MONITOR

of the 2017 Deutsche Bank Mortgage Settlement

SEVENTH REPORT | AUGUST 2019

TABLE OF CONTENTS

INTRODUCTION

This is the seventh 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 has explained in recent reports, the Bank intends to satisfy its entire $4.1 billion consumer relief obligation through the origination of new purchase money loans. On March 19, 2019, the Bank submitted to the Monitor for credit an additional 70,676 newly originated loans (the First Quarter 2019 submission). The Monitor reviewed and validated these loans pursuant to previously discussed testing protocols and confirms that the Bank has earned an additional $718,253,000 in consumer relief credit for this submission. To date, the Monitor has validated a total of 262,677 loans that the Bank has submitted for credit, representing **$58 billion in total principal loaned**, and **total consumer relief credit in the amount of $2,925,729,000**.[2]

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 Newark, New Jersey. In addition, the Monitor provides updates on his due diligence of the Bank's counterparties, compliance review of loans submitted for credit, ECOA / Fair Housing review, and reviews of the correspondent lenders used by the Bank's counterparties.

The Monitor also notes that the Bank recently announced a substantial restructuring of its global business and downsizing of its employee work force. The Monitor has discussed these changes with senior management at the Bank for several reasons. First, the Monitor wanted assurance that, despite any distraction that may have been caused by the restructuring, the Bank's management remains committed to overseeing the lawful performance of its obligations under the Settlement Agreement. Second, the Monitor wanted to ensure that the restructuring did not disturb the efficient operations of the internal groups charged with implementing and overseeing the Bank's consumer relief efforts.[3] Third, the Monitor wanted to understand if 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] On June 12, 2019, the Bank submitted to the Monitor for credit an additional 68,450 loans. The Monitor and his team are currently reviewing these loans. If validated, they would represent an additional $685,892,000 in consumer relief credit.

[3] As explained in previous reports, the Bank established an internal working group – the Consumer Relief Group – consisting of 10 full-time employees dedicated to the Bank's consumer relief efforts under the Agreement. It also created an oversight body – the Consumer Relief Forum – consisting of senior executives within the Bank overseeing matters such as legal, risk, compliance, and operations, among others.

Bank's substantive strategy for providing consumer relief under the Settlement Agreement had changed as a result of the restructuring of its business operations.

The Monitor's inquiries revealed that the Bank continues to devote a substantial number of senior-level individuals and other resources to its consumer relief efforts. Its Consumer Relief Group and Consumer Relief Forum remain operational and fully staffed. Although the two co-heads of the Forum left the Bank during the restructuring, they were quickly replaced by equally senior individuals who report to the Bank's Chief Executive Officer and its Chief Executive Officer of the Americas, both of whom currently serve on the Bank's Management Board. Last, the recent restructuring within the Bank has not resulted in any changes to the Bank's current strategy for providing consumer relief.

COUNTERPARTY DUE DILIGENCE

Since the Monitor published his sixth report, he has become aware of two publicly reported developments relating to the Bank's counterparties.

First, on June 5, 2019, the Consumer Financial Protection Bureau entered into a Consent Order with Freedom Mortgage Corp. ("Freedom") – one of the Bank's loan origination counterparties – regarding Freedom's alleged inaccurate reporting of Home Mortgage Disclosure Act ("HMDA") data about mortgage borrowers' race, ethnicity, and sex.[4] Specifically, according to the Consent Order, Freedom agreed to pay a $1.75 million civil money penalty and to improve its HMDA reporting policies and procedures. The Monitor reviewed this issue and determined that it was not necessary to take further action, particularly since Freedom's alleged misconduct did not materially affect the Monitor's analysis of the Bank's compliance with the Equal Credit Opportunity Act and the Fair Housing Act, discussed below.

Second, on May 7, 2019, news outlets reported that the U.S. Department of Veterans Affairs and the U.S. Department of Justice had issued subpoenas to at least eight unnamed mortgage lenders regarding their VA lending programs.[5] In light of this development, the Monitor determined that it was necessary to undertake a more targeted compliance review of a sample of the VA loans that were submitted by the Bank for credit. The Monitor has performed that review, as discussed below.

[4] *See* Press Release, Consumer Financial Protection Bureau, *Consumer Financial Protection Bureau Settles with Freedom Mortgage Corporation* (June 5, 2019), and Consent Order No. 2019-BCFP-0007, *available at* www.consumerfinance.gov/about-us/newsroom/bureau-settles-freedom-mortgage-corporation/.

[5] *See, e.g.,* Lorraine Woellert, *VA mortgage lenders hit with federal subpoenas*, Politico (May 7, 2019), *available at* www.politico.com/story/2019/05/07/va-mortgage-lenders-federal-subpoenas-1414318.

CORRESPONDENT LENDER REVIEW

The Monitor continues to perform ongoing diligence of the correspondent lenders that work with each of the Bank's counterparties.[6] The focus of this 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 Government-Sponsored Enterprise ("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.

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. As noted above, in addition to the compliance review that the Monitor has conducted on all submissions to date, the Monitor undertook a targeted compliance review of a sample of certain VA loans. That review focused on identifying indicia of unlawful conduct or practices. The Monitor performed these compliance reviews 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

[6] 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).

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.[7] On May 18, 2019, the Bank held its first event of the third year at Bethany Baptist Church in Newark, New Jersey.[8] The Bank has advised that its next two events will take place in or around St. Louis, Missouri and Memphis, Tennessee. The events are scheduled as follows:

St. Louis
Saturday September 28, 2019
Friendly Temple
5515 Dr. Martin Luther King Dr.
St. Louis, MO 63112

Memphis
Saturday October 26, 2019
First Baptist Church – Broad
2835 Broad Avenue
Memphis, TN 38112

Additional details will be posted on the Monitor's website (https://deutschebankmortgagemonitor.com/news/) as they become available.

As with the last several events, the Bank partnered with the National Housing Resource Center ("NHRC") to coordinate and sponsor the Newark housing fair, and local housing organizations, lenders, and realtors participated. Approximately 254 consumers attended the event. The Monitor and a member of his team also attended.

The Newark housing fair provided participants with presentations and other resources regarding home buying, down payment assistance, and building their credit. Significantly, it also was the first consumer outreach event sponsored by the Bank to emphasize foreclosure relief and modification services. While the former services and presentations were unquestionably helpful, the modification portion of the event saw mixed results depending on each loan servicer's level of engagement.

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[7] 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.

[8] Prior events were hosted in Detroit, Michigan, on October 21, 2017; Chicago, Illinois, on November 11, 2017; Tampa, Florida, on March 3, 2018; Riverside, California, on June 23, 2018; Decatur, Georgia, on November 3, 2018; and Phoenix, Arizona, on March 2, 2019.

