

Statement of Work

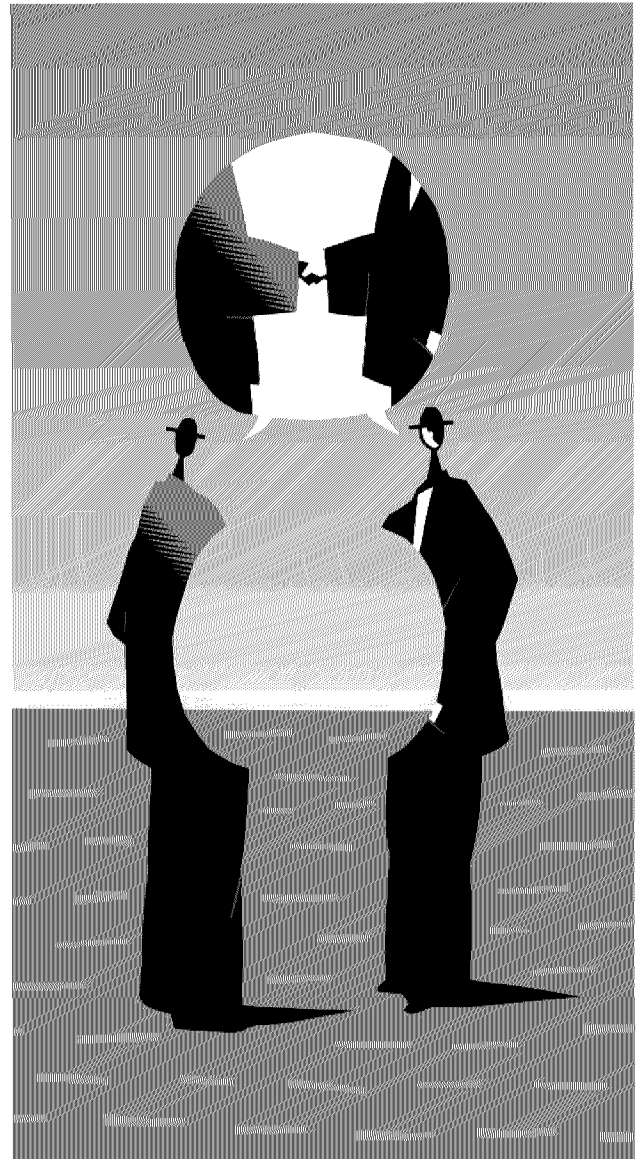
April 13, 2011, Consent Order
Foreclosure Review

Presented to:

OneWest Bank, FSB

September 8, 2011

[as amended for OCC comments]



[Redacted]
Washington, DC 20006
[Redacted]

[Redacted]
Washington, DC 20006
[Redacted]

September 8, 2011¹

[REDACTED]
OneWest Bank, FSB
[REDACTED]
Pasadena, CA 91101

RE: April 13, 2011, Consent Order Foreclosure Review

Dear [REDACTED]

Navigant Consulting, Inc. ("Navigant") is pleased to submit the enclosed statement of work to perform an independent review of residential foreclosure proceedings for loans serviced by OneWest Bank, FSB ("OneWest") and residential foreclosure sales that have been pending or occurred during the period from January 1, 2009 to December 31, 2010. Based on the April 13, 2011 Consent Order No. WN-11-011 issued by the Office of Thrift Supervision ("OTS"), the primary objective of the foreclosure review is to identify borrowers who were improperly foreclosed on or who incurred financial harm from errors, misrepresentations or other potential deficiencies during the foreclosure process.

This proposed statement of work supersedes the prior draft version dated July 13, 2011 and incorporates comments and guidance received from the Office of the Comptroller of the Currency ("OCC"). We acknowledge that the OCC may provide further comments and input as to the scope and approach of this review.

Navigant is committed to providing an independent review that fulfills the requirements of the Consent Order. Prior to the banking agencies' horizontal review of foreclosure practices, Navigant had never been engaged by OneWest to provide services of any kind, nor has Navigant been promised future work by OneWest except as detailed in this Statement of Work. We will retain and rely on independent legal counsel to provide legal advice at the appropriate junctures in the execution of this review.²

If you have any questions regarding the proposal, please do not hesitate to contact me at [REDACTED]

Sincerely,
[REDACTED]
[REDACTED]

¹ This letter has been amended and resubmitted on September 30, 2011 to reflect comments provided by the OCC to OneWest on October 4, 2011. The amendments only reflect matters expressly addressed by the OCC.

² On July 7, 2011, Navigant submitted a request for a no objection letter from the OTS and OCC related to our retention of Alston & Bird, LLP as independent legal counsel. This request was approved on July 18, 2011.

cc:



OneWest Bank, FSB
[Redacted]
Pasadena, CA 91101

cc:



OneWest Bank, FSB
[Redacted]
Pasadena, CA 91101

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SECTION A: Project Objective, Scope and Approach

Navigant Consulting, Inc. ("Navigant") will conduct an independent review of certain residential foreclosure actions regarding individual borrowers with respect to OneWest's mortgage servicing portfolio (the "Foreclosure Review"). Based on the April 13, 2011 Consent Order No. WN-11-011 issued by the Office of Thrift Supervision ("OTS"), the primary objective of the foreclosure review is to identify borrowers who were improperly foreclosed on or who incurred financial harm from errors, misrepresentations or other potential deficiencies during the foreclosure process.

Navigant is not engaged in the practice of law and, therefore, in performing the Foreclosure Review, Navigant will not be rendering legal advice and/or rendering a legal opinion. Specifically, in performing the work required to complete the Foreclosure Review (including the development of the detailed test plan for the Foreclosure Review), Navigant will rely on advice it obtains from independent legal counsel with respect to the federal and state rules, regulations and laws applicable to the scope and objectives of the Foreclosure Review (collectively, the "Legal Requirements") and will assume that the Legal Requirements provided by independent legal counsel are complete and accurate. Further, as part of the Foreclosure Review, Navigant will rely on independent legal counsel to assist it in evaluating exceptions and questionable facts and circumstances noted during the course of the review. Navigant makes no representations or warranties regarding the legal advice rendered by independent legal counsel upon which Navigant relied as part of the Foreclosure Review, nor will Navigant be responsible for any errors relating to, or arising out of, such legal advice, including, without limitation, errors with respect to the interpretation of any of the Legal Requirements.

Subject to the foregoing, Navigant agrees that the Foreclosure Review will comply with all of the requirements set forth in Paragraph 16(a) – (h) of the Consent Order issued to OneWest on April 13, 2011, and that it will conduct the Foreclosure Review as separate and independent from any review, study, or other work performed by OneWest or its contractors or agents with respect to OneWest's mortgage servicing portfolio or OneWest's compliance with other requirements of the Consent Order, as set forth below:

1. Conduct of the Foreclosure Review by Navigant will not be subject to direction, control, supervision, oversight, or influence by the Institution, its contractors or agents. Navigant will immediately notify the Office of the Comptroller of the Currency (the "OCC"), of any effort by OneWest, directly or indirectly, to exert any such direction, control, supervision, oversight, or influence over Navigant, its contractors or agents.
2. Except as otherwise set forth in the second paragraph above, Navigant agrees that it is solely responsible for the conduct and results of the Foreclosure Review, in accordance with the requirements of Paragraph 16(a) – (h) of the Consent Order.
3. The conduct of the Foreclosure Review will be subject to the monitoring, oversight, and direction of the OCC. Navigant agrees to promptly comply with all written comments, directions, and instructions of the OCC concerning the conduct of the Foreclosure Review, and that it will promptly provide any documents, workpapers, materials or other information requested by the OCC, regardless of any claim of privilege or confidentiality.
4. Navigant agrees to provide regular progress reports, updates and information concerning the conduct of the Foreclosure Review to the OCC and OneWest, as directed by the OCC.
5. Navigant will conduct the Foreclosure Review using only personnel employed or retained by Navigant to perform the work required to complete the Foreclosure Review. Navigant will not employ or use services provided by OneWest employees, or contractors or agents retained by OneWest with

respect to the Consent Order or with respect to matters addressed in the Consent Order, in order to conduct the Foreclosure Review, except where the OCC specifically provides prior written approval to do so.

6. Subject to the requirements and restrictions of no. 5 above, including the requirement of specific approval by the OCC, Navigant may utilize documents, materials or other information provided by OneWest, and may communicate with OneWest, its contractors or agents, in order to conduct the Foreclosure Review.

7. Navigant agrees that any legal advice needed in conducting the Foreclosure Review shall be obtained from the outside law firm whose retention for that purpose has been approved by the OCC. Navigant agrees not to obtain legal advice (or other professional services) in conducting the Foreclosure Review from OneWest's inside counsel, or from outside counsel retained by OneWest or its affiliates to provide legal advice concerning the Consent Order or matters contained in the Consent Order.

8. If the OCC determines, in its sole discretion, that Navigant has not been fully compliant with the foregoing standards, the OCC may direct OneWest to dismiss Navigant and retain a successor consultant, in which case OneWest shall have no further obligation to Navigant other than for services performed up to that date for OneWest.

The primary objective of the Foreclosure Review is to identify (a) any instances of improper foreclosures and (b) any instances where errors, misrepresentations, or other deficiencies in the foreclosure process directly caused financial harm to borrowers. The Foreclosure Review will include all residential foreclosure proceedings and sales that were pending or completed during the period from January 1, 2009 to December 31, 2010.³ The scope of the Foreclosure Review will be limited to residential foreclosure actions initiated or completed on owner-occupied 1-4 family dwellings by OneWest or predecessor institution facilities that process first-lien residential mortgage foreclosures. Per our discussion with the OCC, the Foreclosure Review is not intended to identify financial harm or other deficiencies impacting the investor / mortgagee or any other third-party including second lien borrowers.

