MONITOR

of the 2017 Deutsche Bank Mortgage Settlement

SIXTH REPORT | MAY 2019

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INTRODUCTION

This is the Sixth Report of the independent Monitor appointed by the United States Department of Justice ("DOJ") to oversee Deutsche Bank's obligation to provide $4.1 billion in consumer relief as set forth in the January 17, 2017, RMBS Settlement Agreement.[1]

As the Monitor explained in his Fifth Report, the Bank has elected to satisfy its entire Consumer Relief obligation under the Settlement Agreement by facilitating the origination of new residential mortgages to first-time low-to-moderate income ("LMI") homebuyers and borrowers in Hardest Hit Areas.[2] In furtherance of this strategy, the Bank submitted to the Monitor for credit 61,362 newly originated loans on November 28, 2018. The Monitor reviewed and validated these loans pursuant to previously-discussed testing protocols and confirms that the Bank has earned an additional $705,127,500 in consumer relief credit. To date, the Monitor has validated a total of 192,001 loans that the Bank has submitted for credit, representing $42 billion in principal loaned, and the Bank has earned total consumer relief credit in the amount of **$2,207,476,000**.

In this report, the Monitor provides a review of the Bank's most recent submission of loans for credit and its most recent consumer outreach event in Phoenix, Arizona, as well as an update on the Monitor's compliance, ECOA / Fair Housing, and correspondent lender reviews. The Monitor also describes the due diligence of Guaranteed Rate Inc. ("Guaranteed Rate"), the Bank's latest mortgage origination counterparty, and Guaranteed Rate's loan sub-servicer, Dovenmuehle Mortgage, Inc. ("Dovenmuehle").

UPDATE ON COUNTERPARTY DUE DILIGENCE

As described in previous reports, the Monitor continues to perform due diligence to evaluate the Bank's arrangements with proposed counterparties and to inform the decision about whether to grant safe harbor consent to such arrangements.

On October 5, 2018, Deutsche Bank entered into a financing arrangement with non-bank mortgage loan originator Guaranteed Rate to originate loans pursuant to Menu Item 2. The Monitor's diligence of Guaranteed Rate consisted of participating in the

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[1] The Settlement Agreement named Michael J. Bresnick as independent Monitor. Deutsche Bank also entered into a separate agreement with the Office of the Maryland Attorney General requiring the Bank to provide at least $80 million of consumer relief to Maryland residents. Michael J. Bresnick was appointed to serve as independent Monitor of Deutsche Bank pursuant to that agreement as well.

[2] The Hardest Hit Areas identified by the Settlement Agreement include the entirety of the following 18 states and the District of Columbia: Alabama, Arizona, California, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Mississippi, Nevada, New Jersey, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, and Tennessee.

Bank's on-site diligence visit, engaging in a follow-up visit and interviews, and reviewing key policies and procedures and other documentary material.

In all cases, the Monitor's diligence of the Bank's counterparties is limited to the review of publicly available information or information made available by the counterparties through Deutsche Bank. The Monitor's diligence, therefore, does not constitute a complete review of all potential legal or regulatory compliance risks or issues. The Monitor's provision of safe harbor consent does not constitute an endorsement of any counterparty, or any other representation or statement regarding the counterparty, and such provision does not constitute a legal opinion and may not be relied upon as such.

Overview of the Diligence of the Guaranteed Rate Transaction

Guaranteed Rate was founded in 1999 as an online lending platform, transitioning to a traditional retail operation in 2003. The company has grown and now operates approximately 200 physical branches. It is headquartered in Chicago, Illinois, with a substantial presence in Illinois, Massachusetts, and California. It is licensed to originate mortgages in all fifty states and is approved to participate in mortgage-related programs involving Fannie Mae, Freddie Mac, Ginnie Mae, the Federal Housing Administration ("FHA"), the U.S. Department of Veterans Affairs ("VA"), and the U.S. Department of Agriculture ("USDA").

Guaranteed Rate is regulated and subject to oversight by federal and state regulatory authorities, including the Consumer Financial Protection Bureau ("CFPB") and dozens of state agencies.[3] As a seller of loans to Freddie Mac and Fannie Mae (together, the "GSEs"), Guaranteed Rate is subject to GSE requirements and audits.

As it has with its other counterparties, the Bank entered into a Master Repurchase Agreement ("MRA") with Guaranteed Rate.[4] The MRA limits "eligible loans" under the financing arrangement to those that are eligible for insurance or guarantees by the FHA, VA, or USDA, or purchase by the "GSEs", in order to address Annex 2's requirement that the borrowers be "credit worthy." The MRA also requires the Bank to provide an incentive payment to Guaranteed Rate as encouragement to provide relief to the specific categories of borrowers identified in the Settlement Agreement.

[3] Guaranteed Rate has had four publicly reported regulatory actions for technical violations (involving alleged licensing and reporting irregularities); the Monitor does not consider these actions to be material for purposes of his decision whether to grant safe harbor consent.

[4] *See* Monitor's Second Report, *available at* https://deutschebankmortgagemonitor.com/wp-content/uploads/2017/11/Second-Monitor-Report-November-2017.pdf. In the mortgage context, repurchase agreements are a common mechanism used by mortgage originators to raise short-term capital. A repurchase agreement typically is viewed as having the same effect as a short-term, collateral-backed, interest-bearing loan. The buyer acts as a short-term lender, the seller acts as a short-term borrower, and the loans (or securities) purchased are the collateral.

Based on a review of publicly available information and documents, the materials provided by Guaranteed Rate, and meetings with Guaranteed Rate executives and staff, the Monitor has received sufficient assurance that Guaranteed Rate has a compliance management system ("CMS") that is designed to address and prevent violations of applicable consumer finance laws, as well as ensure sufficient vetting and oversight. Accordingly, the Monitor granted the Bank safe harbor consent for its financing arrangement with Guaranteed Rate.

In addition, as explained in the Second Report, the Monitor determined that it is critical to review the servicing practices of each of the Bank's counterparties. Here, when Guaranteed Rate elects to retain its mortgage servicing rights, it contracts with Dovenmuehle to provide subservicing. Therefore, the Monitor reviewed the servicing practices of Dovenmuehle by examining documents and conducting interviews of key Dovenmuehle employees. The Monitor appreciates Dovenmuehle's willingness to comply with his requests for information and access to company employees, despite being a non-party to the MRA between Deutsche Bank and Guaranteed Rate.

The Monitor's due diligence of Dovenmuehle provided reasonable assurance that its CMS and loan servicing practices are compliant with relevant consumer protection laws and regulations. Like Guaranteed Rate, Dovenmuehle is subject to extensive state and federal regulatory oversight.[5] The Monitor can be reasonably assured, therefore, that borrowers who receive mortgage loans from Guaranteed Rate pursuant to the Bank's financing arrangement will be treated in accordance with relevant consumer protection laws and regulations throughout the process.

Update on Shellpoint and Caliber

The Monitor previously reported about the diligence he performed on Shellpoint Partners, LLC ("Shellpoint")[6] and its subsidiary New Penn Financial, LLC ("New Penn"), as well as Shellpoint's servicing division, Shellpoint Mortgage Servicing ("SMS"), and Caliber Home Loans, Inc. After completing the due diligence process, the Monitor granted safe harbor consent to the Bank for its financing arrangements with Shellpoint and Caliber.

Since the Monitor performed his due diligence on Shellpoint and Caliber, both SMS and Caliber have entered into settlement agreements with the Office of the

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[5] Dovenmuehle has three publicly reported regulatory enforcement actions for technical violations (involving alleged licensing and reporting irregularities); the Monitor does not consider these actions to be material for purposes of his decision whether to grant safe harbor consent.

