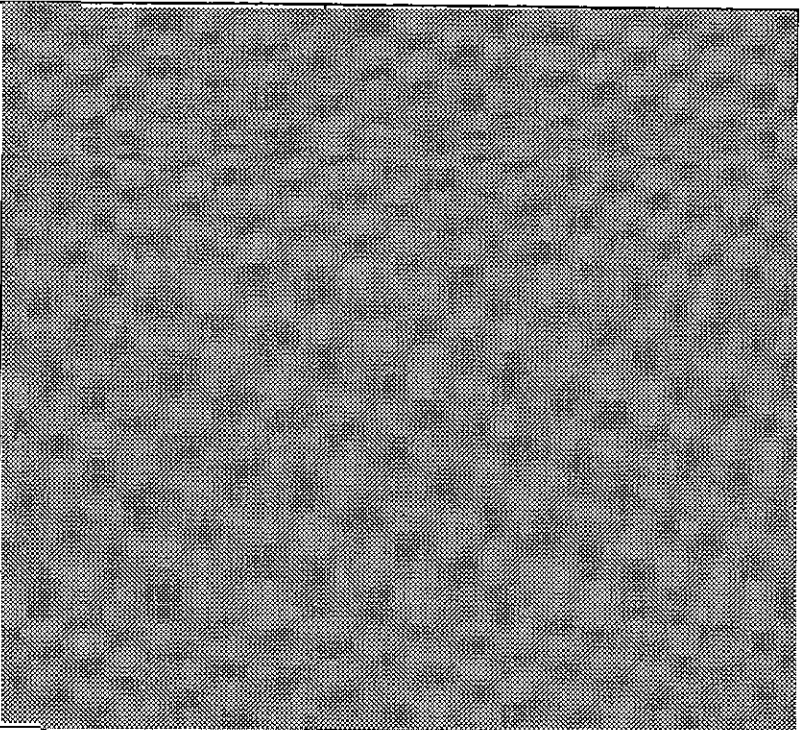


HTS ID#	Date Due to State	Form Request	HTS Due Date	MIS Due Date
54B72160P816		6/6	CPT 6/13	CPT 6/14
541260F12706		5/30	CPT 6/13	CPT 6/26
57DE66912706, 57DD0EE12706		7/29	CPT 7/29	CPT
55618B6E1204		6/14	CPT 6/18	CPT 6/19
5CD26811113	10/15/02	9/6	CPT 9/9	CPT 9/20

Requests

Ops Control Contact	P&CS Team Lead	P&CS Requester
J. Rae	J. Pierri-Isabelle	S. Jelinek, R. Stanko
K. Kirkman	D. Doyle	M. Giacovelli
J. Rae	D. Doyle	M. Giacovelli
	G. Rauenbuehler	L. Venske
J. Rae	G. Rauenbuehler	K. Booker

Priority	State	Exam Time	Brand	CE/RL
	MA	01/01/01-04/30/02	HFC/BFC	
	OH		HFC/BFC	
	CA	9/1/00-12/31/01		
	MIN	01/01/99-09/01/01	HFC/BFC	CE



State Examination  
 Audit Tracking  
 Expense Summary  
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HTS ID#	Date Due to State	Form Request	HTS Due Date	MIS Due Date
51188B51C577		4/29	CPT 6/20	CPT 6/21
4D924EE10713	11/9/30/02	3/26	CPT 8/2	CPT 9/11
4B04CA910713	09/30/02		CPT	CPT 9/13
5135A721C816-CE	05/30/02	4/30	CPT 7/25	CPT 8/21

Requests



State Examination									
Audit Tracking									
Expense Summary									
\\bvunas02.adiclient.com\A02J.0003\0x611x5\1x4\7x3\0x2\117073\117073.xls]Open Projects-F									
Priority	State	Exam Time	Brand	CE/RL	[REDACTED]				
	IL	05/01/01-07/30/02	HFC/BFC	CE/RL					
	NY								
OUT FOR SIGNATURE									
	IL	thru 4/14/02	BFC		[REDACTED]				
	IL	5/1/01-9/24/02	HFC/BFC	CE					
	CA	09/01/00-03/31/02	BFC	CE/RL					
	NY								

Requests					
HTS ID#	Date Due to State	Form Request	HTS Due Date	MIS Due Date	
5CA8F1917197	10/15/02	8/30	CPT 9/6	CPT 9/10	
	S: est 10/15				
502458E17197	10/15/02	4/19	CPA 5/10	CPT 5/13	
5F3D2D9CSNP6-PPP	10/15/02	9/24	CPT 9/25	CPT 9/30	
4B392C910713, 5B4B97B14901	08/30/02	8/15	CPT 9/5		
	S: est 10/15				