Deliverables of this engagement will include:

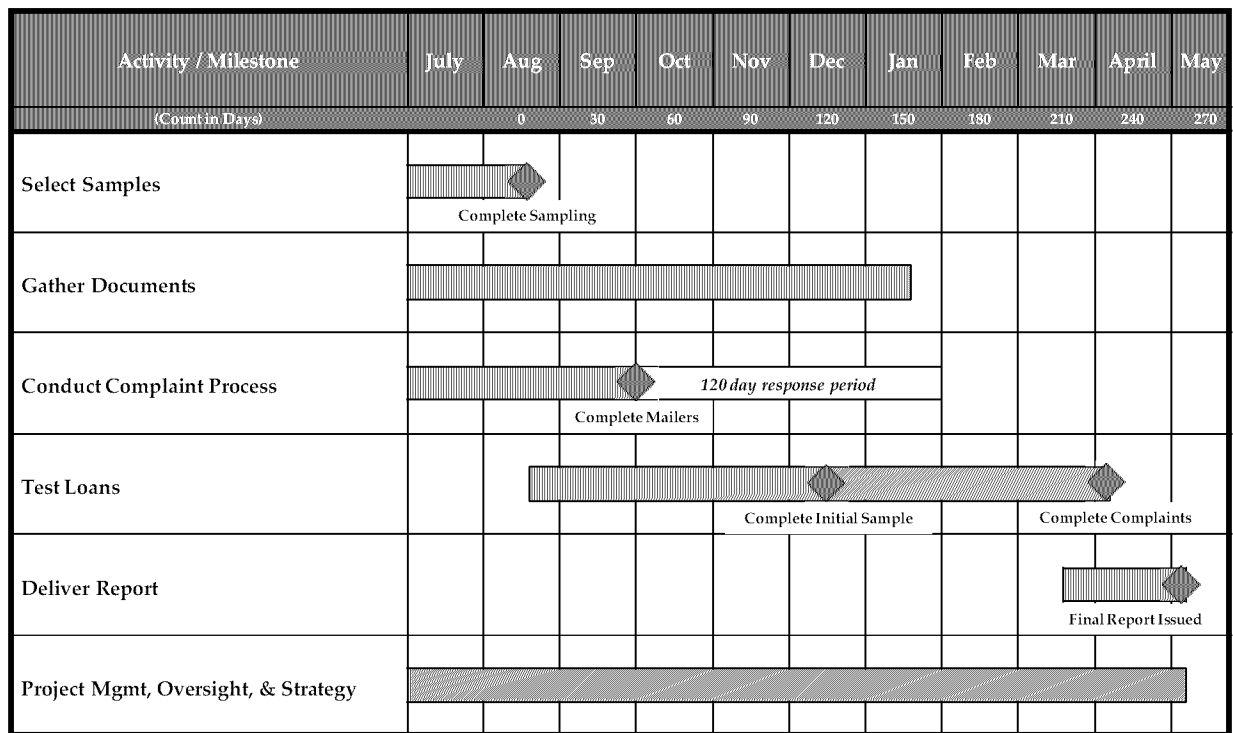
- Statistically valid sampling methodology including segmentation;
- Foreclosure Review test plan that addresses the items specified in paragraph 16(a) – (h) of the Consent Order;
- Process to execute the Foreclosure Review including the procedures for obtaining documents from external third parties;
- Methodology for obtaining and reviewing borrower complaints;
- Foreclosure Review results and supporting workpapers; and,
- Final report detailing the approach and findings of the Foreclosure Review.

The Foreclosure Review project formally commenced on August 8, 2011, upon notification of the OCC's conditional approval of the July 13, 2011 draft of this engagement letter. Navigant had been performing

³ OneWest began servicing the loans on March 19, 2009. IndyMac Federal Bank FSB, a conservatorship of the FDIC, serviced the loans prior to that date during the Foreclosure Review period. The OTS has indicated that: 1) the review should cover the entire 24 month period included within the Consent Order; and, 2) the results of the review should be segregated between the pre and post March 19, 2009 period.

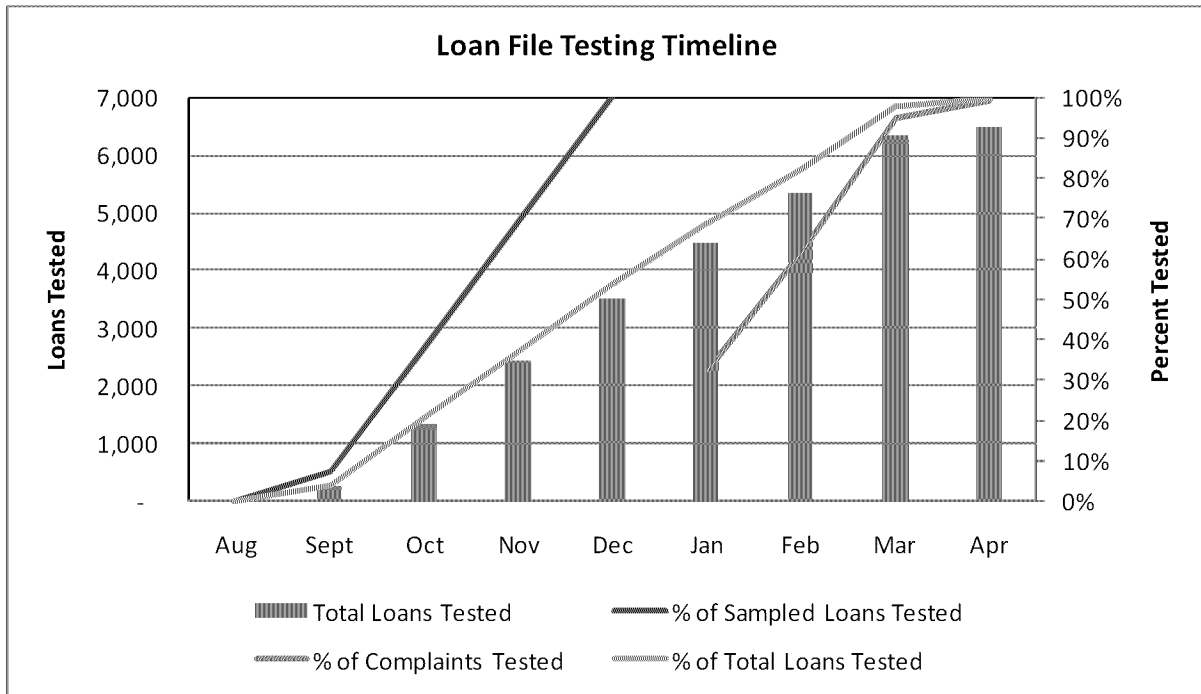
various preparatory actions prior to formal approval of this engagement letter. The execution of the entire engagement, including the completion of the Foreclosure Review, the complaint process and the issuance of the final report, is targeted for completion within 270 days of the engagement letter approval,⁴ with completion of field work expected by April 4, 2012. The final report detailing the findings of the Foreclosure Review will be delivered within 30 days of the completion of the Foreclosure Review thus no later than May 4, 2012. These estimates are highly dependent on the number of loans tested and the volume of issues identified. We will provide OneWest and the OCC with weekly updates as to the status of the review and current views as to our anticipated completion date.

The chart below provides the expected project timeline.



⁴ This completion timing is 30 days longer than that communicated in the July 13, 2011 draft Statement of Work and reflects the 30 extension related to the commencement of the complaint solicitation process.

The table below depicts our estimated loan file testing execution timeline. The initial focus is to perform the foreclosure review of the loan sample population. Once complaints are received through the new borrower outreach and complaint process, we will review such complaints concurrently with reviews conducted on the loan sample population. We estimate reviewing a foreclosure loan file will take 4 to 16 hours depending on the foreclosure stage, the complexity of the file and the procedures utilized, i.e. targeted or (a) to (h) review. Our current estimate of the portfolio average review time for a complete (a) to (h) review is 6 to 7 hours however, we will continue to update this average as part of our overall project management approach and update the OneWest and the OCC as actual data becomes available.



The above table is supported by weekly estimated completion targets. At the initial project mobilization meeting on July 19, with OneWest and the OCC we discussed: a) appropriate protocols for tracking project progress; and, b) a protocol for ongoing communication with OneWest and the OCC during the remaining life of the project.

In conjunction with this engagement, Navigant will maintain workpapers evidencing the test procedures performed. These workpapers will be of a quality and nature that will allow re-performance of the test procedures by a party independent of the Foreclosure Review. Navigant agrees to make these workpapers available to the OCC immediately upon request.

Testing Objectives

As mentioned previously, the primary objective of the Foreclosure Review is to identify (a) any instances of improper foreclosure and (b) any errors, misrepresentations or other deficiencies in the foreclosure process that directly caused financial harm to borrowers. We will design a detailed test plan to assess, at a minimum:

Foreclosure Loan File OCC Testing Objectives	
a	Whether at the time the foreclosure action was initiated or the pleading or affidavit or declaration filed (including in bankruptcy proceedings and in defending suits brought by borrowers), the foreclosing party or agent of the party had properly documented ownership of the promissory note and mortgage (or deed of trust) under relevant state law, or was otherwise a proper party to the action as a result of agency or similar status;
b	Whether the foreclosure was in accordance with applicable federal and state laws, including, but not limited to, the U.S. Bankruptcy Code and the SCRA;
c	Whether a foreclosure sale occurred when an application for a loan modification or other Loss Mitigation was under consideration when the loan was performing in accordance with a trial or permanent loan modification, or when the loan had not been in default for a sufficient period of time to authorize foreclosure pursuant to the terms of the mortgage loan documents and related agreements;
d	Whether, with respect to non-judicial foreclosures, the procedures followed with respect to the foreclosure sale (including the calculation of the default period, the amounts due, and compliance with notice periods) and post-sale confirmations were in accordance with the terms of the mortgage loan and state law requirements;
e	Whether a delinquent borrower's account was only charged fees and/or penalties that were permissible under the terms of the borrower's loan documents, applicable Legal Requirements, and were otherwise reasonable and customary;
f	Whether the frequency that fees were assessed to any delinquent borrower's account (including broker price opinions) was excessive under the terms of the borrower's loan documents, applicable Legal Requirement, or were otherwise unreasonable;
g	Whether Loss Mitigation Activities with respect to foreclosed loans were handled in accordance with the requirements of the HAMP, and consistent with the policies and procedures applicable to the Association's proprietary loan modifications or other Loss Mitigation programs, such that each borrower had an adequate opportunity to apply for a Loss Mitigation option or program, any such application was handled properly, a final decision was made on a reasonable basis, and was communicated to the borrower before the foreclosure sale; and
h	Whether any errors, misrepresentations, or other deficiencies identified in the Foreclosure Review resulted in financial injury to the borrower or the mortgagee.