[6] The Monitor reported on New Residential Investment Corp.'s planned acquisition of Shellpoint, which was completed in July 2018. On January 7, 2019, the company announced that New Penn had changed its name to NewRez LLC or "NewRez." *See* Press Release, *New Penn Financial Is Now NewRez* (Jan. 7, 2019), *available at* www.newrez.com/press-releases/new-penn-financial-is-now-newrez.

Massachusetts Attorney General regarding their loan servicing and loan modification practices.[7] The substance of the settlements has been publicly reported:

- In December 2018, New Penn / SMS executed an Assurance of Discontinuance with the Massachusetts Attorney General, in which SMS agreed to provide $3.5 million in principal reduction modifications to consumers and a $450,000 payment to the Commonwealth of Massachusetts. The Attorney General's office alleged that SMS had not provided "timely and efficient loan modification review for eligible borrowers," as required under Massachusetts law (M.G.L. chapter 244, §35B, commonly known as "Section 35B"), and that SMS's servicing practices were deficient in several respects, including that SMS "failed to ensure a single point of contact for borrowers," "mishandled calls from borrowers with limited English language capacity," "created unnecessary difficulties for homeowners after a divorce or the death of a co-borrower," and "mishandled mortgage loans transferred from other servicing companies."[8]

- In April 2019, Caliber executed an Assurance of Discontinuance with the Massachusetts Attorney General, in which it agreed to "pay $2 million and undertake affordable loan modifications for affected Massachusetts homeowners."[9] The Attorney General's office alleged that Caliber had violated Section 35B. The Attorney General's office also alleged that Caliber favored short-term, interest-only loan modifications over permanent, affordable modifications, even in cases where a permanent modification was commercially reasonable. The Attorney General stated that Caliber will, as part of the settlement, "review Massachusetts borrowers currently on interest-only or short-term

[7] The Monitor's Fourth Report discussed a similar settlement between the Bank's mortgage origination counterparty Nationstar Mortgage LLC (known as "Mr. Cooper") and the Massachusetts Attorney General. *See also* Massachusetts Attorney General, Press Release, *AG Healey Secures Millions in Relief for Massachusetts Residents Faced With Unfair Foreclosure and Loan Servicing* Practices (Jan. 30, 2018), available at https://www.mass.gov/news/ag-healey-secures-millions-in-relief-formassachusetts-residents-faced-with-unfair-foreclosure.

[8] Massachusetts Attorney General, Press Release, *AG Healey Secures $4 Million in Relief for Homeowners from Company that Mishandled Mortgage Loans and Foreclosures* (Dec. 20, 2018), *available at* www.mass.gov/news/ag-healey-secures-4-million-in-relief-for-homeowners-from-company-that-mishandled-mortgage.

[9] Massachusetts Attorney General, Press Release, *AG Healey Secures $2 Million from National Mortgage Servicer Over Unfair and Unaffordable Loan Modifications* (Apr. 9, 2019), *available at* www.mass.gov/news/ag-healey-secures-2-million-from-national-mortgage-servicer-over-unfair-and-unaffordable-loan.

> modifications to provide them a more sustainable, affordable modification."[10]

Neither Shellpoint nor Caliber admitted any wrongdoing in settling the allegations.

The Monitor has discussed these settlements with executives from Shellpoint and Caliber. Given the entities' representations that the Attorney General's allegations involve relatively few loans, that the settlements contemplate that the parties will provide monitoring reports to the Attorney General for two years, and that Shellpoint and Caliber are highly regulated and examined entities that carry out continual CMS improvements, the Monitor does not intend to revise his safe harbor determinations.

CORRESPONDENT LENDER REVIEW

The Monitor's Fifth Report explained that he was expanding his ongoing diligence of the Bank's counterparties to include a more robust review of their correspondent lenders. A correspondent origination is one in which a mortgage loan is originated and funded by a lender in its own name and subsequently sold pursuant to an existing agreement to a second, typically larger lender (here, one of the counterparties that has entered into a financing arrangement with the Bank to originate new loans pursuant to the terms of the Consumer Relief Annex). The reason the Monitor expanded his diligence over the correspondent lenders is because a significant portion of the loans that the Bank has submitted for credit have been originated by counterparties' correspondents.

The focus of this expanded review is to verify that the counterparties are conducting diligence and oversight of their correspondents in accordance with their internal policies and procedures, which were evaluated by the Monitor during his initial diligence of each counterparty. To this end, the Monitor has developed a process for selecting for review, based on volume and other criteria, a subset of the correspondent lenders that originated loans that ultimately were submitted for credit by the Bank, and seeking additional documentation and information pertaining to each.

Using this selection methodology, the Monitor has requested that the Bank obtain for each applicable correspondent the "scorecards" and related documents that the counterparties maintain. These "scorecards" are internal documents generated in the ordinary course of business by the counterparties to track a correspondent's financial performance, compliance with GSE requirements, and other relevant criteria. The Bank has provided and continues to provide those documents to the Monitor for his review. To date, the Monitor has not identified any material lapses in the counterparties' compliance with their internal correspondent oversight procedures.

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[10] *Id.*

The Monitor plans to follow this correspondent review process after each submission made by the Bank.

COMPLIANCE REVIEW

As described in prior reports, the Monitor continues to perform a compliance review designed to monitor that the loan originations resulting from the Bank's financing arrangements with the counterparties do not violate the law. The Monitor performed the compliance review for the loans in the current submission. Based on that analysis, the Monitor has not identified any relief that he reasonably has determined to be in violation of the law and, thus, the Bank is entitled to the Monitor's continued consent to its financial arrangements with the counterparties.

ECOA / FAIR HOUSING

As with the compliance review, the Monitor's fair lending analysis for loan originations continues. With the assistance of BLDS LLC ("BLDS"), a firm that specializes in applied statistics, the Monitor conducted a statistical analysis of the loans submitted for credit in the manner described in the Fourth Report and has not identified any violations of the FHA or ECOA.

CONSUMER OUTREACH

The Settlement Agreement requires the Bank to hold or sponsor (*e.g.*, provide financing for) three consumer outreach events each year in geographically dispersed locations. The Monitor has determined that, for purposes of sponsoring consumer outreach events, each one-year period spans April 1 through March 31, with the first-year spanning April 1, 2017 (the start date of crediting under Annex 2), through March 31, 2018. The Bank satisfied its consumer outreach requirement for the first year, partnering with the Homeownership Preservation Foundation ("HPF") to sponsor an event in Detroit, Michigan, on October 21, 2017, and with the National Housing Resource Center ("NHRC") to sponsor events in Chicago, Illinois, on November 11, 2017, and Tampa, Florida, on March 3, 2018. The Bank held its first event of the second year in Riverside, California, on June 23, 2018, and its second event of the second year in Decatur, Georgia, on November 3, 2018; the Bank partnered with NHRC for both of these events. On March 2, 2019, the Bank held its third event of the second year in Phoenix, Arizona. That event is described in detail below.

The first event of the third year is scheduled to take place in Newark, New Jersey on May 18, 2019. Details about the Newark event are posted on the Monitor's website (https://deutschebankmortgagemonitor.com/news).

Phoenix Event

The Bank held the Phoenix, Arizona, consumer outreach event on Saturday, March 2, 2019, at Black Canyon Conference Center. NHRC organized and marketed the event. As with the other consumer outreach events, local housing organizations, lenders, and realtors participated. Approximately 137 consumers attended the event.

Representatives from PennyMac and Mr. Cooper (two of the Bank's mortgage origination counterparties) participated. Other participating lenders included Bank of America, J.P. Morgan Chase Bank, BBVA Compass Bancshares, Johnson Bank, FirstBank, and Wells Fargo Home Mortgage. Participating housing counseling agencies included Administration of Resources and Choices ("ARC"), Chicanos Por La Causa, Greater Phoenix Urban League, Newtown CDC-CLT, Arizona Housing Coalition, and Trellis. Members of the Monitor's team observed participants visiting the various lenders and housing agencies. Consumers who met with housing counselors had the opportunity to receive free credit reports; 67 attendees used this service. All associated fees were paid by the Bank.