The modification program was organized by the Hope Now Alliance, a non-profit organization that was founded in the wake of the Great Recession. Hope Now coordinates housing counselors, mortgage lenders and servicers, investors, and regulators to assist homeowners who may be experiencing trouble with paying their mortgages.[9] At the Newark event, Hope Now oversaw the efforts of non-profit housing counselors, including Tri-City People's Corp., and for-profit mortgage servicers. Unfortunately, not every servicer that attended the Newark event took full advantage of the opportunity to assist struggling homeowners.

Every mortgage servicer should understand that the success or failure of a public housing fair focused on loan modifications depends in large part on securing the attendance of the servicer's borrowers. Servicers, therefore, typically make a substantial effort to reach out to their homeowners who might benefit from a modification well in advance of the event, giving them an opportunity to be aware of the event, to plan for it, and to bring the necessary paperwork that would expedite the process.

Some of the servicers that attended the event failed to perform any outreach in advance. Not surprisingly, those servicers had few, if any, visitors. In stark contrast, the servicers that performed substantial customer outreach to their local borrowers in advance of the event[10] — Freedom Mortgage Company and Mr. Cooper / Nationstar — enjoyed the highest volume of visitors (27 families and 14 families, respectively) and corresponding opportunity to provide some much-needed relief.[11] In total, sixty-eight borrowers and their families attended the modification event.

Seventy-five percent of the borrowers who attended the event reported that they were between 90-365 days delinquent on their mortgage, while twenty-five percent reported that they were between 30-90 days delinquent. Twenty-nine percent had been referred to foreclosure, with four percent having a sale date set. The servicers who engaged in outreach with homeowners in advance of the event advised them to bring the paperwork (including tax documents, bank statements, and hardship affidavits) necessary to facilitate a productive discussion about potential modifications or foreclosure relief. Although the Monitor did not interrupt any of the consumers' counseling sessions, it appeared that the consumers who engaged with the servicer representatives were well-prepared with documentation, and that the servicer representatives were actively working with them. The borrower feedback was positive. Of the borrowers who met with a servicer (67% of participants), more than 85% reported being "satisfied" or "very satisfied." No participants reported

[9] *See* About Hope Now, www.hopenow.com/about-us.php

[10] In an exit survey, 67% of borrowers who attended the modification portion of the event learned about the housing fair through a letter, 11% learned about it by telephone, 11% learned about it through social media, and 11% heard about it through other means.

[11] The other participating servicers were Bank of America, Caliber Home Loans, Cenlar, Champion Mortgage, Ocwen, and Wells Fargo.

feeling “unsatisfied” or “very unsatisfied.” Of the borrowers who met with a non-servicer housing counselor (33% of participants), the vast majority reported that they were “very satisfied” with their meeting.

Although it is the Monitor’s understanding that no modification requests were granted on-site at the event, which would not be unusual given the review and vetting that must occur in connection with providing this type of relief, it appeared that the on-site representatives helped to facilitate the application process, thereby increasing the chance that participating homeowners will experience a positive outcome.

The Monitor believes that offering struggling homeowners the opportunity to meet with the companies that service their loans is a worthwhile exercise, and he encourages the Bank, its counterparties, and their servicers to build upon the Newark event and offer a similar program at the forthcoming consumer outreach events. Eighty-eight percent of borrower attendees stated that they were “very likely” to recommend a similar modification event, with 12% stating that they were “likely” to do so. The Monitor also would like the participating servicers to invite their local customers to attend the events; without advance marketing, homeowners will not know that this resource is available to them, or what documentation is necessary to make the on-site meeting useful.

Representatives from the lenders J.P. Morgan Chase Bank, Bank of America, Citibank, Wells Fargo Home Mortgage, PNC Bank, Santander Bank, TD Bank, and Valley National Bank participated at the event. Participating housing agencies included the N.J. Housing and Mortgage Finance Agency, New Jersey Citizen Action, Catholic Charities, the Housing and Community Development Network of New Jersey, Navicore Solutions, La Casa de Don Pedro, Consumer Credit and Budget Counseling, Faith Fellowship CDC, and the Urban League of Essex County.

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. These sessions were valuable and productive. And, consumers had the opportunity to receive free credit reports; 91 attendees used this service. All associated fees were paid by the Bank.

REVIEW OF LOANS SUBMITTED FOR CREDIT

For the First Quarter 2019, the Bank submitted 70,676 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 Group, LLC ("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. Unlike prior submissions, only a small portion of the loans (7,662 of 70,676) qualified for an additional 15% early incentive credit ($1,500 per loan, for a total of an additional $11,493,000) because they were closed on or before September 1, 2018. The Monitor confirms, therefore, that the Bank is entitled to receive total credit for this submission in the amount of $718,253,000.

Q12019 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	42,643	8,945	861	17,418	214	595	**70,676**
Total Credit	$432,541,000	$91,892,000	$8,755,500	$176,794,500	$2,210,500	$6,059,500	**$718,253,000**

Consistent with prior submissions, over half the loans in this submission (60%) were submitted by the Bank for credit pursuant to Menu Item 2.B.1 (Hardest Hit Areas) only.[12] Approximately 13% of the loans were submitted pursuant to Menu Item 2.B.3

[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

(first-time LMI borrowers) only, a drop from prior submissions, with the remaining loans qualifying for credit under multiple subcategories of 2.B, as shown in the chart above.

For this submission, the 70,676 loans the Bank submitted for credit had a total loan principal value of $16,025,234,915.86. These loans were originated by the following counterparties:

Counterparty	Total Loans	Total Credit
PennyMac	36,387 (51.48%)	$369,753,000
AmeriHome	17,661 (24.99%)	$180,490,500
Caliber	8,395 (11.88%)	$85,024,000
Nationstar	5,563 (7.87%)	$56,203,000
Shellpoint	1,172 (1.66%)	$11,766,500
Guaranteed Rate	1,138 (1.61%)	$11,380,000
Freedom	360 (0.51%)	$3,636,000
Totals	**70,676**	**$718,253,000**