In connection with identifying errors, misrepresentations, or other deficiencies that may have resulted in financial injury, Navigant will take into account all relevant facts and circumstances, including but not limited to the considerations outlined in the August 29, 2011 Financial Injury or Other Remediation Guidance (as Revised 8/30/2011) provided by the OCC (the "Financial Injury or Other Remediation Guidance"). OneWest will address Navigant's findings in the proposed remediation plan it submits pursuant to paragraph 18 of the Consent Order.

As part of the Foreclosure Review test plan, we will fully map each of the above items to specific test criteria based in whole or in part on the applicable Legal Requirements.

Approach

Navigant will execute the following activities during this engagement.

- **Planning**
 - Confirm project scope, objectives and timelines;
 - Develop project specific methodologies and detailed execution plans to meet scope, objectives and timelines;
 - Mobilize and onboard Navigant and other third-party resources to the extent necessary;
 - Schedule recurring status meetings with OneWest Management to review the status of documentation that is needed to perform the Foreclosure Review;
 - Coordinate with OneWest personnel to identify all required documentation sources; and,
 - Establish protocols / logistics around obtaining documentation from third-party attorneys or law firms.

- **Data File Receipt, Reconciliation and Scrubbing**
 - Obtain data source for all pending and completed foreclosures from January 1, 2009 through December 31, 2010;
 - Verify population for completeness and accuracy; and,
 - Resolve and document any identified data issues.

- **Statistical and Other Sampling Execution and Analysis**
 - Confirm appropriate data source for all pending and completed foreclosures from January 1, 2009 through December 31, 2010;
 - Execute data extracts to isolate population subject to review and perform limited procedures to test for full inclusion;
 - Identify and obtain data, and develop enhanced confidence levels and other review protocols, for targeted segments including bankruptcy cases in process of foreclosure or foreclosed, SCRA loans and foreclosure related complaints referred by state and federal agencies;
 - Finalize sample design including confidence level, precision and stratification;
 - Randomly select loans for testing in categories not subject to 100 percent review; and,
 - Test sample selection for population representation.

- **Foreclosure Test Plan (See Appendices for sample test plans)**
 - Obtain Legal Requirements governing the foreclosure process from legal counsel that possesses expertise in mortgage and consumer financial services law;
 - Obtain relevant investor requirements governing the foreclosure process, including Freddie Mac, Fannie Mae, Federal Housing Administration, and Veterans Administration;
 - Distill Legal Requirements into testable components;

- Develop individual test criteria / objectives based on the Legal Requirements;
 - Use the above source information to identify and benchmark all foreclosure related fees and penalty guidelines and requirements;
 - Use all test criteria, objectives and fee information to create a comprehensive test plan designed to evaluate whether all foreclosure actions were in accordance with federal and state law requirements (as set forth in the Legal Requirements) and other related agreements;
 - Map individual test steps to OCC testing objectives;
 - Review comprehensive test plans with independent legal counsel; and,
 - Load test plans into test plan tool.
- **Testing Application Customization**
 - Customize test plan tool to capture foreclosure Legal Requirements as well as the respective test objectives, questions and results;
 - Build read-only functionality to provide multiple user groups (OneWest, independent counsel and the OCC) the ability to review the test plans and the respective results;
 - Create a change and control log which records any changes / updates to rules, tests and results; and,
 - Design reporting capability to provide daily progress and result metrics.
- **Establish a Borrower Complaint and Outreach Process^{5 6}**
 - Develop borrower communication;
 - Establish complaint receipt and processing; and,
 - Response and Remediation.
- **Loan File Preparation**
 - Identify the loan file requirements including documents, data and other system outputs required to perform loan file review;
 - Coordinate with OneWest resources to identify appropriate sources of documentation, including 3rd party vendors;
 - Create loan files for entire sample starting with largest states; and,
 - Identify list of missing documents by loan and source (update as necessary throughout engagement).

⁵ Under the direction of the OCC the servicers are coordinating and jointly executing certain of these procedures. Similarly, the Independent Consultants are monitoring and evaluating these coordinated efforts.

⁶ On July 8, 2011 the OTS / OCC provided guidance related to the complaint solicitation process. Navigant will appropriately consider this guidance in executing work related to borrower complaint solicitation.

- **Loan File Testing**

- Populate the test tool with the sample, the targeted selections and the respective loan files;
- Divide test team into sub-teams focused on specific areas of the review. Sub-teams may be focused on states with the largest foreclosure populations, e.g. California and targeted sample populations, e.g. bankruptcies;
- Execute the detailed loan file review utilizing state-based and global test plans (examples of which are attached as exhibits hereto) designed to identify any errors, misrepresentations, or other deficiencies relating to the elements set forth in Paragraph 16(a)-(g) of the Consent Order;
- Further stratify any identified errors, misrepresentations, or other deficiencies into one of three categories, based on which of the applicable Legal Requirements has not been met, as follows:
 - **Improper foreclosure**: With respect to any errors, misrepresentations, or other deficiencies identified pursuant to Paragraph 16(a)-(g) of the Consent Order that ultimately resulted in a foreclosure sale that otherwise should not have occurred. Errors, misrepresentations, or other deficiencies classified as “improper foreclosure” may or may not involve potential financial harm as defined below.
 - **Potential financial harm**: Represents monetary harm to the borrower directly caused by errors, misrepresentations, or other deficiencies on the part of OneWest. Monetary harm does not include physical injury, pain and suffering, emotional distress or other non-financial harm. Monetary harm does not include financial injury that did not result as a direct consequence of errors, misrepresentations, or other deficiencies identified in the Foreclosure Review. Errors do not include items falling below the \$99.00 *de minimis* threshold established by in written guidance provided by the four federal banking agencies and the 14 institutions subject to the consent orders on May 20, 2011. In connection with identifying errors, misrepresentations, or other deficiencies that may have resulted in financial injury, Navigant will take into account all relevant facts and circumstances, including but not limited to the considerations outlined in the August 29, 2011 Financial Injury or Other Remediation Guidance.⁷ OneWest will address Navigant’s findings and recommendations in the proposed remediation plan it submits pursuant to paragraph 18 of the Consent Order.
 - **Procedural**: Any errors, misrepresentations, or other deficiencies identified by Navigant that did not result in either improper foreclosure or potential financial harm to the borrower.
- Obtain independent legal counsel’s views on individual cases when it is unclear whether there has been a violation of law or guidelines (unusual law or unclear facts);
- Populate test tool with testing results and supporting documents;
- Make preliminary findings available to OneWest for comment; and,

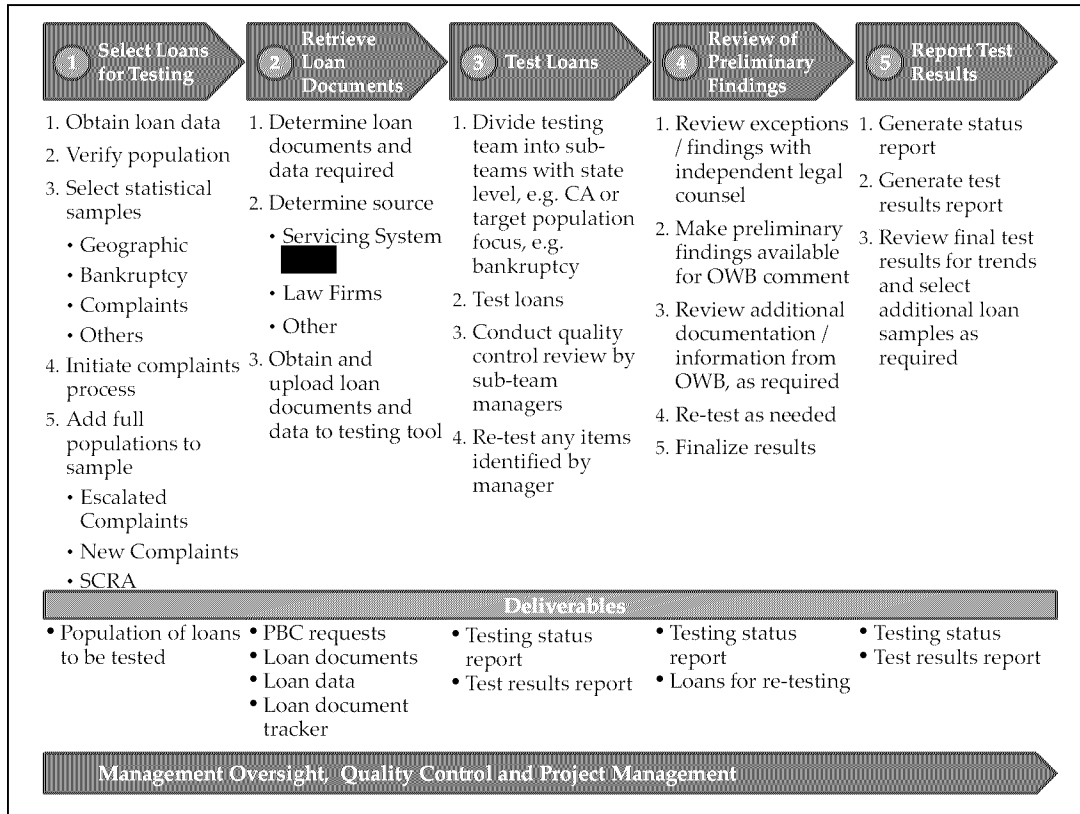
⁷ Borrower specific facts and circumstances to be considered include, but are not limited to: 1) those amounts actually paid directly by the borrower or recovered by OneWest at the foreclosure from the borrower’s equity in the property in excess of the amount contractually due from the borrower under the promissory note; and 2) borrower payment history.

- Review loan file results to determine if specific populations require additional sampling or testing.

Oversight, Quality Control & Reporting

- Conduct manager review of results to confirm accuracy and consistency of file review;
 - Resolve any open items highlighted by the reviewer;
 - Obtain advice from independent legal counsel to address questionable facts and matters of law; and,
 - Identify loans for retesting as required and update test tool with results.
-
- **Independent Legal Coordination**
 - Evaluate exceptions noted during loan testing with independent legal counsel; and,
 - Develop a process to address questionable facts and circumstances and matters of law that arise during the course of the Foreclosure Review with independent legal counsel.
-
- **Reporting & Analysis**
 - Conduct statistical analysis and extrapolation;
 - Compile findings regarding any OneWest error, misrepresentation, or other deficiency identified in testing;
 - Finalize findings relating to financial injury and any related remediation recommendations to be addressed in OneWest's proposed remediation plan;⁸
 - Produce draft report and review with independent legal counsel; and,
 - Deliver final report.