Once again, throughout the day, the Bank organized presentations – in English and Spanish – by local housing agencies about the home buying process, down payment assistance programs, and building good credit. Although the educational presentations were not as well-attended as at some previous consumer outreach events, the Monitor's team observed that the content was well-presented and appeared helpful.

REVIEW OF LOANS SUBMITTED FOR CREDIT

In the Fourth Quarter of 2018, the Bank submitted 61,362 loans for the Monitor's review and validation under Menu Item 2.B. As explained in prior reports, Menu Item 2.B permits the Bank to earn credit by providing new mortgage loans to credit worthy borrowers:

- 2.B.1: In Hardest Hit Areas
- 2.B.2: Who lost a primary residence to foreclosure or short sale; or
- 2.B.3: Who are first-time, low-to-moderate-income ("LMI") homebuyers.

Pursuant to agreed-upon protocols, and with the assistance of Control Risks, the Monitor independently tested and confirmed the eligibility of the loans submitted for consumer relief credit under the Settlement Agreement by testing a statistically valid number of loans randomly selected from the submission population.

No issues were identified in connection with the loans reviewed from the sample. Accordingly, the Monitor validates the Fourth Quarter 2018 submission and confirms that each loan that was submitted qualified for $10,000 in consumer relief credit. Further, the majority of the loans qualified for an additional 15% early incentive credit because they were closed on or before September 1, 2018. This means that the Bank was able to receive an additional $1,500 of credit for 61,005 loans submitted, for a total of $91,507,500 in early incentive credit. The Monitor confirms, therefore, that the Bank is entitled to receive total credit for this submission in the amount of $705,127,500.[11]

Q42018 Loans	2.B.1 Only	2.B.3 Only	2.B.1 & 2.B.2	2.B.1 & 2.B.3	2.B.2 & 2.B.3	2.B.1, 2.B.2 & 2.B.3	All Loans
Total Loans	35,364	9,319	690	15,245	195	549	**61,362**
Total Credit	**$406,329,000**	**$107,135,500**	**$7,927,500**	**$175,182,500**	**$2,241,000**	**$6,312,000**	**$705,127,500**

Consistent with prior submissions, over half the loans in this submission (58%) were submitted by the Bank for credit pursuant to Menu Item 2.B.1 (Hardest Hit Areas).[12] Approximately 15% of the loans were submitted pursuant to Menu Item 2.B.3 (first-time LMI borrowers), with the remaining loans qualifying for credit under multiple subcategories of 2.B, as shown in the chart above.

[11] On March 14, 2019, the Bank submitted an additional 70,676 loans for credit. The Monitor has not yet validated that submission and will discuss it in his next report.

[12] When validating the Bank's loans for credit, the Monitor's review, with the assistance of Control Risks, focuses on whether each loan in the sample is eligible for credit pursuant to Menu Item 2.B. The Monitor and Control Risks do not validate whether the loan has been claimed under the correct provision of Menu Item 2.B. For example, a loan originated in a Hardest Hit Area, qualifying for credit under 2.B.1, might also have been made to a first-time, LMI homebuyer eligible under 2.B.3. But so long as a loan is eligible under at least one of the provisions of Menu Item 2.B, the Monitor treats that loan as eligible for consumer relief credit under the Agreement, regardless of the provision or provisions under which the loan was claimed. As a result, the Monitor does not validate that the total number of loans claimed by the Bank for each provision or combination of provisions under Menu Item 2.B. is correct. The Monitor confirms only that the loans qualified for credit under at least one provision of Menu Item 2.B. For example, although the Bank claimed in its Fourth Quarter 2018 submission that approximately 58% of the loans submitted (35,364) satisfied Menu Item 2.B.1 only, and 15% of the loans submitted (9,319) satisfied Menu Item 2.B.3 only, the Monitor and Control Risks did not independently confirm the accuracy of these claims by the Bank. The Monitor's final report will contain a more detailed analysis of the loans originated by the Bank, including more information about where they were made and who received them.

For this submission, the bank submitted 61,362 loans to the Monitor for credit, with a total loan principal value of $13,511,787,382. These loans were originated by the following counterparties:

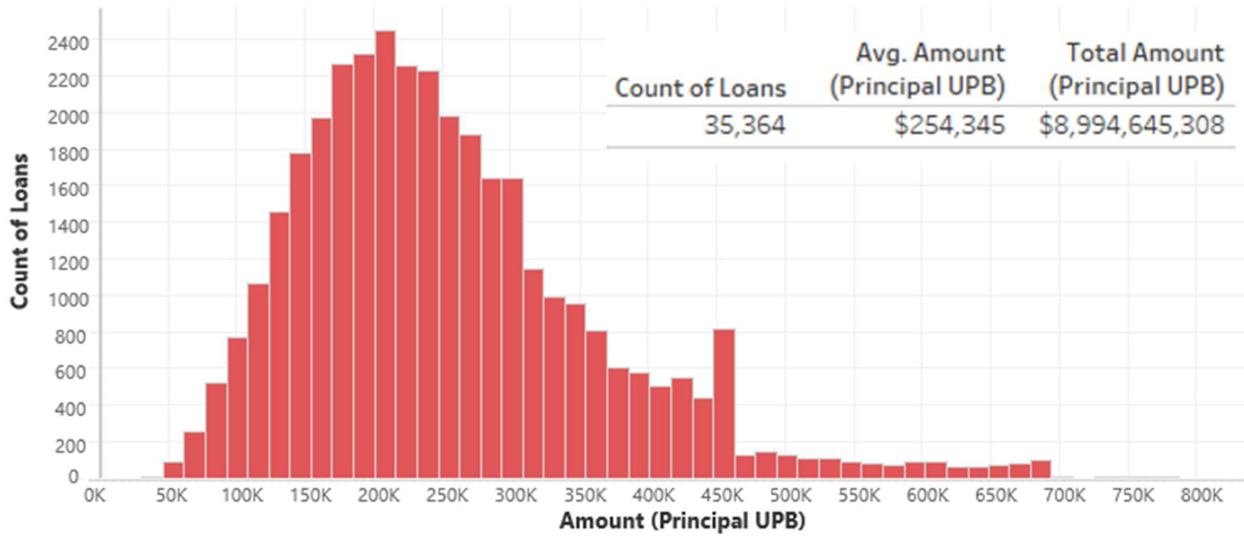
Counterparty	Number of Loans	Percent of Total
PennyMac	31,846	51.90%
AmeriHome	23,931	39.00%
Shellpoint	3,284	5.35%
Freedom	1,912	3.12%
Caliber	389	0.63%
Total	**61,362**	**100%**

Characteristics of the 2.B.1 Loans

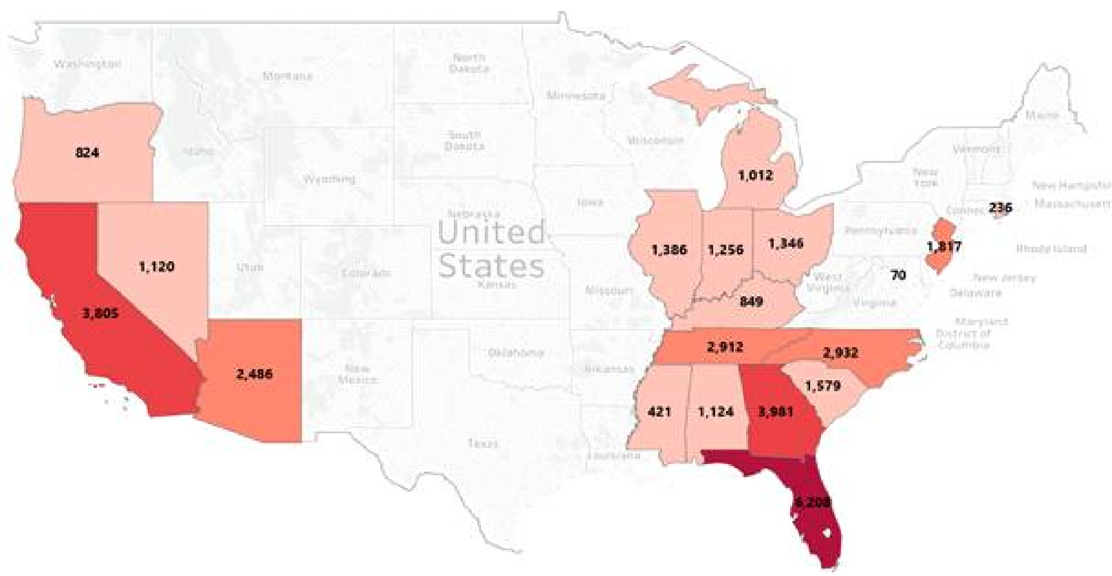
The Bank submitted 35,364 loans for credit under Menu Item 2.B.1 (Hardest Hit Areas).