Characteristics of the 2.B.1 Loans

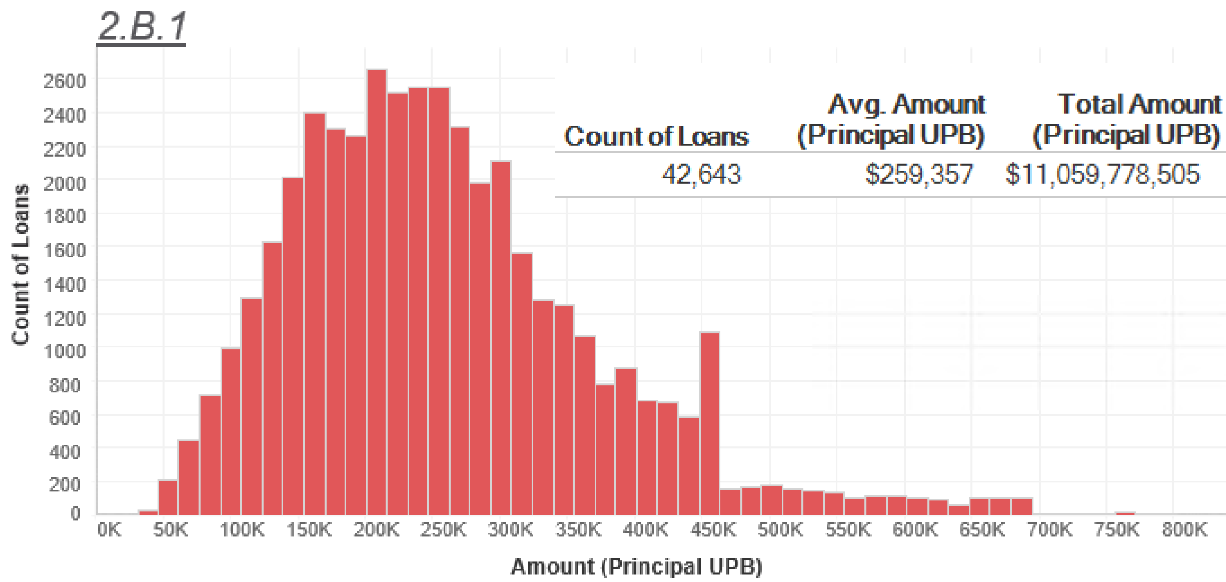
The Bank submitted 42,643 loans for credit under Menu Item 2.B.1 (Hardest Hit Areas) only.

2.B.1	Average	Median	Minimum	Maximum
Principal UPB	$259,357	$242,900	$27,000	$797,465
Interest Rate	4.90%	4.88%	3.13%	6.50%
Monthly Payment	$1,390	$1,296	$149	$11,170
Borrower Monthly Income	$8,603	$7,542	$818	$41,637
Loan-Specific DTI Ratio	17.87%	17.12%	1.18%	178.72%

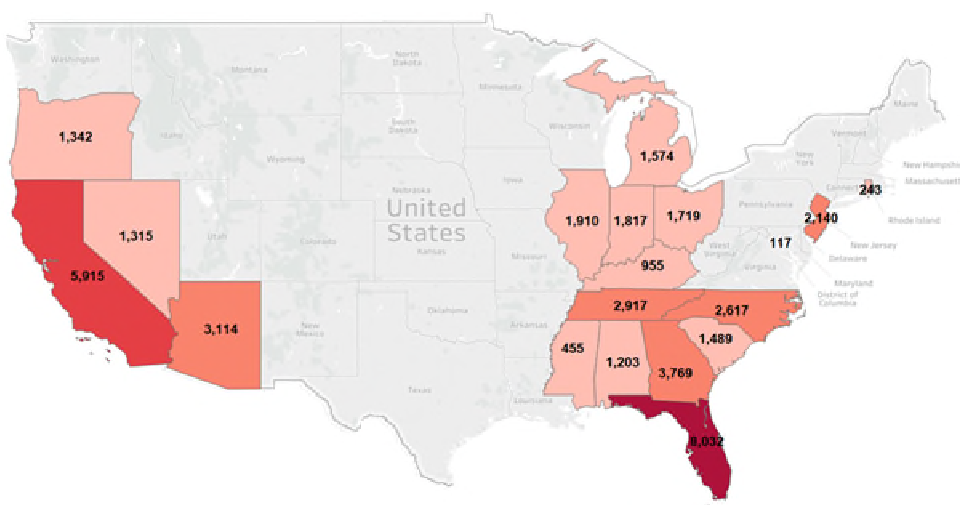
The majority of these loans were between the amounts of $150,000 and $300,000,

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 First Quarter 2019 submission that 17,418 loans qualified for credit under both Menu Item 2.B.1 and 2.B.3, the Monitor and Control Risks did not independently confirm the accuracy of this claim. 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.

with a smaller proportion of loans in amounts greater than $400,000.



The loans were originated in 18 states and the District of Columbia, with approximately 42% of the loans originated in Florida, California, and Georgia:



State	# Loans	% of Total
FL	8,032	18.84%
CA	5,915	13.87%
GA	3,769	8.84%
AZ	3,114	7.30%
TN	2,917	6.84%
NC	2,617	6.14%
NJ	2,140	5.02%
IL	1,910	4.48%
IN	1,817	4.26%
OH	1,719	4.03%
MI	1,574	3.69%

State	# Loans	% of Total
SC	1,489	3.49%
OR	1,342	3.15%
NV	1,315	3.08%
AL	1,203	2.82%
KY	955	2.24%
MS	455	1.07%
RI	243	0.57%
DC	117	0.27%
Total	**42,643**	–

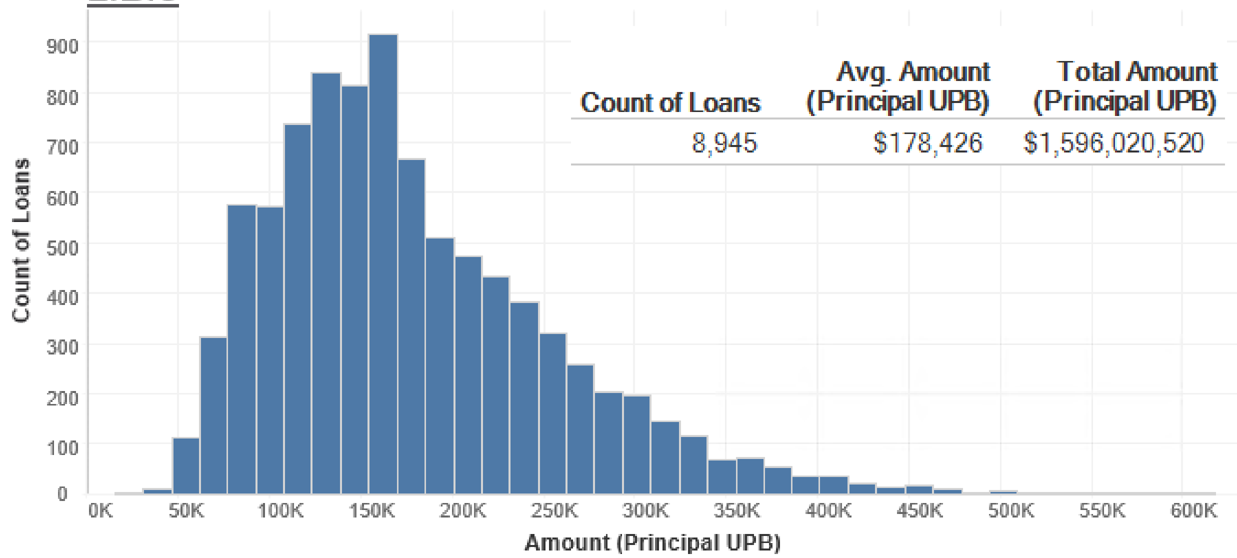
Characteristics of the 2.B.3 Loans

The Bank submitted 8,945 loans for credit under 2.B.3.