The diagram below provides an overview of the test execution workflow.



Other Test Considerations

Fees and Penalties

A key component of the Foreclosure Review will be evaluating the reasonableness of fees and penalties assessed to the loan accounts of borrowers who experienced a foreclosure. Consistent with our loan review approach relevant loans will be evaluated to determine if fees were only assessed for services rendered and that the fee did not exceed the lesser of:

- Any fee limitation or allowable amount for service under applicable state or federal law (as set forth in the Legal Requirements);
- Any published, pre-established fee limitation or allowable amount for the service under the guidelines for the respective Government Sponsored Enterprise (“GSE”) investing in the loan or the government agency insuring the loan; and,
- The market rate for the service.

Relevant loans will also be evaluated to identify any fees that exceeded the amount permitted by the borrower’s loan documents, with the assistance of independent legal counsel. The frequency of fees will be evaluated to determine if they were assessed more frequently than necessary or appropriate for completion of the service rendered.

Staffing Capacity

Navigant’s nearly 2,000 billable consultants provide us the ability to rapidly deploy and manage large project teams of highly skilled mortgage professionals. We have successfully mobilized and fielded teams of over 100 professionals in this capacity in a number of large scale complex engagements including major Anti-Money Laundering engagements, [REDACTED] work, as well as mortgage crisis related litigation and large complex financial statement restatements.

Navigant professionals have performed detail reviews of tens of thousands of mortgage loans and related files and thus we have a deep reservoir of qualified professionals that can be called upon to participate in this effort. Navigant has a vast network of highly-qualified independent contractors that can be utilized to quickly supplement our employed professionals.

To support the Foreclosure Review, we have built a staffing model that tracks the number of hours to complete a loan file review and will adjust staffing levels on a regular basis. Generally, based on our past experience conducting similar loan file testing, we estimate reviewing a foreclosure loan file will take 4 to 16 hours depending on the foreclosure stage, the complexity of the file and the test procedures utilized, e.g. targeted or (a) to (h) review. This estimate includes gathering and loading the respective loan file documents, testing the file, performing a quality control review and following up on any judgmental or open items. Borrower loan specific factors would impact this estimate including the foreclosure and bankruptcy status, modification history and if the loan was a judicial or non-judicial foreclosure.

We will track the time incurred by the primary and secondary reviewer for all individual loan files. We expect the primary driver of review time to be whether a given loan is subject to full (a) to (h) review or to targeted reviews as explained in the “Loan File Sampling Methodology” section below. Other factors leading to increase effort include foreclosure status, number of modifications and nature of complaint.

Quality Control Practices

Quality Control is of critical importance to ensure the accuracy and consistency of the Foreclosure Review results. The basis for our quality control processes and procedures are centered in the following concepts:

Experienced personnel – Navigant has the ability to staff this engagement with professionals that possess the appropriate level of mortgage industry knowledge and prior audit experience to conduct loan file reviews. In addition, all team members will undergo a customized foreclosure training program specifically focused on this engagement and OneWest.

Formalized Training - All team members of the testing team will undergo a customized comprehensive formal foreclosure training program specifically focused on this engagement and OneWest. The formal training program includes online pre-work and four days of classroom based training. In addition, the testing team will be provided on-going training updates to instruct them on findings, lessons learned and any project changes.

The formal training will cover, at a minimum, the following topics:

- Project background and objectives;
- Information privacy and confidentiality;
- Primary mortgage loan documents;
- Foreclosure, SCRA and Bankruptcy rules and related documents;
- Loss mitigation including the calculation of Debt-to-Income; and,
- Loan file testing.

Test application change and control log – The testing application will be customized to record any changes / updates to rules, tests and results. The change and control log will be available to the OCC to review as part of the project’s workpapers. Access to the detailed test plans will be secured within a central repository of the testing application. The ability to add, delete or change the test plans in any way will be restricted to the Navigant Directors and Associate Directors responsible for test execution.

Review of work product - All work product generated will be reviewed by personnel with the appropriate experience and skill levels, prior to delivery. Each loan reviewed will be subject to a review by a more senior staff member.⁹ Independent legal counsel will be engaged to address questionable facts and matters of law.

Regular project status communication – We will communicate project status and issues both internally and externally conducting regular management meetings to discuss progress, issues and recommendations.

Document and data control - The safekeeping and ongoing maintenance of documentation and data is critical. We have standards of internal security control procedures in place for adherence by all personnel. These standards address physical security of files and physical security of data (including systems access, electronic files and system data).

Development of Foreclosure Test Plan

⁹ Each loan will be subject to review. Initially, it is envisioned that each reviewer will have 100% of their test questions subject to review. Once a level of comfort is established with a particular tester (based on observed criteria) the review will move to a more risk based methodology which will focus on exceptions, unique facts and circumstances surrounding the loan or high risk test questions.

Paragraph 16 (b) of the Consent Order requires that the Foreclosure Review be designed to determine whether the foreclosure was in accordance with applicable federal and state laws. Navigant is not engaged in the practice of law and, therefore, in performing the Foreclosure Review must rely on qualified legal counsel to make such a determination.

In response to the Consent Order and other regulatory findings, OneWest has undertaken a comprehensive process to determine all applicable federal and state laws governing foreclosure and bankruptcy. Specifically, OneWest has purchased federal and state law surveys from: Hudson Cook LLP; Buckley Sandler LLP; and K&L Gates LLP. All of these firms are nationally recognized experts in residential foreclosure and / or bankruptcy law. These federal and state law surveys compile and consolidate the relevant law by foreclosure process and cross reference to specific statutes.

Navigant distilled the detailed legal surveys into distinct testable requirements. Subsequently, Navigant created specific test procedures and documentation requirements, based on these law surveys. We identified requirements that were viewed as not material, e.g. New York statute NY CPLR § 2101(a) that requires Affidavits to be typed with no less than 10 point font, and removed them from the test plan scope. (footnote: At the OTS / OCC meeting conducted with the Independent Consultants on June 28, 2011, it was discussed and agreed that font size and other similar items would be immaterial and out of scope for this review.) Navigant will seek and rely on the advice of independent legal counsel to conclude that the test procedures developed will appropriately identify errors, misrepresentations and other discrepancies in the foreclosure process and otherwise achieve the objective of identifying instances of improper foreclosure and financial harm to the borrower as a result of such errors, misrepresentations or discrepancies.

Remediation Plan

To the extent that Navigant's Foreclosure Report identifies any financial injury directly caused by any errors, misrepresentations or other deficiencies through the review process outlined above, OneWest's proposed remediation plan under paragraph 18 of the Consent Order will address such findings and recommendations. Navigant will fully communicate with OneWest concerning all exceptions so that: a) OneWest can provide any additional information it deems relevant to financial injury and remediation determination; and, b) OneWest has the exception information necessary to develop the remediation plan contemplated in the Consent Order.

Testing Application

██████████ is a web-based tool developed for Navigant's use on this engagement. Navigant Personnel (as defined in the attached Professional Services Agreement) will be administering the operations of the application, including the provisioning of users access and the assignment of their roles. All data provided by OneWest in support of the testing or captured during the testing process will be securely stored in a third party hosted database within the production system. Navigant will maintain, administer and control the application and the supporting database. Navigant, the third-party hosting vendor, and the underlying software application provider have all been approved through OneWest's vendor management process.

Only authorized Navigant Personnel will have user identifications and role designations that enable them to perform the testing and enter related commentary as to the testing. Within Navigant there will be designated 'audit managers' who will have privileges to monitor testing status and to report on the testing results and extract data. Navigant's Independent Counsel, the OCC and OneWest will also have certain access rights. After completion and QC by Navigant and our Independent Counsel, case results (loans) will be released for viewing and follow-up by other users (OneWest and the OCC).

OneWest will also have read only access to the test findings and will be provided with a field in which to record comments.

Other Items

Navigant test procedures will also include review of all borrower complaints related to the subjects set forth in paragraph 16(a) – (h) of the Consent Order that were referred by state or federal agencies or officials. In addition, Navigant will review legacy complaints related to the in-scope foreclosure population received from January 1, 2011 through such time period as directed by the OCC.

Models are utilized during the loan modification decisioning process. Navigant will not validate these models directly. However, we will ensure that the critical models have been appropriately reviewed and approved by a party independent of the model creator, such as OneWest's Model Review Group or, in the case of HAMP, the MHA-Compliance testing and validation group.

Navigant procedures as outlined in this proposal will be supplemented with employee interviews as needed. We will also institute procedures to obtain information from third-party attorney firms and will conduct follow-up inquiries to the extent necessary.

Loan File Sampling Methodology

Navigant anticipates utilizing multiple targeted procedures and statistical sampling methodologies to conduct the Foreclosure Review. As part of this approach, we will verify the foreclosure population data provided by OneWest for completeness and accuracy. Any issues identified will be documented and resolved. To identify loans for testing, Navigant will use a stratified random attribute sampling approach supplemented by targeting specific high-impact population segments that will be reviewed on an enhanced basis. If errors are identified beyond the expected error rates embedded in our statistical methodology, Navigant will communicate these results to the OCC and OneWest and solicit information from OneWest to aid in its determination as to how and whether to expand sample sizes or conduct deeper dives. After consultation with the OCC, Navigant will determine how sample sizes should be expanded or deeper dive analytics will be initiated to identify impacted loans within the specific sub-populations. The testing results will be continuously reviewed and the sample sizes / targeted procedures will be adjusted accordingly in an effort to, as nearly as possible, identify all cases of improper foreclosure and financial harm to the borrower.

The following tables summarize the different population segments that will be reviewed including the sampling methodology (if not a 100% review), population count, initial sample sizes and review procedures. The detailed sample designs providing population and sample counts by strata are provided later in this section. As discussed in more detail later in this section, certain population segments will require a review of all of the items discussed in paragraph 16 (a) to (h). These segments are labeled in the table as “(a) to (h)” under the column header “Review Procedures”. Other segments will require focused testing on a specific issue. These are labeled as “Targeted”.