2.B.1	Average	Median	Minimum	Maximum
Principal UPB	$254,345	$235,000	$35,000	$788,662
Interest Rate	4.80%	4.75%	2.75%	6.25%
Monthly Payment	$1,346	$1,239	$216	$4,771
Borrower Monthly Income	$8,603	$7,531	$885	$41,666
Loan-Specific DTI Ratio	17.28%	16.54%	1.31%	60.99%

The majority of these loans were between the amounts of $150,000 to $300,000, with a smaller proportion of loans in amounts greater than $450,000.



The loans were originated in 18 states and the District of Columbia, with approximately 40% of the loans originated in Florida, Georgia, and California:



State	# Loans	% of Total
FL	6,208	17.55%
GA	3,981	11.26%
CA	3,805	10.76%
NC	2,932	8.29%
TN	2,912	8.23%
AZ	2,486	7.03%
NJ	1,817	5.14%
SC	1,579	4.46%
IL	1,386	3.92%
OH	1,346	3.81%

State	# Loans	% of Total
IN	1,256	3.55%
AL	1,124	3.18%
NV	1,120	3.17%
MI	1,012	2.86%
KY	849	2.40%
OR	824	2.33%
MS	421	1.19%
RI	236	0.67%
DC	70	0.20%
Total	**35,364**	–

Characteristics of the 2.B.3 Loans

The Bank submitted 9,319 loans for credit under 2.B.3.

2.B.3	Average	Median	Minimum	Maximum
Principal UPB	$175,549	$160,606	$30,400	$610,500
Interest Rate	4.78%	4.75%	3.00%	6.13%
Monthly Payment	$917	$845	$203	$3,172
AMI at Subject Property	$79,334	$76,000	$36,500	$134,900
Borrower Monthly Income	$4,244	$4,114	$921	$9,555
Loan-Specific DTI Ratio	21.74%	21.34%	4.77%	51.40%

When reviewing this chart, some readers may question how a first-time, LMI homebuyer would qualify for a loan in the amount of $610,500, or, in the case of other loans submitted under 2.B.3, in the amounts of $575,000 and $500,762. As noted in the Monitor's Second Report, an LMI borrower is someone with an income at or below 100% of the Area Median Income ("AMI"), which is calculated by the U.S. Department of Housing and Urban Development. Depending on where a borrower lives, his or her income may be high compared to a national measure, but low to moderate as compared to a local level.

As also explained in prior reports, the Monitor has defined a "credit worthy borrower" as a borrower who meets the credit underwriting standards required by the GSEs, FHA, VA, or USDA. In each of these cases, there are loan limits in place based on the location of the property and the number of units. In addition, in the Second Report, the Monitor determined it is appropriate to limit credit under 2.B.3 to loans provided to borrowers for a primary residence, including those with up to four units, provided the borrower resides in one of them.

Thus, with respect to the three examples of larger loans made to first-time, LMI homebuyers noted above:

- The loan for $610,500 was a Fannie Mae loan made to a first-time, LMI homebuyer in Kensington, Maryland, a suburb of Washington D.C. The borrower for this loan had an annual income below Kensington's AMI of $117,200, and therefore qualified as an LMI borrower under the Settlement Agreement. In addition, pursuant to Fannie Mae's loan limits, this area has been designated as a high-cost area, which means that Fannie Mae will accept loans with higher balances. In 2018, the loan limit for this area was $679,650.[13] Thus, the loan qualified under the Fannie Mae loan limits.

- The loan for $575,000 was a VA loan made to a first-time, LMI homebuyer in Reston, Virginia, another suburb of Washington D.C. The borrower for this loan had an income below Reston's AMI of $117,200, and therefore qualified as an LMI borrower under the Settlement Agreement. The VA does not set a cap on how much can be borrowed to finance a home, but it does limit the amount of liability the VA will assume in connection with a loan. In 2018, the VA's liability cap tracked the FHFA loan limit,[14] which for Reston, Virginia, was $679,650. Thus, the loan qualified for VA loan limits.

- The loan for $500,762 was a FHA/Ginnie Mae loan made to a first-time, LMI homebuyer in Framingham, Massachusetts. The borrower for this loan had an income below Framingham's AMI of $107,800, and therefore qualified as an LMI borrower under the Settlement Agreement. This property included two units (one of which the borrower is required to reside in as a primary residence in order for the loan to qualify for credit). The FHFA loan limit for a two unit property in this area was $772,900 in 2018.[15] Thus, the loan qualified for under the FHFA loan limits.

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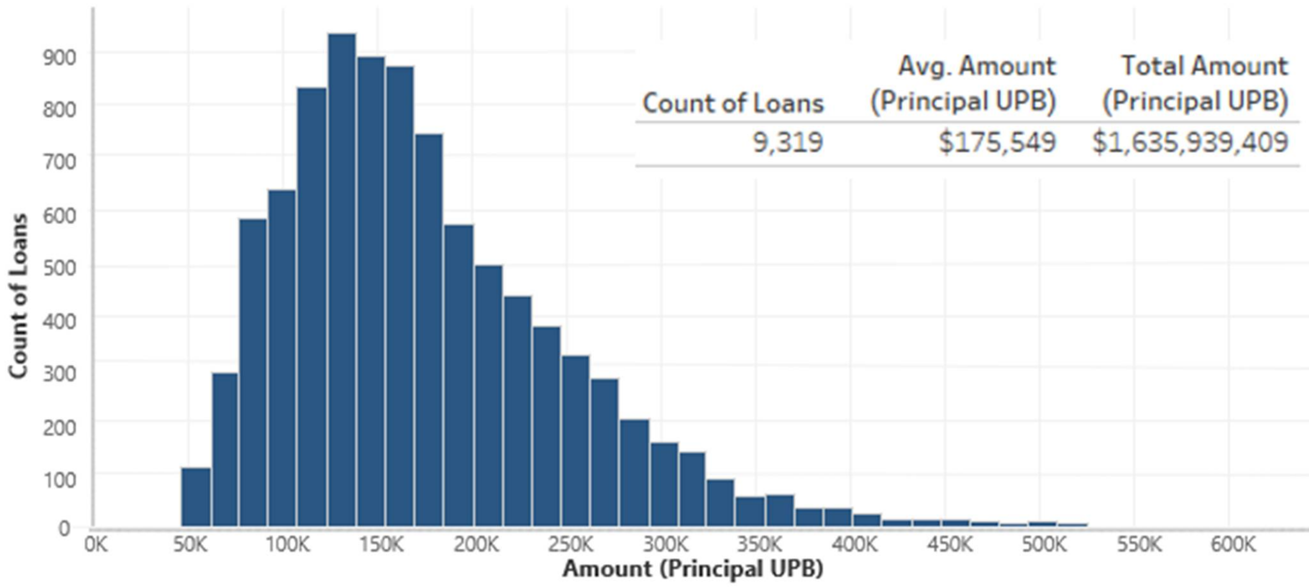
[13] *See* https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx.