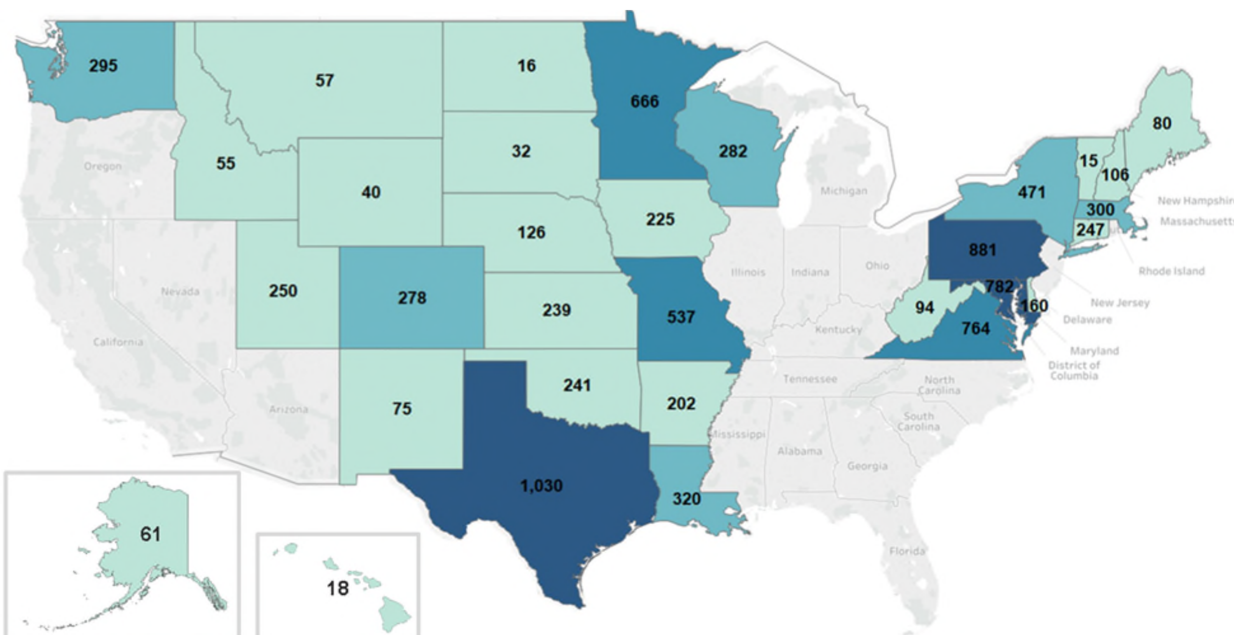
2.B.3	Average	Median	Minimum	Maximum
Principal UPB	$178,426	$162,475	$20,000	$614,400
Interest Rate	4.88%	4.88%	3.13%	6.00%
Monthly Payment	$941	$868	$115	$3,113
AMI at Subject Property	$79,401	$76,000	$29,600	$134,900
Borrower Monthly Income	$4,296	$4,167	$975	$9,718
Loan-Specific DTI Ratio	21.98%	21.66%	3.19%	46.74%

The loans submitted under Menu Item 2.B.3 were mostly (approximately 68%) between $100,000 and $250,000.

2.B.3



These loans were originated in 32 states, with approximately 39% originated in Texas, Pennsylvania, Maryland and Virginia.



State	# Loans	% of Total
TX	1,030	11.51%
PA	881	9.85%
MD	782	8.74%
VA	764	8.54%
MN	666	7.45%
MO	537	6.00%
NY	471	5.27%
LA	320	3.58%
MA	300	3.35%
WA	295	3.30%
WI	282	3.15%
CO	278	3.11%
UT	250	2.79%
CT	247	2.76%
OK	241	2.69%
KS	239	2.67%
IA	225	2.52%

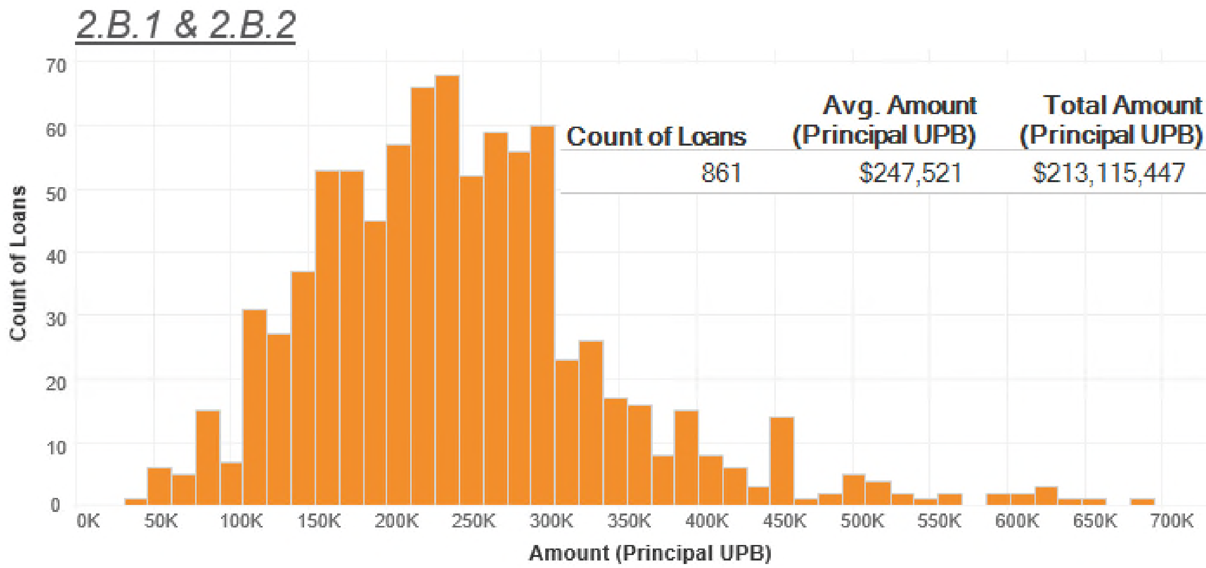
State	# Loans	% of Total
AR	202	2.26%
DE	160	1.79%
NE	126	1.41%
NH	106	1.19%
WV	94	1.05%
ME	80	0.89%
NM	75	0.84%
AK	61	0.68%
MT	57	0.64%
ID	55	0.61%
WY	40	0.45%
SD	32	0.36%
HI	18	0.20%
ND	16	0.18%
VT	15	0.17%
Total	**8,945**	**–**