Ops Control Contact	P&CS Team Lead	P&CS Requester
K. Kirkman	C. Weaver	S. Casey
[REDACTED]	[REDACTED]	[REDACTED]
K. Kirkman	C. Weaver	S. Casey, R. Stanko
K. Kirkman	C. Weaver	C. Weaver
T. Johnson	D. Doyle	T. Sakan
T. Schneider	J. Pommier	R. Stanko

3/1/2003

12:28 AM

Priority	State	Exam Time	Brand	CE/RL
2	1MN	10/98 - on	BFC	
<b>NEW ISSUES: REQUIRES FORM OR FORM CREATED BUT NO</b>				
	WV			
	OR			
	IA			
	WY			
	NY			
	MA			
	All		Bene	
	MA			
	CT			
	NE			
<b>WITH BUSINESS ANALYSIS OR HTS FOR CALC OR ACCOUNT</b>				
1	1MN	01/01/99-09/01/01	HFC/BFC	RL

Requests					
HTS ID#	Date Due to State	Form Request	HTS Due Date	MIS Due Date	
52A35C81C816	05/30/02	5/15	CPT 8/8	CPT 8/9	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
59FB4DB1C188					
59F8C31C188					
594A64F1C188					
Need form					
Need form					
Need form					
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
5195A721C816-RL	05/30/02	4/30	CPT 8/19, request return	CPT 9/13	



Priority	State	Exam Time	Brand	CE/RL
3	MO			
3	NC	11/01/98-present	HFC/BFC	CE
3	WI	10/01/98-03/31/02	HFC/BFC	CE
3	All	01/01/80-08/25/02	HFC/BFC	
<b>WITH RECORDS (LORETTA ABRAMS)</b>				
	NY	01/99-12/01	HFC/BFC	
	NY			
18 states, 22 ongoing	All	01/01/00-05/31/02	HFC/BFC	

Redacted Material  
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HHS 018122671

Redacted Material

Requests

HTS ID#	Date Due to State	Form Request	HTS Due Date	MIS Due Date
58258E012705	10/15/02	7/12	CPT 7/29	CPT 7/31
5C1274716601	10/15/02	8/30	CPT 9/24, CPT 10/2	
58B4C216601	02/28/02	7/24	CPT 8/14	CPT 8/16
58B2E41C577		6/25	CPT 7/16	CPT 7/19
	S: est 10/15		On-going	
	S: est 10/15			
58D2E0414901		04/24/2002, revised 6/28	CPT 7/12	CPT 7/12

								3/1/2003											
								12:28 AM											
										Ops Control Contact	P&CS Team Lead	P&CS Requester							
										K. Kirkman	C. Weaver	Larry Zell, M. Giacovelli							
										K. Kirkman	M. Vargas	T. Price							
										K. Kirkman	C. Weaver	C. Madura							
										S. Scodius	All	M. Johnston							
										M. Kleinstein	J. Pommier	L. Abrams							
											J. Pommier	L. Abrams							
										T. Johnson	M. Montesano	M. Montesano, L. Abrams							

State Examination									
Audit Tracking									
Expense Summary									
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Priority	State	Exam Time	Brand	CE/RL					
All less the 22 states	All	01/01/00-12/31/01	HFC/BFC						
	CA	09/01/00 B, 06/01/00 H	HFC/BFC						
	CA		BFC						
BACK TO P&CS FOR REVIEW									
	CA	09/01/00-12/31/01	BFC						
	TN		BFC/HFC	CE/RL					
	OH	09/01/98-05/01/02	HFC/BFC						
	TX	01/01/98-Present	HFC/BFC						



requests

HTS ID#	Date Due to State	Form Request	HTS Due Date	MIS Due Date
56D314214901		8/28	CPT 7/12	CPT 7/12
	08/30/02	NA	CPT	
		Grandia CE 4/23 Grandia RL 4/23 Received RL formatted 4/29		
4E6C66818108	08/30/02	CPT		
4E7674F10713	08/30/02	CPT	CPT 4/19	
5E3C7B31C995	10/01/02	8/15	CPT 8/29	CPT 9/3
53E10EA1C188	1/9/30/02	5/1	CPT 8/1	
57E404916601	Page 17 of 15/02	7/12	CPT 7/22	