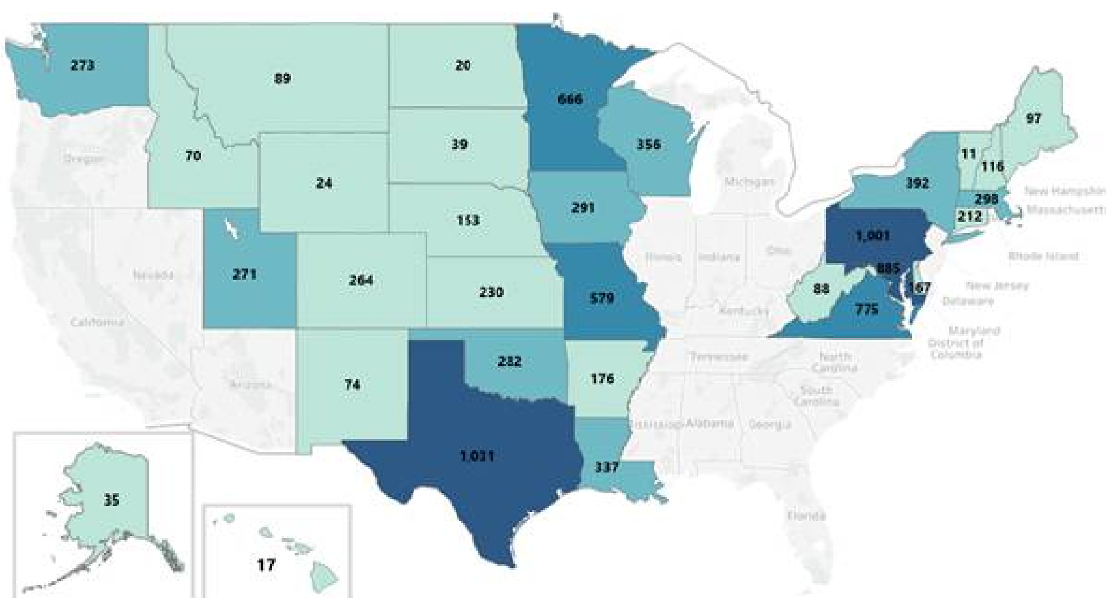
[14] *See* https://www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp

[15] https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx

These larger loans, however, were outliers in the population of 2.B.3 loans submitted, as demonstrated in the chart below:



These loans were originated in 32 states, with nearly 40% originated in Texas, Pennsylvania, Maryland and Virginia.



State	# Loans	% of Total
TX	1,031	11.06%
PA	1001	10.74%
MD	885	9.50%
VA	775	8.32%
MN	666	7.15%
MO	579	6.21%
NY	392	4.21%
WI	356	3.82%
LA	337	3.62%
MA	298	3.20%
IA	291	3.12%
OK	282	3.03%
WA	273	2.93%
UT	271	2.91%
CO	264	2.83%
KS	230	2.47%

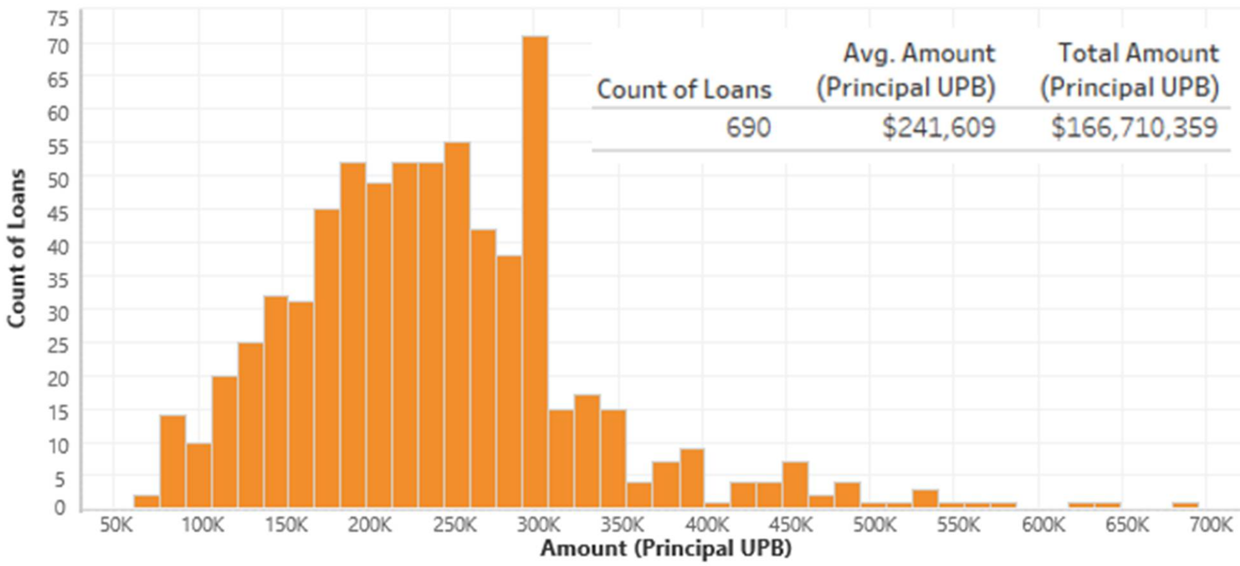
State	# Loans	% of Total
CT	212	2.27%
AR	176	1.89%
DE	167	1.79%
NE	153	1.64%
NH	116	1.24%
ME	97	1.04%
MT	89	0.96%
WV	88	0.94%
NM	74	0.79%
ID	70	0.75%
SD	39	0.42%
AK	35	0.38%
WY	24	0.26%
ND	20	0.21%
HI	17	0.18%
VT	11	0.12%
Total	**9,319**	–

Characteristics of the 2.B.1 / 2.B.2 Loans

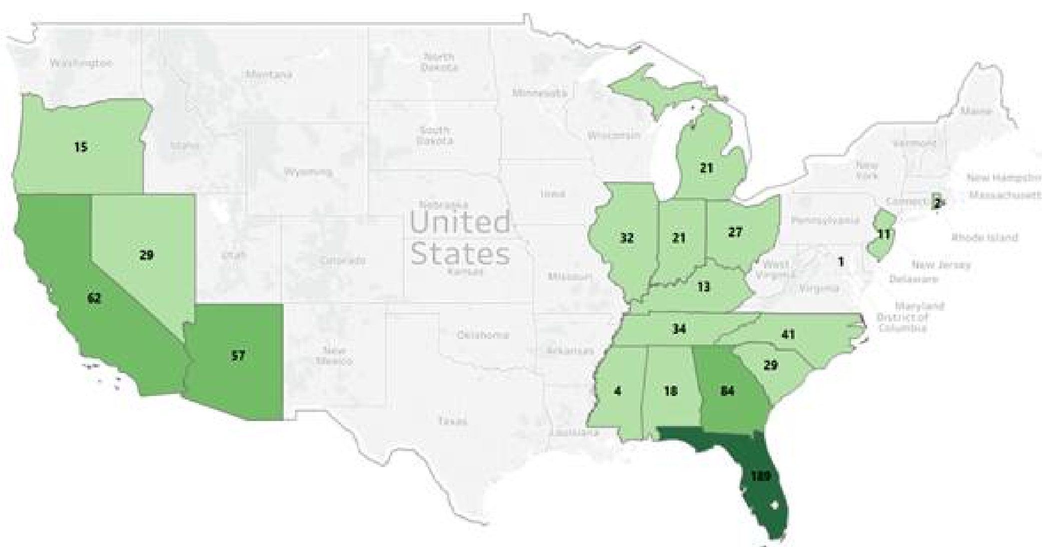
The Bank submitted 690 loans for credit under both Menu Items 2.B.1 and 2.B.2. Menu Item 2.B.2 allows the Bank to receive credit for originating loans to consumers who previously lost a primary residence to foreclosure or short sale. While the Bank is not actively seeking to originate loans to this category of borrowers, a small number of the loans that it submitted for credit under Menu Item 2.B.1 could also qualify for credit under Menu Item 2.B.2 if the borrower indicated that he or she previously lost a home to foreclosure or short sale.