The table below provides the population segments that will be reviewed on a 100% basis.

	Segment	Population Count	Sample Size	Percent Reviewed	Review Procedures
1	Legacy Escalated Complaints: Foreclosure related complaints referred government offices.	647	647	100%	(a) to (h) or Targeted
2	Servicemembers Civil Relief Act (SCRA) Cases ¹⁰	575	575	100%	Targeted
3	Bankruptcies that went to sale without motion of relief granted. ¹¹	0	0		Targeted
4	New Complaints: Foreclosure related complaints submitted through new complaint process. ¹²	3,000	3,000	100%	(a) to (h) or Targeted

Statistical sampling techniques will be utilized for other population segments. Samples will be randomly selected from the population of foreclosures based on a stratified attribute sample design using a

¹⁰ Testing will be performed on the entire population of SCRA cases identified in the foreclosure review population. The population of SCRA cases above is an estimate that is based on prior testing performed by OneWest. The Department of Defense data required to perform this testing is only currently available for a portion of the timeframe under review. Navigant is coordinating with the other independent consultants to obtain the remaining data from the Department of Defense.

¹¹ Initial testing has been performed using systems data to determine that no foreclosure sales were conducted with respect to any property subject to the automatic stay in a bankruptcy case without a motion for relief from the automatic stay having been granted. Navigant will confirm this testing and perform sample testing procedures to confirm the dates utilized to perform this testing are accurate and reliable.

¹² The population and sample counts provided for the new complaint process are estimates based on an expected response rate.

minimum of 95% confidence, 3 percent precision and an expected rate of error of 10%.¹³ In cases where the population is deemed higher-risk, Navigant will enhance its review parameters to use a 99% confidence level. In our view, these are industry standard approaches and are considered appropriate for the objectives of this review. Additionally, our methodology is in line with the OCC's sampling methodology guidance for numerical sampling.¹⁴

The table below provides the population segments that will be reviewed on a sample basis. Population counts below are still in the process of being validated and are subject to revision.

	Segment	Population Count	Sample Size	Percent Reviewed	Review Procedures
5	Geographic: Foreclosure population stratified by 50 states and Washington, DC using 95% confidence 3% precision and 10% error rate with a minimum of 5 selections per state.	143,378	522	0.4%	(a) to (h)
6	Third party law firms listed in the "Sample Design" section below: Law firm population stratified by firm using 95% confidence 3% precision and 10% error rate. See the sample design table for the stratified list of firms tested.	24,033	397	1.7%	(a) to (h)
7	Rescinded Foreclosures (non Bankruptcy): Random attribute sample using 95% confidence 3% precision and 10% error rate.	1,677	313	19%	(a) to (h)
8	Modifications (HAMP): Denied HAMP modification population stratified by denial reason codes (income related, incomplete requests and all other codes) using 95% confidence, 3% precision and 10% error rate.	71,972	384	1%	Targeted
9	Modifications (Proprietary) ¹⁵	TBD	TBD		Targeted
10	Borrowers with debt cancellation contracts ¹⁶	0	0		Targeted
11	Fees assessed to the account prior to the delinquency precipitating foreclosure. ¹⁷	N/A	N/A		N/A
12	General Legacy Complaints: General foreclosure related complaints random sample using 95% confidence 3% precision and 10% error rate and 100% of review of complaints made in 2011.	1,266	591	13%	(a) to (h) or Targeted

¹³

¹⁴ Office of the Comptroller of the Currency, Controller's Handbook, Sampling Methodologies, August 1998 found at <http://www.occ.gov/static/publications/handbook/sampmeth.pdf>, pages 6-29.

¹⁵ The extraction of population data for the relevant denied proprietary modifications is in process. The OneWest proprietary modification program has changed over the period under review and the related data is captured in multiple platforms adding to the complexity of this process. Once the data is provided, Navigant will validate it for completeness and accuracy as well as update the corresponding sample design.

¹⁶ No borrowers with debt cancellation contracts have been identified at this time.

¹⁷ All fees including fees assessed to the borrower account prior to the delinquency precipitating foreclosure will be tested by the (a) to (h) test procedures. Therefore, a focused sample segment is not required.

13	Bankruptcies: Bankruptcy population stratified by foreclosure status using 99% confidence 3% precision and 10% error rate.	34,985	654	2%	Targeted
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In addition to the sample segmentations considered above, the following populations will be flagged to allow for specific review and reporting. These populations include:

- Loans serviced prior to March 19, 2009: OneWest began servicing the loans on March 19, 2009. IndyMac Federal Bank, FSB, a conservatorship of the FDIC, serviced the loans prior to that date during the review period. These loans will be included in the sample population and will be flagged to allow for separate analysis and reporting, as needed.
- Group 5 loans: Certain loans serviced by OneWest are covered by a loss share agreement with the FDIC. These loans are referred to as the "Group 5" loans. Group 5 loans will be included in the sample population and will be flagged to allow for additional analysis and reporting, as need.

Sample Design

Stratification will be utilized in the design and selection of the sample for higher risk loan foreclosure populations. By dividing the population into non-overlapping groups, stratified random sampling often increases precision relative to simple random sampling for a given confidence level and sample size. Ideally, strata are designed in such a manner that the data within each stratum are more homogeneous than the data across strata. As such, the reduced variability within each stratum typically results in improved precision over simple random sampling.

The following table provides the stratified sample design for the bankruptcy population.

Sample Sizes for 99% Confidence, Estimated Error Rate of 10%			
Strata	Bankruptcy Foreclosure Status	Population	3% Precision
1	Active and Suspended Foreclosures	14,689	274
2	Closed Foreclosures	13,391	250
3	Reinstated Foreclosures	5,270	99
4	Rescinded Foreclosures	1,635	31
	Total	34,985	654

The following table provides the stratified sample design for the higher risk law firm population.

Sample Sizes for 95% Confidence, Estimated Error Rate of 10%			
Strata	Higher Risk Law Firms	Population	3% Precision
1		8,307	131
2		3,114	49
3		2,921	46
4		2,313	37
5		1,795	29
6		1,187	19
7		1,089	18
8		907	15
9		872	14
10		451	8
11		370	6
12		264	5
13		214	5
14		103	5
15		66	5
16		60	5
	Total	24,033	397

The table below provides the stratified sample design for the denied HAMP modification population.

Sample Sizes for 95% Confidence, Estimated Error Rate of 10%			
Strata	HAMP Denial Reason Codes	Population	3% Precision
1	Income & NPV related denials	20,389	109
2	Incomplete documentation related denials	14,895	80
3	All other denial reason codes	36,688	195
	Total	71,972	384

The table below provides the stratified sample design by state.

Sample Sizes for 95% Confidence, Estimated Error Rate of 10%			
Strata	State	Population	3% Precision
1	CA	49,998	134
2	FL	22,769	61
3	NY	8,282	23
4	NJ	5,834	16
5	AZ	5,549	15
6	IL	5,508	15
7	NV	5,088	14
8	VA	3,873	11
9	MI	3,717	10
10	GA	2,960	8
11	MD	3,228	9
12	TX	2,728	8
13	WA	2,506	7
14	MA	1,917	6
15	CO	1,688	5
16	OH	1,313	5
17	MN	1,739	5
18	PA	1,546	5
19	OR	1,247	5
20	NC	1,062	5
21	CT	1,106	5
22	SC	999	5
23	HI	812	5
24	MO	664	5
25	TN	498	5
26	IN	538	5
27	UT	534	5
28	WI	507	5
29	ID	452	5
30	AL	377	5
31	RI	399	5
32	LA	356	5
33	NH	328	5
34	NM	337	5
35	DC	335	5
36	OK	283	5
37	ME	277	5
38	KY	213	5
39	DE	274	5
40	AR	164	5
41	MS	206	5
42	IA	238	5
43	KS	189	5
44	WV	172	5
45	MT	136	5
46	NE	120	5
47	VT	113	5
48	AK	93	5
49	WY	47	5
50	SD	34	5
51	ND	25	5
	Total	143,378	522

Sample Size Calculation

We calculate sample sizes using attribute sampling.¹⁸ In contrast, variables estimation sampling would be used if measurements of differences or amounts will be estimated for the overall population. Variables estimation sampling typically results in a sample size two to three times larger than an attribute sample size.

The sample size for a given precision and level of confidence is calculated using proportional allocation for attribute sampling.¹⁹

Total Sample Size

$$n = \frac{\lceil p(1-p) \rceil}{\left(\frac{d}{z}\right)^2 + \frac{p(1-p)}{N}}$$

where:

- n = overall sample size;
- N = population size of stratum;
- d = desired precision (e.g. 0.05);
- p = the expected error rate in the population; and,
- Z = the normal score corresponding to a given confidence interval (e.g. 1.96 for a two-sided 95 percent confidence interval).

Once the overall sample size is determined using the formula above for proportional allocation, the sample size per stratum will be determined as follows:²⁰

Stratum Sample size

$$n_h = n \left[\frac{\lceil N_h \sqrt{p(1-p)} \rceil}{\sum_{h=1}^k N_h \sqrt{p(1-p)}} \right] = n \frac{N_h}{\sum_{h=1}^k N_h}$$

where:

- N_h = population size of stratum h;
- k = number of strata; and, all other variables are as defined in the population sample size equation above.

We have calculated sample sizes using the population data provided. Although actual error rates may be less than 10%, with 3% precision the sample size difference between 5% and 10% error rates are not significant. Therefore, in order to be prudent, we would recommend identifying files for review using the higher error rate. This may also lead to higher accuracy as results are extrapolated.

¹⁸ Attribute sampling is typically used to assess whether there is an error (yes or no). Variables estimation sampling is typically used to assess the dollars in error or to quantify an adjustment between a book value and an audited value. Attribute sampling is also referred to as "numeric sampling" on page 6 of the Office of the Comptroller of the Currency, Controller's Handbook, Sampling Methodologies, dated August 1998.

¹⁹ Cochran, William G. (1977). *Sampling Techniques*. New York: John Wiley & Sons, 107 – 111.

²⁰ A minimum sample size of 5 loans is recommended for each state.