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

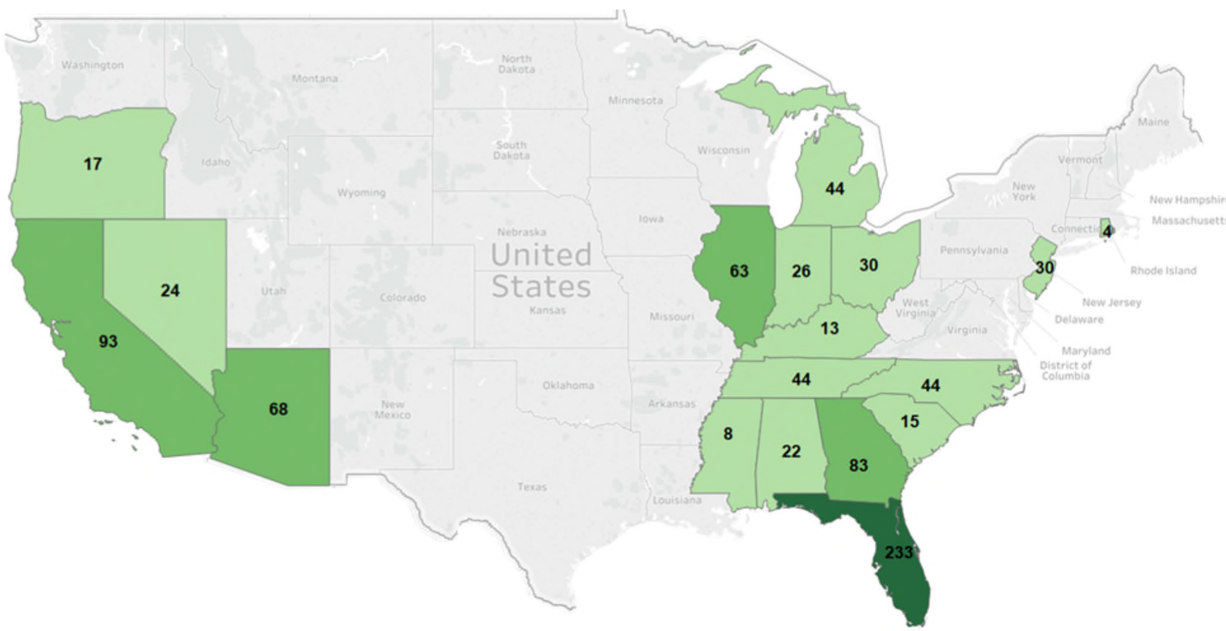
The Bank submitted 861 loans for credit under both Menu Items 2.B.1 and 2.B.2. Menu Item 2.B.2 allows the Bank to receive credit for originating loans to consumers who previously lost a primary residence to foreclosure or short sale. While the Bank is not actively seeking to originate loans to this category 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 on the Uniform Residential Loan Application 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	$247,521	$237,937	$33,262	$690,882
Interest Rate	4.92%	4.88%	3.88%	6.25%
Monthly Payment	$1,315	$1,264	$189	$3,762
Borrower Monthly Income	$8,111	$7,500	$1,520	$37,539
Loan-Specific DTI Ratio	17.05%	16.43%	3.06%	37.78%

The loans submitted under 2.B.1 and 2.B.2 were mostly (approximately 66%) between $150,000 and $300,000, with around 12% of the loans exceeding $350,000.



The loans submitted for credit under 2.B.1/2.B.2 were made in 18 states, with nearly 38% originated in Florida and California.



State	# Loans	% of Total
FL	233	27.06%
CA	93	10.80%
GA	83	9.64%
AZ	68	7.90%
IL	63	7.32%
MI	44	5.11%
NC	44	5.11%
TN	44	5.11%
NJ	30	3.48%
OH	30	3.48%

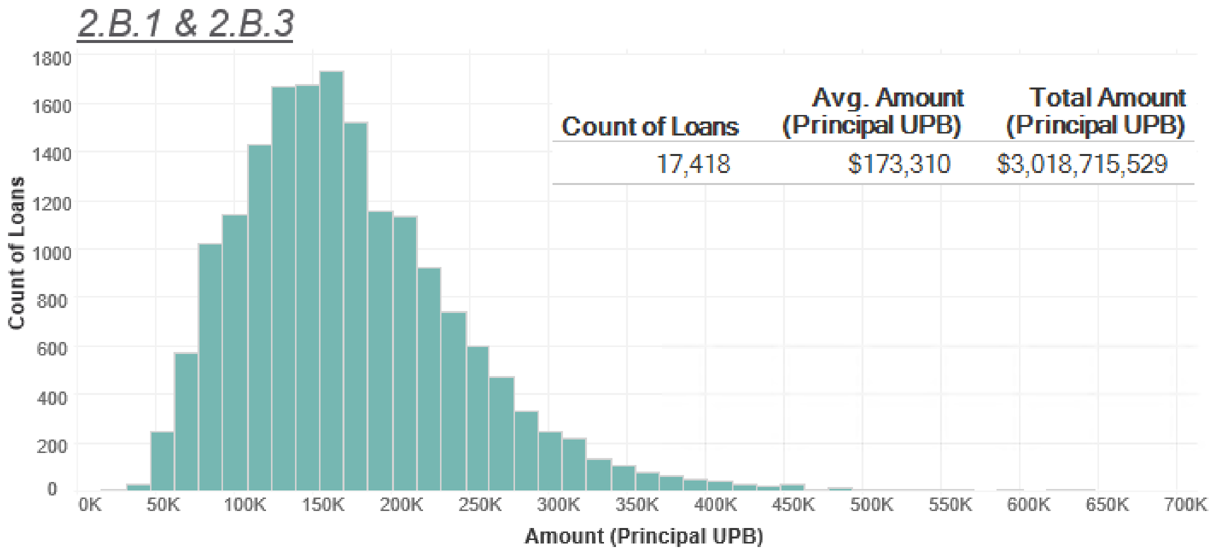
State	# Loans	% of Total
IN	26	3.02%
NV	24	2.79%
AL	22	2.56%
OR	17	1.97%
SC	15	1.74%
KY	13	1.51%
MS	8	0.93%
RI	4	0.47%
Total	**861**	–