2.B.1 & 2.B.2	Average	Median	Minimum	Maximum
Principal UPB	$241,609	$235,653	$69,000	$691,543
Interest Rate	4.85%	4.88%	3.75%	5.88%
Monthly Payment	$1,277	$1,236	$376	$3,405
Borrower Monthly Income	$7,888	$7,308	$2,269	$30,617
Loan-Specific DTI Ratio	17.10%	16.42%	3.96%	36.29%

The loans issued under 2.B.1 and 2.B.2 were mostly (approximately 70%) between $150,000 and $300,000, with a small percentage of loans exceeding $350,000.



The loans submitted for credit under 2.B.1/2.B.2 were made in 18 states and the District of Columbia, with nearly 40% originated in Florida and Georgia.



State	# Loans	% of Total
FL	189	27.39%
GA	84	12.17%
CA	62	8.99%
AZ	57	8.26%
NC	41	5.94%
TN	34	4.93%
IL	32	4.64%
NV	29	4.20%
SC	29	4.20%
OH	27	3.91%

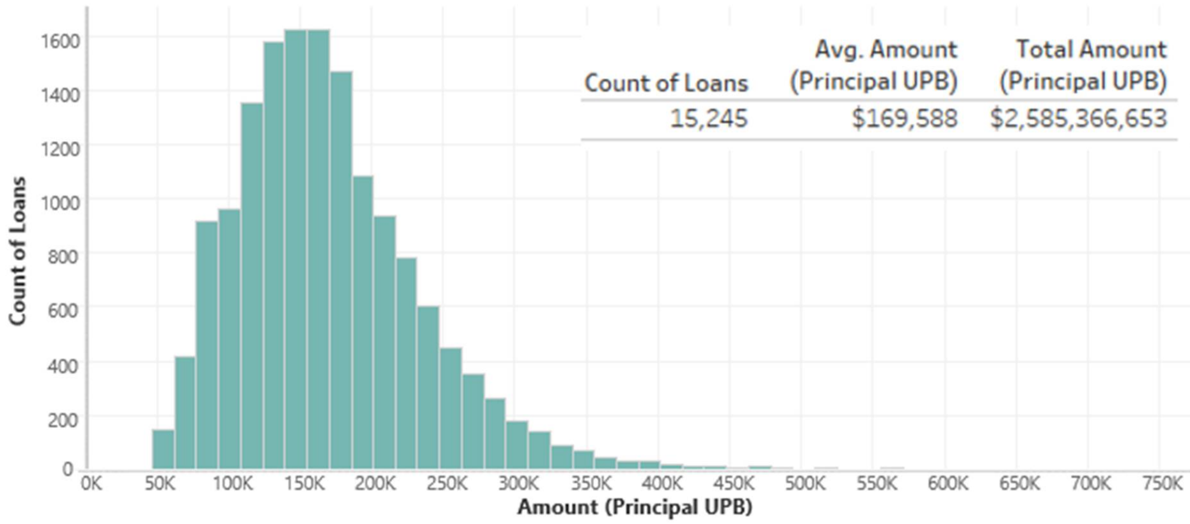
State	# Loans	% of Total
IN	21	3.04%
MI	21	3.04%
AL	18	2.61%
OR	15	2.17%
KY	13	1.89%
NJ	11	1.60%
MS	4	0.58%
RI	2	0.29%
DC	1	0.15%
Total	**690**	–

Characteristics of the 2.B.1 / 2.B.3 Loans

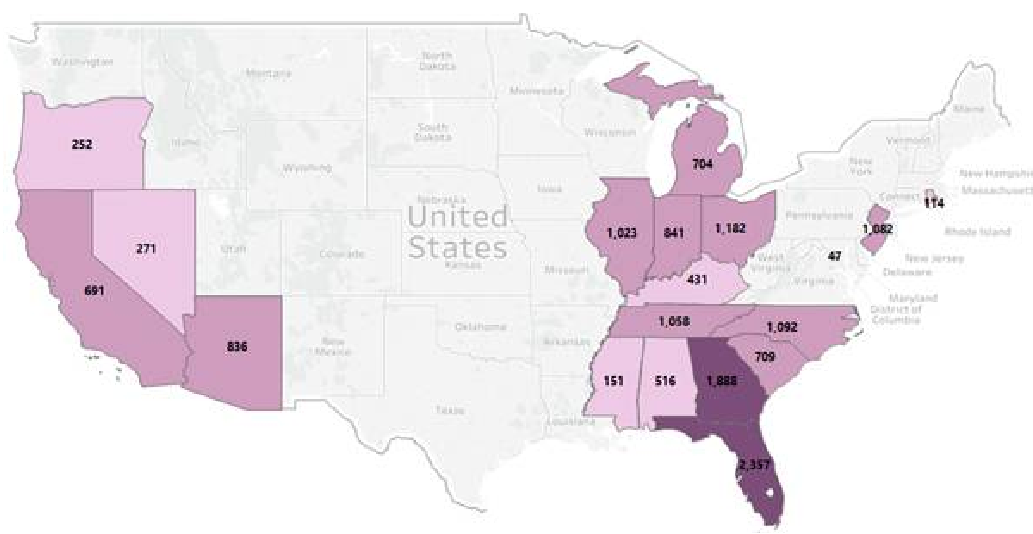
The Bank submitted 15,245 loans that it claimed qualified for credit under both Menu Items 2.B.1 (Hardest Hit Area) and Menu Item 2.B.3 (first-time LMI homebuyers).

2.B.1 & 2.B.3	Average	Median	Minimum	Maximum
Principal UPB	$169,588	$160,218	$42,400	$732,830
Interest Rate	4.88%	4.88%	3.25%	6.38%
Monthly Payment	$896	$847	$234	$3,605
AMI at Subject Property	$70,127	$69,900	$35,000	$125,200
Borrower Monthly Income	$4,123	$4,040	$1,176	$10,267
Loan-Specific DTI Ratio	22.11%	21.80%	5.73%	50.69%

The majority of loans (approximately 76%) under 2.B.1 and 2.B.3 were between the amounts of $100,000 and 250,000.



Approximately half (49.85%) of the 2.B.1 / 2.B.3 loans were originated in five states: Florida, Georgia, Ohio, North Carolina, and New Jersey.