We anticipate that sample sizes will need to be expanded if the error rate within a stratum exceeds the assumed 10% error rate. The sample design will be constructed and selected in a manner that sample sizes can be increased to reach the desired confidence and precision should error rates exceed initial expectations. If an error is identified that impacts a specific population segment, Navigant will submit the findings to the OCC and OneWest to determine the appropriate next steps including expanding the sample size and/or utilizing electronic data testing to identify all occurrences of that error within the population.

Sample Selection

We will randomly select the sample using SAS²¹ to ensure the sampling process is random and repeatable. The SAS random number function RANUNI will be used, with a recorded initial seed, to generate uniform random numbers (in the range from 0 to 1) by stratum. A random number will then be assigned to each loan in every stratum.

Upon assignment of random numbers to each loan we will sort the loans in each stratum by the smallest random number to the largest random number and select the first N_h loans from each stratum for the sample.

We will also select additional replacement loans for each stratum, to be used in the case that an original sample loan is unavailable for review or the original sample needs to be expanded.²² Since each loan in the population will be assigned a random number, the original sample can easily be expanded on an as-needed basis in increments of one loan up to the full strata or sub-strata population.

Additionally, we will perform sample representation tests on the selected sample to ensure that the sample has representation of the overall population distribution.

²¹ SAS is a statistical software package that is accepted widely by courts and government agencies.

²² Replacement items are only used in rare instances and must be justified and documented by the review team.

Sample Review

We will review the selected sample loans for the criteria outlined in the Consent Order. As previously mentioned, Navigant will coordinate with independent legal counsel to validate testing results against the Legal Requirements.

To the extent that Navigant identifies errors that exceed the expected error rate embedded in our statistical methodology, we will coordinate with the OCC to determine if expanding our testing through additional sampling or targeted analytics is appropriate. In addition, we may deploy analytic tools to identify 100% of the population affected by errors deemed to cause potential financial harm or improper foreclosure. Navigant will research and document errors to identify the cause of the impacted population in order to identify all impacted borrowers. The results of the sample review will be extrapolated to the population to assess the overall accuracy rate and the estimated total number of loans in error with a given level of confidence and precision. Additionally, we will conduct a preliminary sample extrapolation on a regular basis to determine the preliminary sample accuracy rate, the estimated total number of loans in error and the precision level at the confidence level. We will utilize the preliminary sample extrapolation results to determine if the sample size of loans reviewed is sufficient for the 3 percent precision and the desired confidence level, or if the sample will need to be expanded to achieve the desired percent confidence and 3 percent precision levels.

In certain cases it is envisioned that loans subject to testing will be reviewed for each individual item included in (a) through (h) above. In other cases, more targeted procedures will be performed that specifically focus on the individual item in question. In specific scenarios, a review covering items (a) through (h) above will not be required. A more focused review will be utilized in the following scenarios:

- Borrower complaints: Testing procedures used for legacy complaints and new complaints solicited through the independent complaint process will be dependent on the nature of the item submitted by the borrower. Specific complaints will be evaluated for the issue submitted by the borrower, whereas complaints that are more general in nature will require an (a) through (h) review using the appropriate state and federal test plans.
- Modifications: Loans selected utilizing the denied modification sample design will undergo targeted testing focused on the modification process. The targeted testing will evaluate the reason for denial, income calculations, debt-to-income calculations, the net present value (NPV) model output and other modification related guidelines. The denied modification testing will include recalculating the income figures for the debt-to-income and NPV models.
- Bankruptcies: Loans selected utilizing the bankruptcy targeted sample design will be reviewed using the bankruptcy specific test plan which includes an evaluation of the bankruptcy laws including allowable fees, costs and foreclosure actions.
- Servicemember's Civil Relief Act ("SCRA"): All loans identified as being eligible for SCRA protections will be reviewed for compliance with federal and state SCRA law.

Complete (a) to (h) testing is being conducted for loans where a specific risk factor is not known prior to testing. However, in cases where stratification procedures, analytical screens, or complaint responses specifically indicate a known area of concern our testing will be risk-based and isolated to that pre-identified area. Certain of these loans will be subject to complete (a) to (h) testing to validate the assumptions of this testing methodology.

SECTION B: Team Structure and Biographies

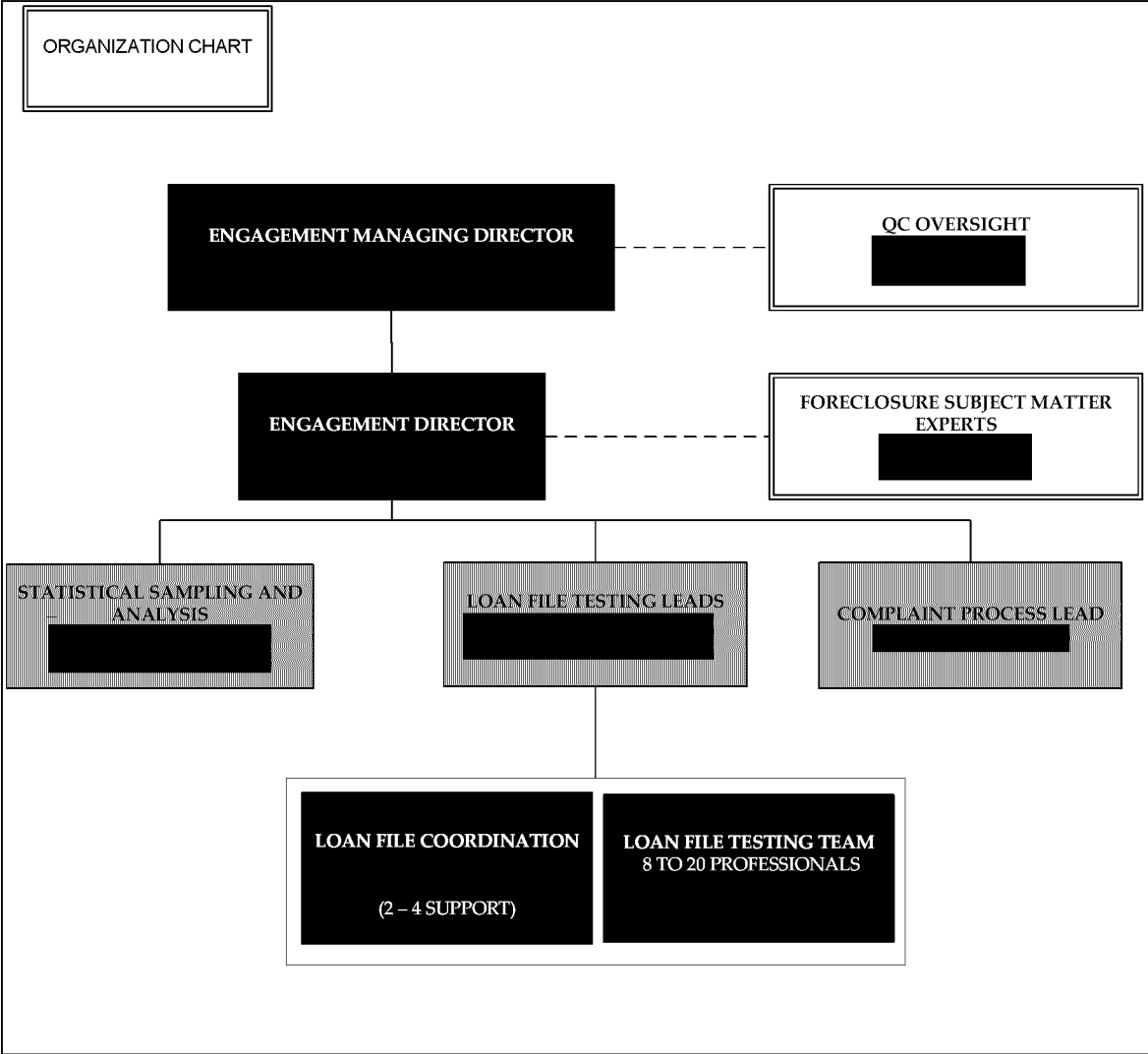
Navigant's approach to client service is to assign seasoned subject matter experts to projects to ensure that we bring our best insights to bear. Our approach is to provide quality, timely service in the most efficient and cost-effective manner. In this regard, we utilize staff at the appropriate level for the task at hand. This approach provides the maximum balance between the high quality of the Navigant's work product and the cost of the engagement.

As part of the Consent Orders issued to OneWest and 13 other regulated institutions, the banking agencies have required that the consultants retained by the institutions satisfy certain standards of independence. In satisfaction of those standards, Navigant states that we have never been engaged by OneWest for any purpose prior to the banking agencies' horizontal review of foreclosure practices. We have not been promised future work by OneWest except as detailed in this Statement of Work, and our compensation in connection with this engagement is not dependent on the results of the Foreclosure Review.

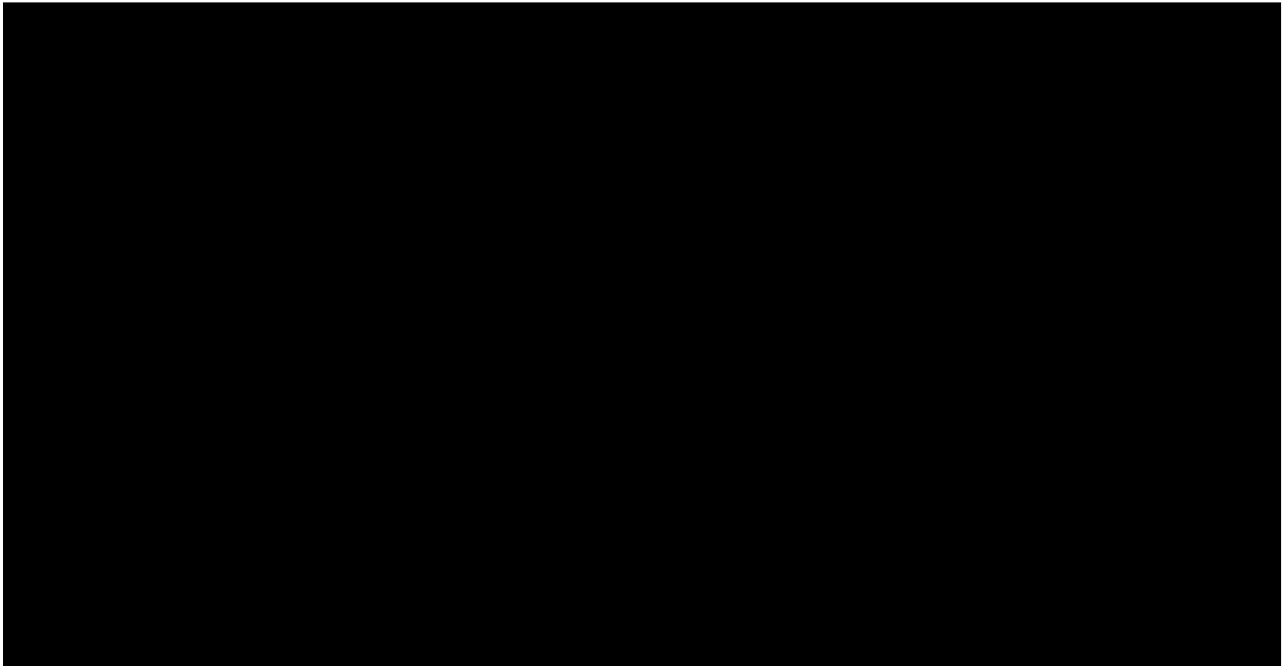
Our team will be led by [REDACTED], Managing Director, who has over 24 years of experience auditing and evaluating operations / controls at mortgage banking entities. [REDACTED] will be directly supported by [REDACTED] Director, who will lead the project on a day to day basis. Additionally, Navigant will have residential loan servicing and foreclosure experts. Other members of our team will support the detailed execution of our project plan.