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

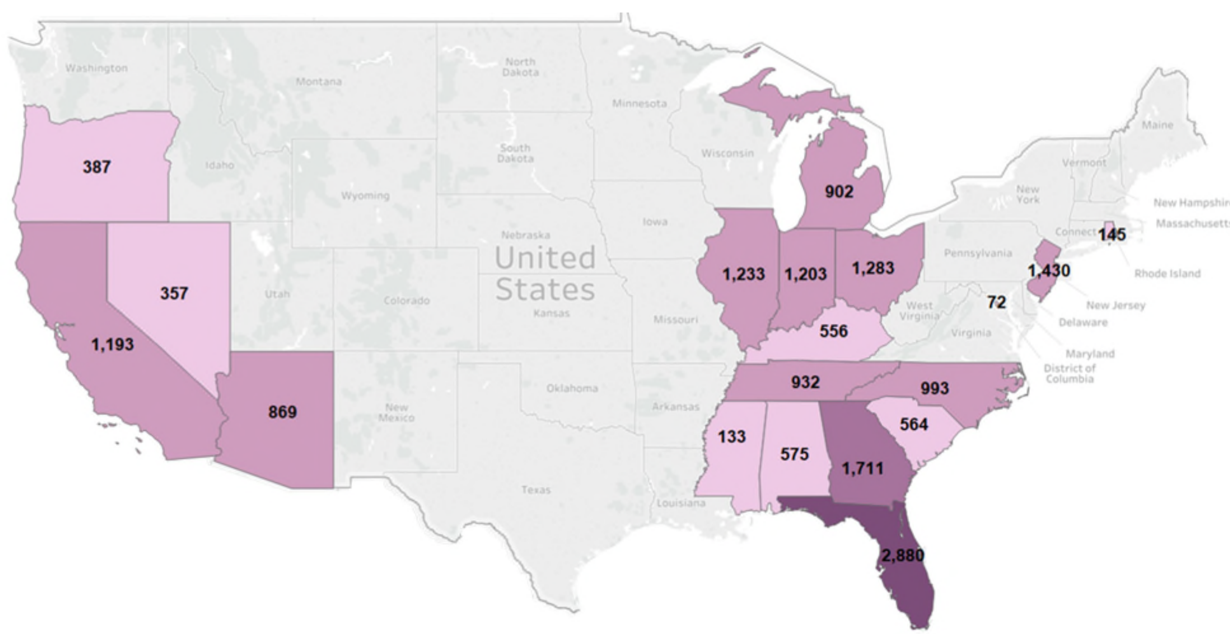
The Bank submitted 17,418 loans that it claimed qualified for credit under both Menu Items 2.B.1 (Hardest Hit Area) and 2.B.3 (first-time LMI homebuyers).

2.B.1 & 2.B.3	Average	Median	Minimum	Maximum
Principal UPB	$173,310	$162,011	$27,492	$667,250
Interest Rate	4.97%	4.99%	3.25%	6.50%
Monthly Payment	$927	$871	$158	$3,485
AMI at Subject Property	$70,888	$69,900	$33,500	$125,200
Borrower Monthly Income	$4,172	$4,093	$748	$10,417
Loan-Specific DTI Ratio	22.49%	22.13%	3.65%	55.25%

The majority of loans (approximately 73%) under 2.B.1 and 2.B.3 were between the amounts of $100,000 and 250,000.



Approximately half (49.01%) of the 2.B.1 / 2.B.3 loans were originated in five states: Florida, Georgia, New Jersey, Ohio, and Illinois.



State	# Loans	% of Total
FL	2,880	16.53%
GA	1,711	9.82%
NJ	1,430	8.21%
OH	1,283	7.37%
IL	1,233	7.08%
IN	1,203	6.91%
CA	1,193	6.85%
NC	993	5.70%
TN	932	5.35%
MI	902	5.18%
AZ	869	4.99%

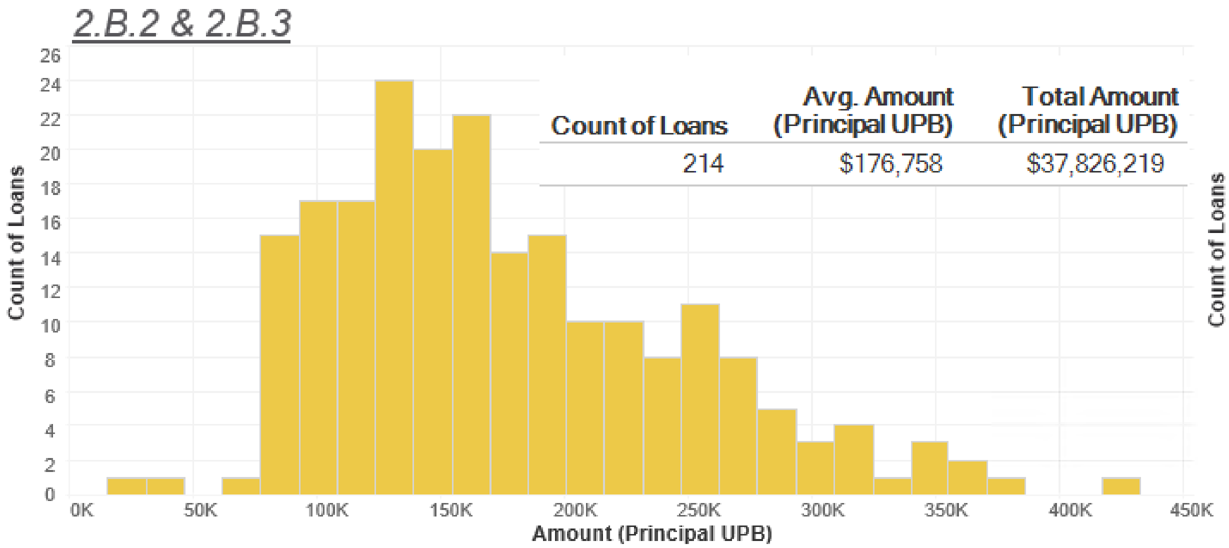
State	# Loans	% of Total
AL	575	3.30%
SC	564	3.24%
KY	556	3.19%
OR	387	2.22%
NV	357	2.05%
RI	145	0.83%
MS	133	0.76%
DC	72	0.42%
Total	**17,418**	–