State	# Loans	% of Total
FL	2,357	15.46%
GA	1,888	12.38%
OH	1,182	7.75%
NC	1,092	7.16%
NJ	1,082	7.10%
TN	1,058	6.94%
IL	1,023	6.71%
IN	841	5.52%
AZ	836	5.49%
SC	709	4.65%

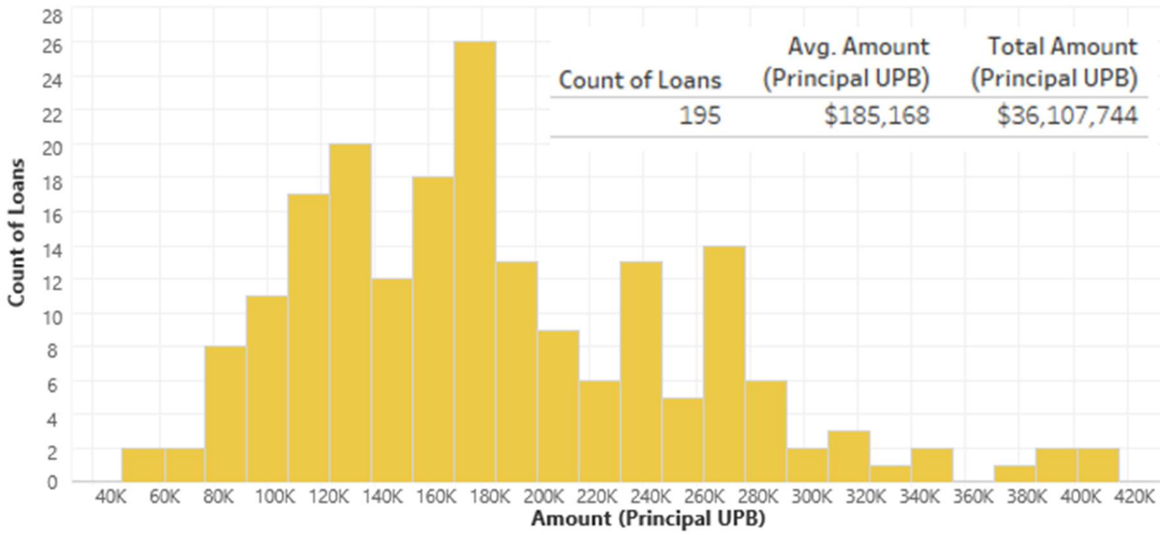
State	# Loans	% of Total
MI	704	4.62%
CA	691	4.53%
AL	516	3.38%
KY	431	2.83%
NV	271	1.78%
OR	252	1.65%
MS	151	0.99%
RI	114	0.75%
DC	47	0.31%
Total	**15,245**	–

Characteristics of the 2.B.2 / 2.B.3 Loans

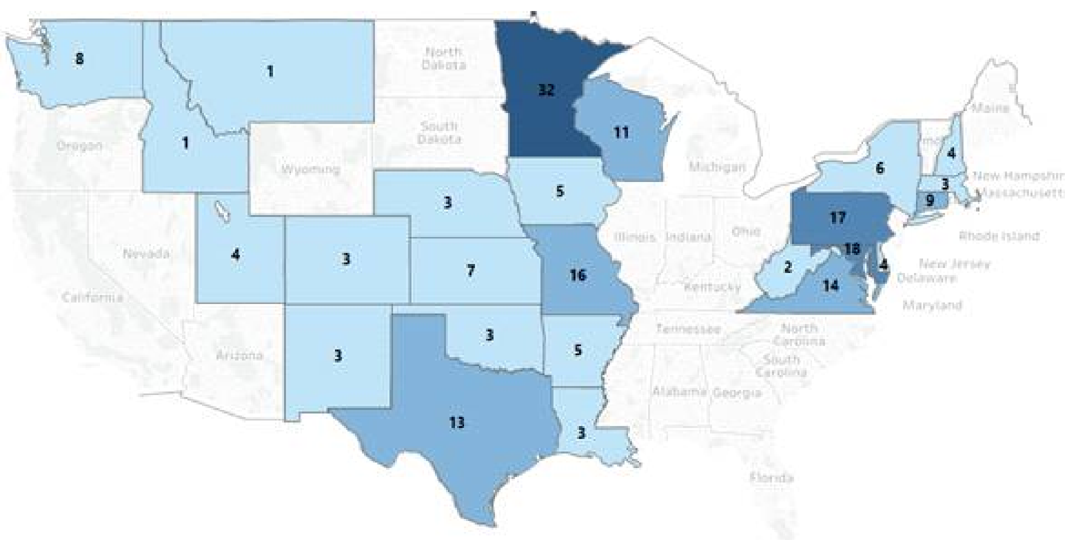
The Bank submitted 195 loans that it claimed qualified for credit under both Menu Items 2.B.2 and 2.B.3.

2.B.2 & 2.B.3	Average	Median	Minimum	Maximum
Principal UPB	$185,168	$174,677	$57,070	$405,519
Interest Rate	4.75%	4.75%	3.50%	5.63%
Monthly Payment	$959	$902	$306	$2,085
AMI at Subject Property	$80,648	$77,700	$39,200	$117,200
Borrower Monthly Income	$4,449	$4,340	$1,500	$8,813
Loan-Specific DTI Ratio	21.70%	21.35%	9.69%	37.16%

These loans were mostly in amounts between $80,000 and $220,000.



Approximately half (49.75%) of the 2.B.2 / 2.B.3 loans were originated in five states: Minnesota, Maryland, Pennsylvania, Missouri, and Virginia.



State	# Loans	% of Total
MN	32	16.41%
MD	18	9.23%
PA	17	8.72%
MO	16	8.21%
VA	14	7.18%
TX	13	6.67%
WI	11	5.64%
CT	9	4.61%
WA	8	4.10%
KS	7	3.59%
NY	6	3.08%
AR	5	2.56%
IA	5	2.56%

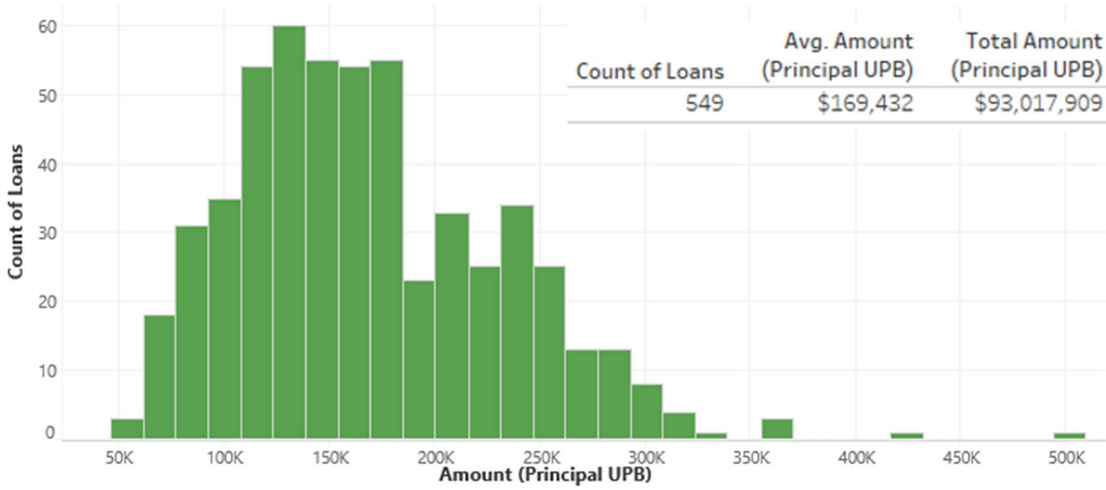
State	# Loans	% of Total
DE	4	2.05%
NH	4	2.05%
UT	4	2.05%
CO	3	1.54%
LA	3	1.54%
MA	3	1.54%
NE	3	1.54%
NM	3	1.54%
OK	3	1.54%
WV	2	1.03%
ID	1	0.51%
MT	1	0.51%
Total	**195**	–

Characteristics of the 2.B.1 / 2.B.2 / 2.B.3 Loans

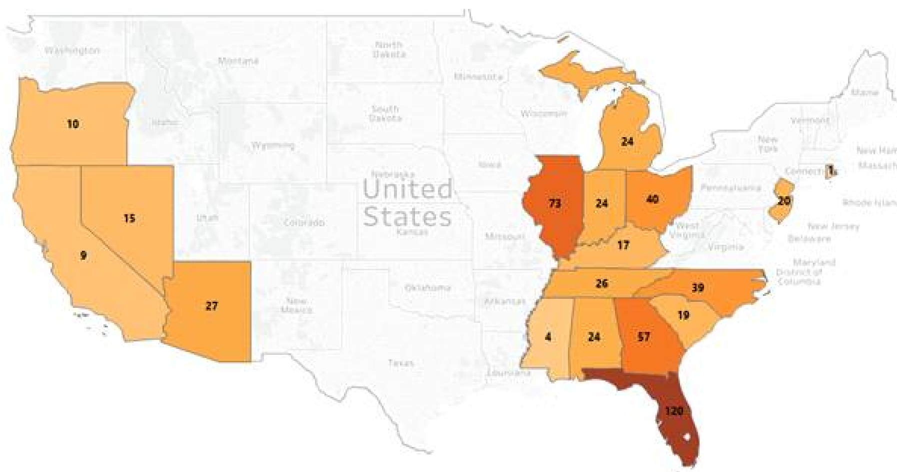
The Bank submitted 549 loans that it claimed qualified for credit under each of Menu Items 2.B.1., 2.B.2, and 2.B.3.