[REDACTED] Managing Director, will be responsible for quality control oversight. Additionally, ad-hoc specialist support will be provided as required / requested.

Navigant's proposed project team is pictorially presented in the exhibit below. We have included our proposed key personnel's and other proposed project team member's short biographies after the exhibit. The other proposed project team members are a representative group and we can supplement with others as needed.



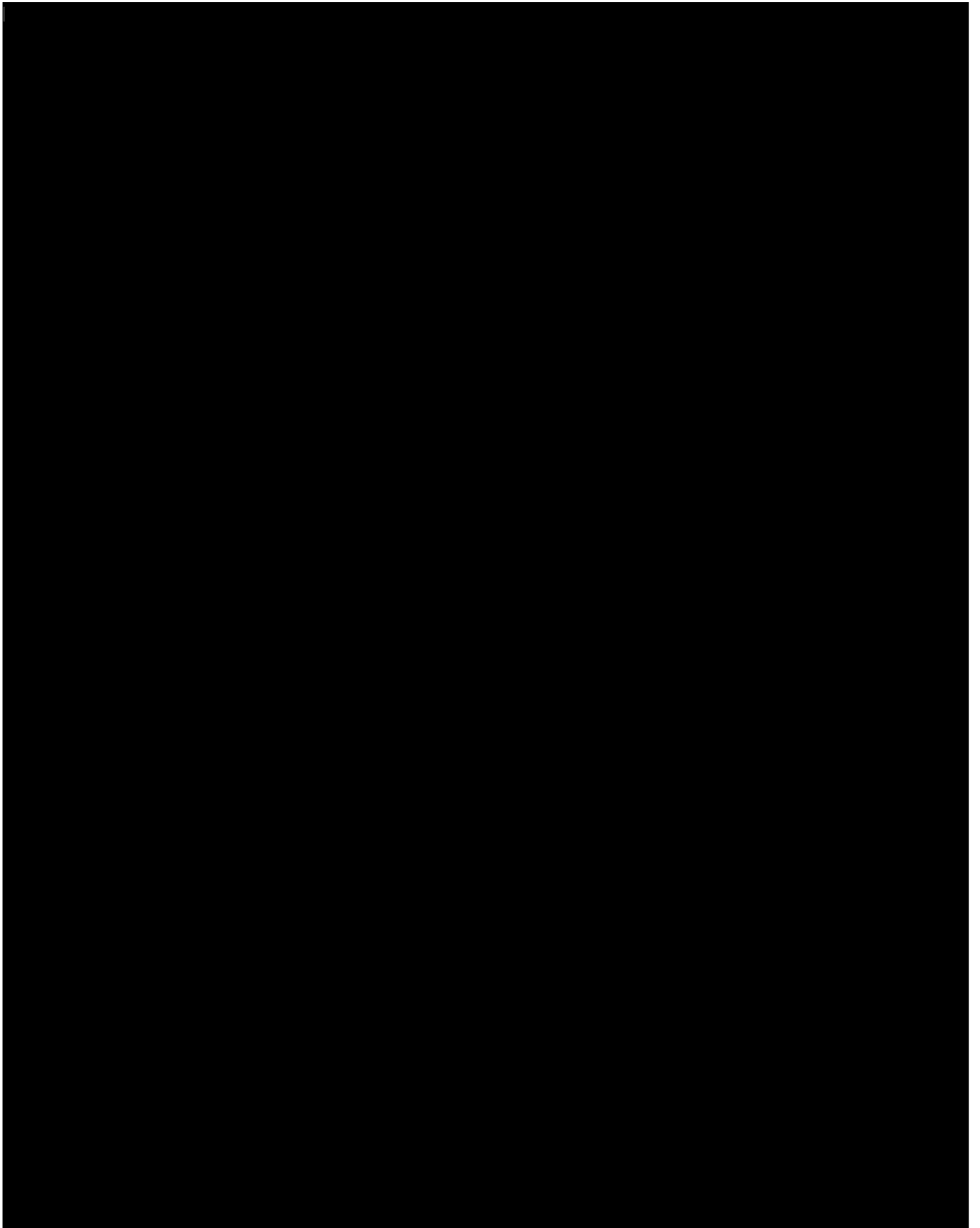
Core Team Members



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Sample Loan File Testers





SECTION C: Pricing

The pricing terms are set forth in the Professional Services Agreement attached as Appendix D.

SECTION D: Navigant Overview

Navigant Consulting, Inc. (NYSE: NCI) is an international consulting firm with over 2,000 consultants. Navigant combines sophisticated technical skills with deep industry knowledge to provide customized services and support to address urgent and critical business issues. Professional services include regulatory compliance, internal controls and risk management, operational improvement, valuation, corporate finance, finance transformation, accounting policy development, technology planning and implementation, and business continuity planning. Navigant has offices in over 40 cities in North America, Europe, and Asia.

As an independent consulting firm, Navigant is recognized for its technical competence, innovative solutions, and hands-on approach. Our staff of professionals includes CPAs, former controllers and other finance professionals, forensic specialists, MBAs, PhD economists, financial analysts, industry experts, former regulators, information management specialists, and computer systems professionals. Our clients include government agencies, Fortune 500 companies, and multinational businesses.

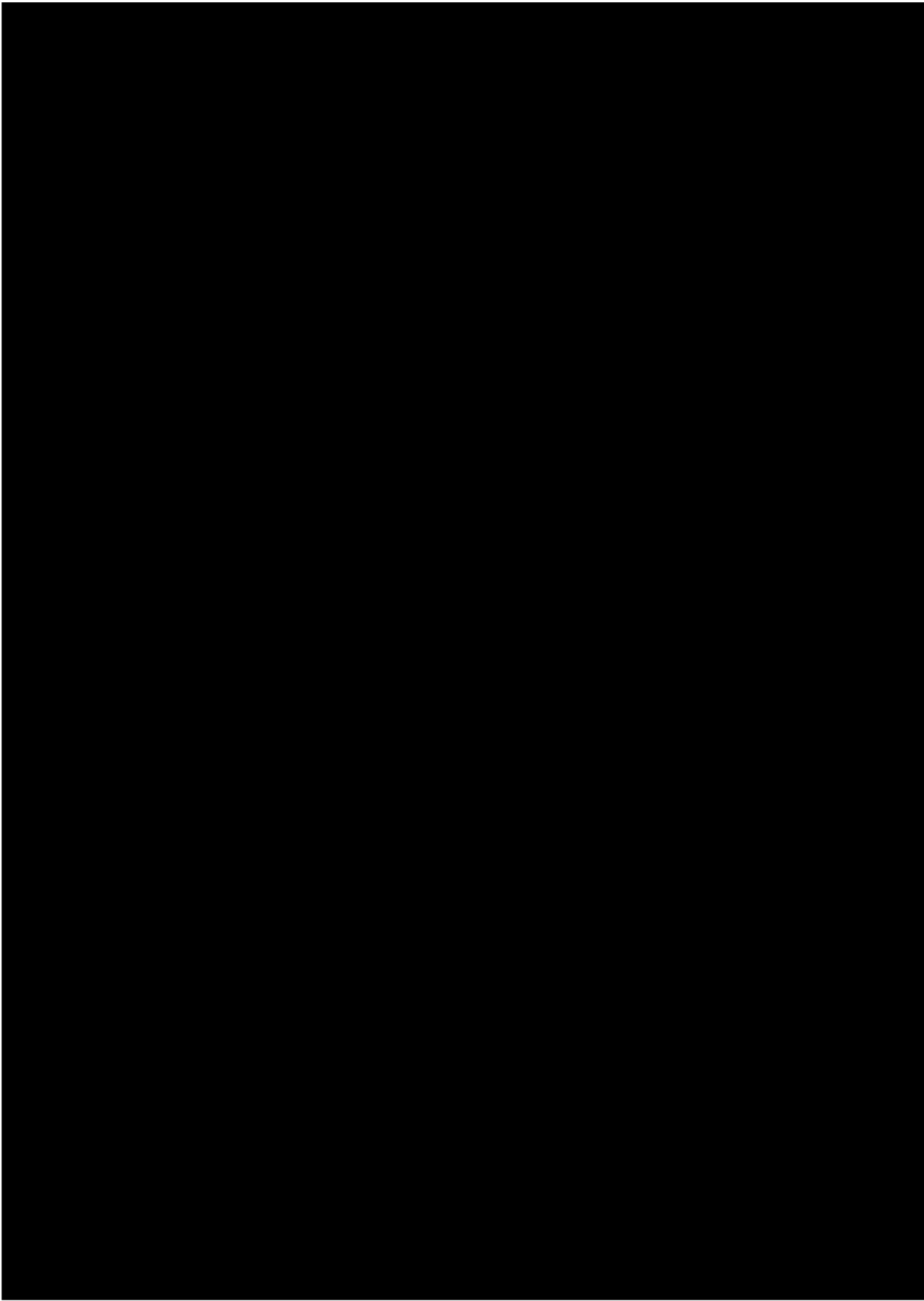
Navigant is routinely called upon by regulatory authorities to provide independent reviews and monitorships, and expert witness testimony. Navigant professionals have conducted hundreds of independent investigations on behalf of governments, individuals, and multinational companies in the U.S. as well as in Europe, Asia, Africa, the Middle East and Central and South America. These engagements leverage our independence, our credibility with regulators and law enforcement, and our skills in auditing, forensic accounting, cost and financial accounting, computer forensics, and business intelligence. The results of our investigative work, which is most often performed under the direction of regulators, internal or outside legal counsel, are typically reported to Boards of Directors, Compliance Committees, Audit/Special Committees, outside insurers, and other government agencies, such as the