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

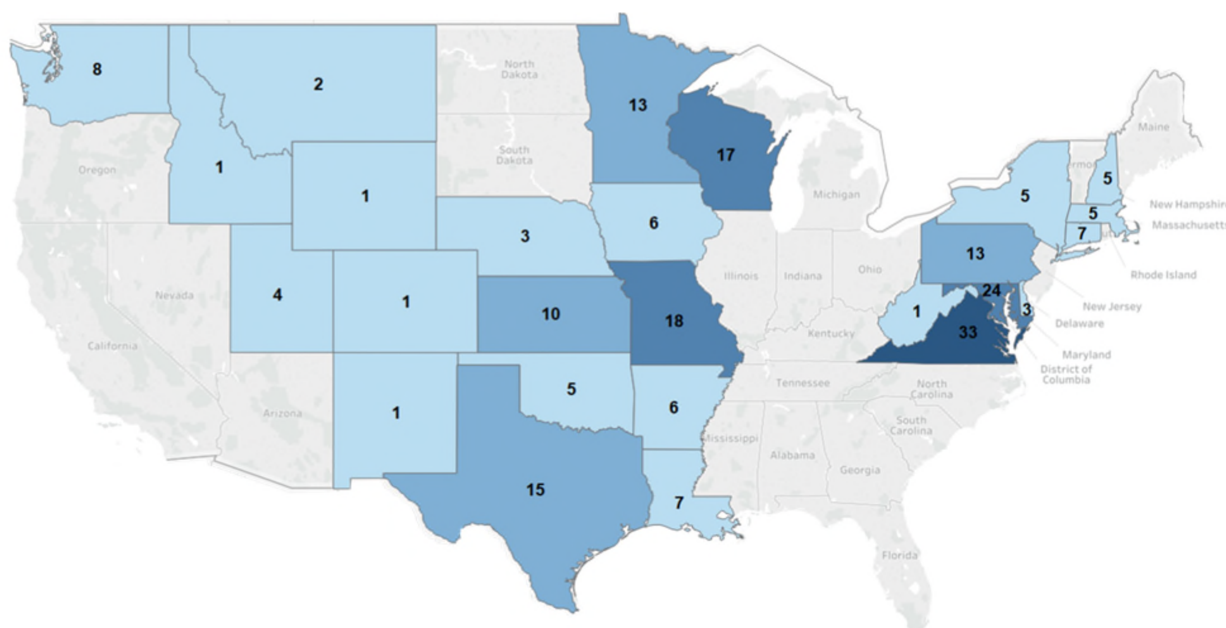
The Bank submitted 214 loans that it claimed qualified for credit under both Menu Items 2.B.2 and 2.B.3.

2.B.2 & 2.B.3	Average	Median	Minimum	Maximum
Principal UPB	$176,758	$160,818	$27,474	$417,203
Interest Rate	4.87%	4.88%	3.88%	5.63%
Monthly Payment	$930	$869	$143	$2,240
AMI at Subject Property	$79,794	$76,800	$39,400	$117,200
Borrower Monthly Income	$4,484	$4,503	$1,644	$7,917
Loan-Specific DTI Ratio	20.97%	20.72%	4.49%	41.12%

These loans were mostly (approximately 73%) in amounts between $80,000 and $220,000.



Nearly half (49.99%) of the 2.B.2 / 2.B.3 loans were originated in five states: Virginia, Maryland, Missouri, Wisconsin, and Texas.



State	# Loans	% of Total
VA	33	15.42%
MD	24	11.21%
MO	18	8.41%
WI	17	7.94%
TX	15	7.01%
MN	13	6.07%
PA	13	6.07%
KS	10	4.67%
WA	8	3.74%
CT	7	3.27%
LA	7	3.27%
AR	6	2.80%
IA	6	2.80%
MA	5	2.34%

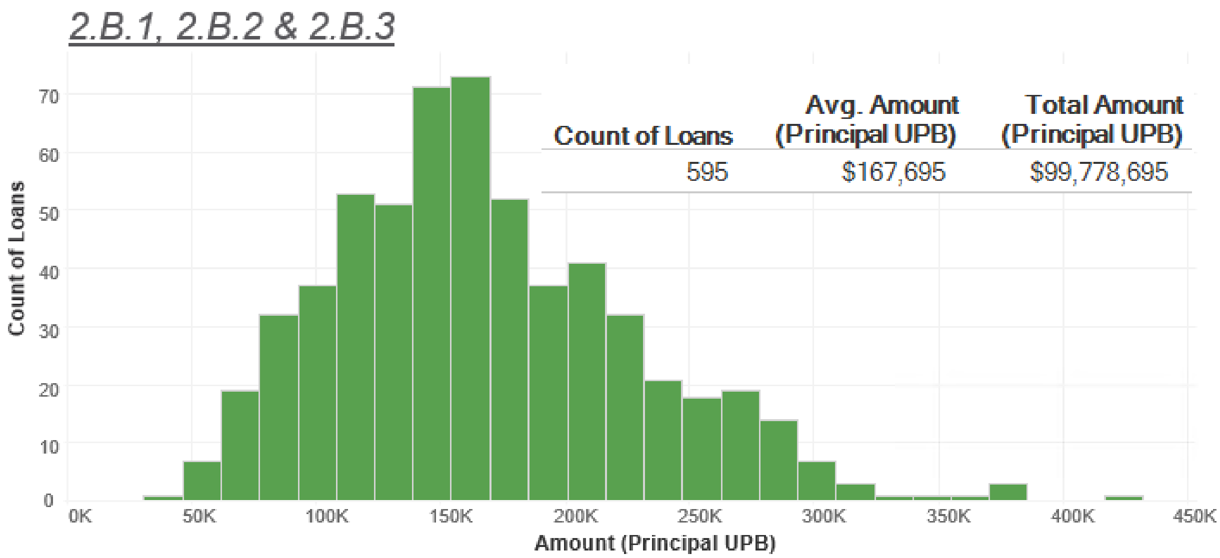
State	# Loans	% of Total
NH	5	2.34%
NY	5	2.34%
OK	5	2.34%
UT	4	1.87%
DE	3	1.40%
NE	3	1.40%
MT	2	0.94%
CO	1	0.47%
ID	1	0.47%
NM	1	0.47%
WV	1	0.47%
WY	1	0.47%
Total	**214**	–

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

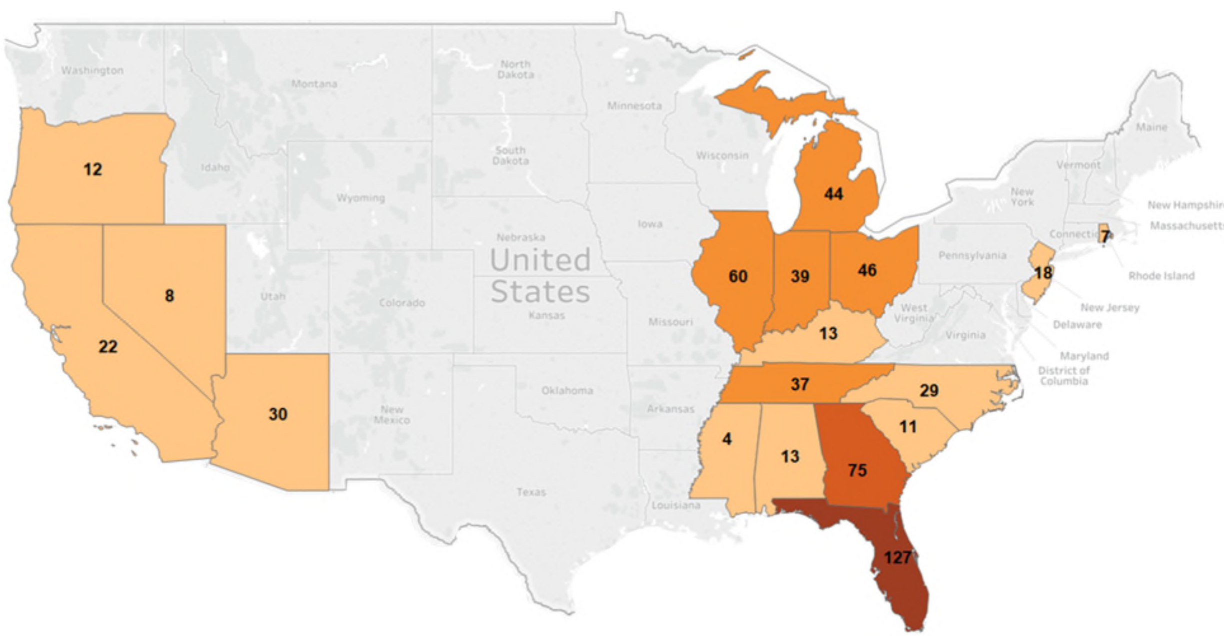
The Bank submitted 595 loans that it claimed qualified for credit under each of Menu Items 2.B.1, 2.B.2, and 2.B.3.