2.B.1, 2.B.2 & 2.B.3	Average	Median	Minimum	Maximum
Principal UPB	$169,432	$159,082	$54,003	$504,680
Interest Rate	4.88%	4.88%	3.75%	5.75%
Monthly Payment	$894	$851	$266	$2,748
AMI at Subject Property	$70,299	$69,900	$45,600	$107,900
Borrower Monthly Income	$4,305	$4,262	$1,289	$7,500
Loan-Specific DTI Ratio	21.16%	20.49%	7.66%	43.74%

The majority of these loans were for amounts between $100,000 and $250,000.



More than half (52.83%) of the 2.B.1 / 2.B.2 / 2.B.3 loans were made in four states: Florida, Illinois, Georgia, and Ohio.

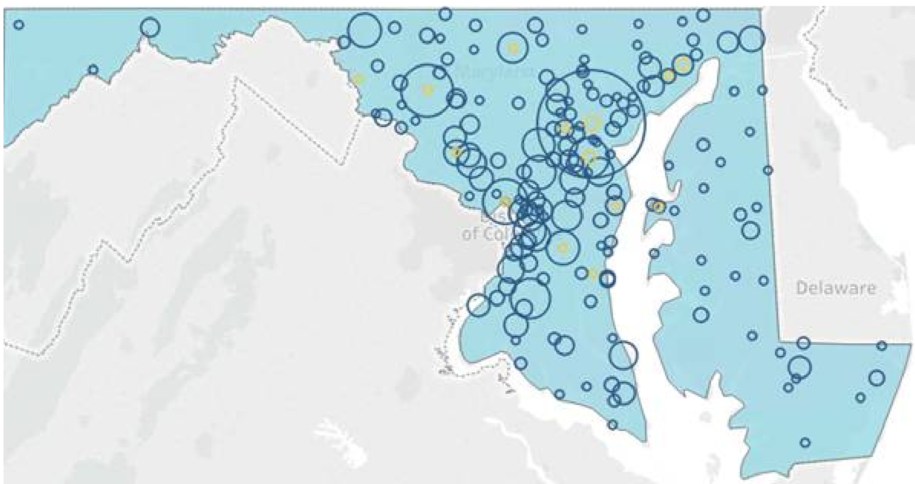


State	# Loans	% of Total
FL	120	21.86%
IL	73	13.30%
GA	57	10.38%
OH	40	7.29%
NC	39	7.10%
AZ	27	4.92%
TN	26	4.74%
AL	24	4.37%
IN	24	4.37%

State	# Loans	% of Total
MI	24	4.37%
NJ	20	3.64%
SC	19	3.46%
KY	17	3.10%
NV	15	2.73%
OR	10	1.82%
CA	9	1.64%
MS	4	0.73%
RI	1	0.18%
Total	**549**	–

Maryland Loans

As noted previously, Deutsche Bank also entered into a separate agreement with the Office of the Maryland Attorney General requiring the Bank to provide at least $80 million of consumer relief to Maryland residents. The Bank's progress towards satisfying the Maryland requirement has been slower than its overall loan originations volume. The Bank submitted an additional 903 loans made to Maryland borrowers in the Fourth Quarter 2018 submission, resulting in a total of $40,064,500 in credit to date, all in the form of loan originations under Menu Item 2.B.3.



City	# Loans	Credit Amount
Baltimore	172	$1,978,000
Frederick	40	$460,000
Silver Spring	31	$356,500
Glen Burnie	25	$287,500
Waldorf	23	$264,500
Upper Marlboro	17	$195,500
Hagerstown	16	$184,000
Laurel	16	$184,000
Capitol Heights	15	$172,500
Columbia	15	$172,500
164 Other MD Cities	533	$6,128,000
Q4 2018 Total	**903**	**$10,383,000**
Q3 2017 MD Loans	3	$34,500
Q4 2017 MD Loans	17	$195,500
Q1 2018 MD Loans	583	$6,704,500
Q2 2018 MD Loans	979	$11,258,500
Q3 2018 MD Loans	999	$11,488,500
Grand Total	**3,484**	**$40,064,500**

Other Characteristics of the 2018 Fourth Quarter Submission

Over 42% of the total loans in this submission were conventional loans that were eligible for purchase by Fannie Mae or Freddie Mac, and over 36% were FHA loans. In addition, a sizeable number of loans (15%) were made under VA programs, representing a slight drop from the Third Quarter 2018 submission.

Mortgage Type	2.B.1	2.B.3	2.B.1 & 2.B.2	2.B.1 & 2.B.3	2.B.2 & 2.B.3	2.B.1, 2.B.2 & 2.B.3	Total	% of Total
Conventional	20,123	2,186	52	3,858	4	16	**26,239**	42.76%
FHA	8,972	4,461	503	7,854	142	447	**22,379**	36.47%
USDA/Rural Housing Service	879	1,067	27	1,305	24	30	**3,332**	5.43%
VA	5,390	1,605	108	2,228	25	56	**9,412**	15.34%
Total	**35,364**	**9,319**	**690**	**15,245**	**195**	**549**	**61,362**	–

Over 99% of the loans had fixed interest rates, and 98% of the loans were for a term of 30 years. And while the Bank can earn credit for loans made to purchase certain multi-unit residences, less than 2% of the loans were issued for homes with between two and four units.[16]

[16] The Monitor has limited credit to new mortgage loans used to purchase primary or secondary residences (including primary residences with up to four units, provided the borrower resides in one of them). This would include, for example, the purchase of a four unit townhome, in which the borrower resides in one unit, and rents out the other three units.

CONCLUSION

As of the date of this report, the Bank has submitted 192,001 loans for credit, which has resulted in **$2,207,476,000** in total credit for the Bank.

Quarter Submission	# of Loans	Base Credit	Early Incentive Credit	Total Credit to Deutsche Bank
Q3 2017	100	$1,000,000	$150,000	$1,150,000
Q4 2017	1,977	$19,770,000	$2,965,500	$22,735,500
Q1 2018	24,314	$243,140,000	$36,471,000	$279,611,000
Q2 2018	51,131	$511,310,000	$76,696,500	$588,006,500
Q3 2018	53,117	$531,170,000	$79,675,500	$610,845,500
Q4 2018	61,362	$613,620,000	$91,507,500*	$705,127,500
Total	**192,001**	**$1,920,010,000**	**$287,466,000**	**$2,207,476,000**

* 357 loans were submitted for credit with an origination date after 09/01/2018; thus, they did not qualify for early incentive credit.

The Bank's total consumer relief credit to date is as follows:

Menu Item	Current Submission (Q4 2018)	Credit Earned for Q4 2018 Submissions	Cumulative Submission	Cumulative Credit Earned
No. 1 Loan Modification, Forgiveness, and Forbearance	None	$0	None	$0
No. 2 Loan Originations	61,362	$705,127,500	192,001	$2,207,476,000
No. 3 Community Reinvestment	None	$0	None	$0
No. 4 Financing for Affordable Rental Housing	None	$0	None	$0
Total	**61,362**	**$705,127,500**	**192,001**	**$2,207,476,000**

If you have questions about this report, please contact the Monitor at:

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