2.B.1, 2.B.2 & 2.B.3	Average	Median	Minimum	Maximum
Principal UPB	$167,695	$159,493	$36,500	$432,000
Interest Rate	4.99%	5.00%	3.75%	6.00%
Monthly Payment	$898	$857	$204	$2,189
AMI at Subject Property	$69,089	$69,100	$37,200	$107,900
Borrower Monthly Income	$4,222	$4,166	$1,530	$7,833
Loan-Specific DTI Ratio	21.65%	21.32%	6.53%	42.51%

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



More than half (51.76%) of the 2.B.1 / 2.B.2 / 2.B.3 loans were made in four states: Florida, Georgia, Illinois, and Ohio.

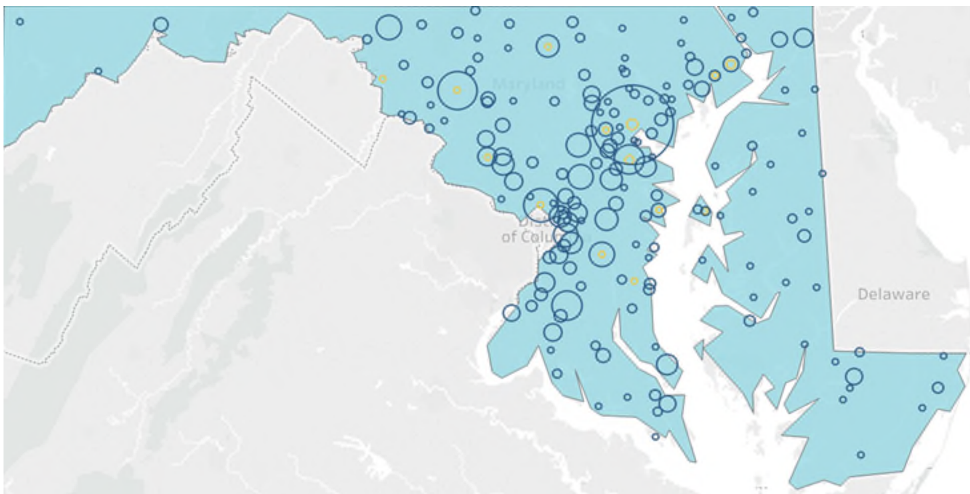


State	# Loans	% of Total
FL	127	21.34%
GA	75	12.61%
IL	60	10.08%
OH	46	7.73%
MI	44	7.39%
IN	39	6.55%
TN	37	6.22%
AZ	30	5.04%
NC	29	4.87%

State	# Loans	% of Total
CA	22	3.70%
NJ	18	3.03%
AL	13	2.18%
KY	13	2.18%
OR	12	2.02%
SC	11	1.85%
NV	8	1.34%
RI	7	1.19%
MS	4	0.68%
Total	**595**	–

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 806 loans made to Maryland borrowers in the First Quarter 2019 submission, resulting in a total of $48,357,000 in credit to date, all in the form of loan originations under Menu Item 2.B.3.



City	# Loans	Credit Amount
Baltimore	140	$1,443,500
Frederick	39	$396,000
Gaithersburg	23	$234,500
Silver Spring	21	$217,500
Waldorf	21	$213,000
Glen Burnie	19	$197,500
Germantown	19	$193,000
Bowie	18	$186,000
Capitol Heights	18	$181,500
Upper Marlboro	14	$146,000
162 Other MD Cities	474	$4,884,000
Q1 2019 Total	**806**	**$8,292,500**
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
Q4 2018 MD Loans	903	$10,383,000
Grand Total	**4,290**	**$48,357,000**

Other Characteristics of the 2019 First Quarter Submission

Approximately 45% of the total loans in this submission were conventional loans that were eligible for purchase by Fannie Mae or Freddie Mac, and over 33% were FHA loans.[13] In addition, a sizeable number of loans (17%) were made under VA programs.

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	24,707	2,105	66	5,200	3	34	**32,115**	45.44%
FHA	9,975	3,980	593	8,252	149	438	**23,387**	33.09%
USDA/Rural Housing Service	738	976	18	1,118	26	33	**2,909**	4.12%
VA	7,223	1,884	184	2,848	36	90	**12,265**	17.35%
Total	**42,643**	**8,945**	**861**	**17,418**	**214**	**595**	**70,676**	–

Over 99% of the loans had fixed interest rates, and over 97% 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.[14]

[13] The investors on the conventional loans were Fannie Mae (75.17%), Ginnie Mae (18.12%), Freddie Mac (6.58%), other non-GSE (0.13%)

[14] The Monitor has limited credit to new mortgage loans used to purchase primary residences or, for Menu Item 2.B.1, primary residences / investment properties with up to four units, provided the borrower resides in one of them, and secondary residences. As explained in the Monitor's second report, the Monitor expanded the loans eligible for credit under 2.B.1 to encourage lending that will stimulate real estate activity in Hardest Hit Areas. A primary residence / investment property eligible under 2.B.1 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 262,677 loans for credit, which has resulted in **$2,925,729,000** 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
Q1 2019	70,676	$706,760,000	$11,493,000*	$718,253,000
Total	**262,677***	**$2,626,770,000**	**$298,959,000**	**$2,925,729,000**

* 63,014 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 (Q1 2019)	Credit Earned for Q1 2019 Submissions	Cumulative Submission	Cumulative Credit Earned
No. 1 Loan Modification, Forgiveness, and Forbearance	None	$0	None	$0
No. 2 Loan Originations	70,676	$718,253,000	262,677	$2,925,729,000
No. 3 Community Reinvestment	None	$0	None	$0
No. 4 Financing for Affordable Rental Housing	None	$0	None	$0
Total	**70,676**	**$718,253,000**	**262,677**	**$2,925,729,000**

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

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