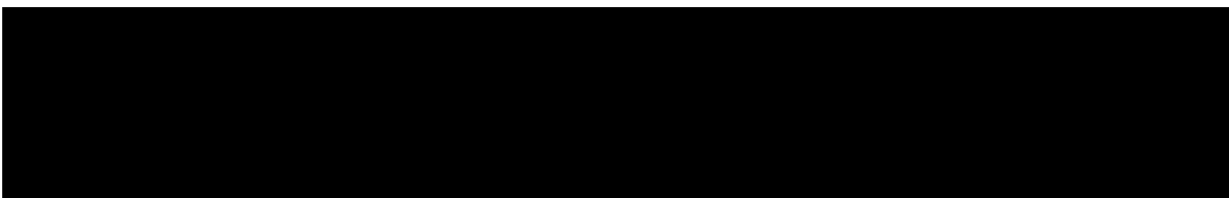
With respect to the mortgage industry, Navigant specializes in working with regulatory agencies and major financial institutions to deliver operational best practices and large-scale reviews of mortgage portfolios for compliance with government loss mitigation programs as well as foreclosure and bankruptcy laws. Additionally, we have very deep mortgage experience across all phases of the product life cycle. Our functional-specific expertise includes:

- accounting;
- credit risk;
- underwriting and fulfillment;
- servicing;
- loss mitigation;
- secondary market activity;
- foreclosure and REO management;
- pre-payment risk management and hedging;
- valuation; and,
- systems and operations / workflow management.

We have performed extensive residential mortgage related work at originators; secondary market aggregators; warehouse lenders; servicers; securitizers; monoline insurers, regulators, GSE's and ultimate investors.

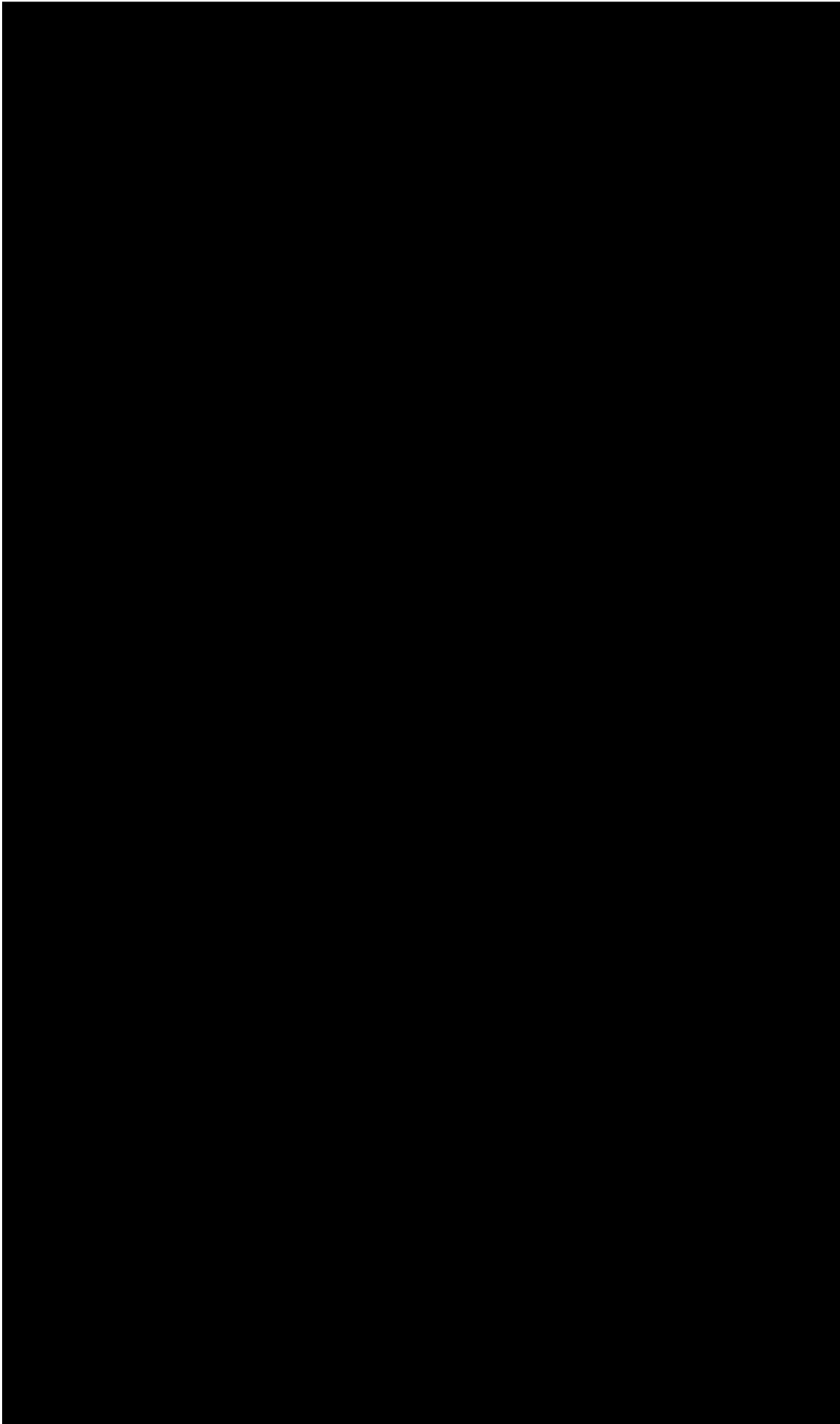
Navigant has executed numerous projects that required performing detail reviews of physical and electronic mortgage loan documentation as demonstrated through the following sample engagements:





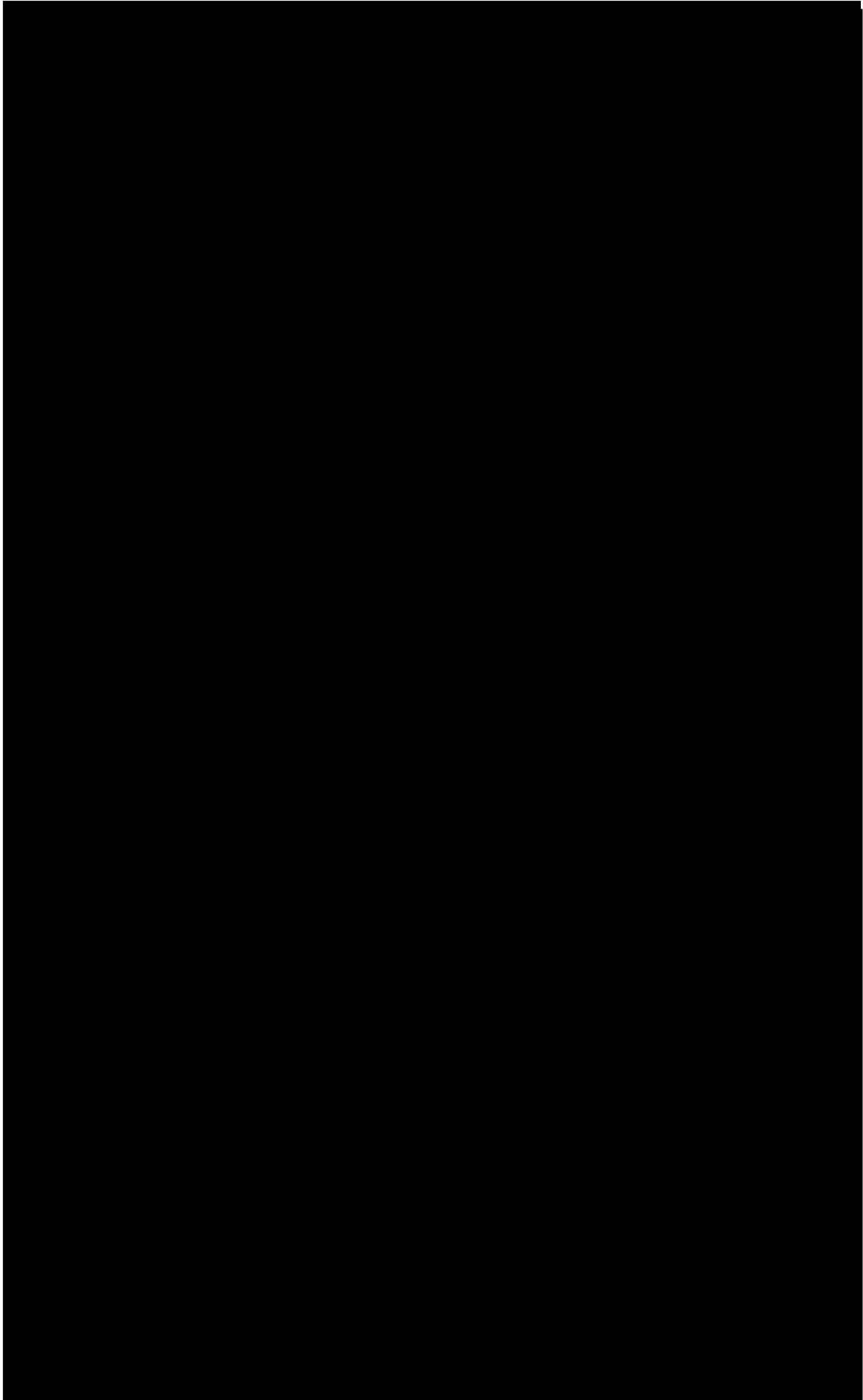
The breadth of our services, the depth of our professional resources, and the extent of our relevant project experience make us well positioned to successfully execute this independent review.

APPENDIX A: Draft Curriculum Test Plan



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REDACTED COMPLETELY

ANNEX B – Election Results



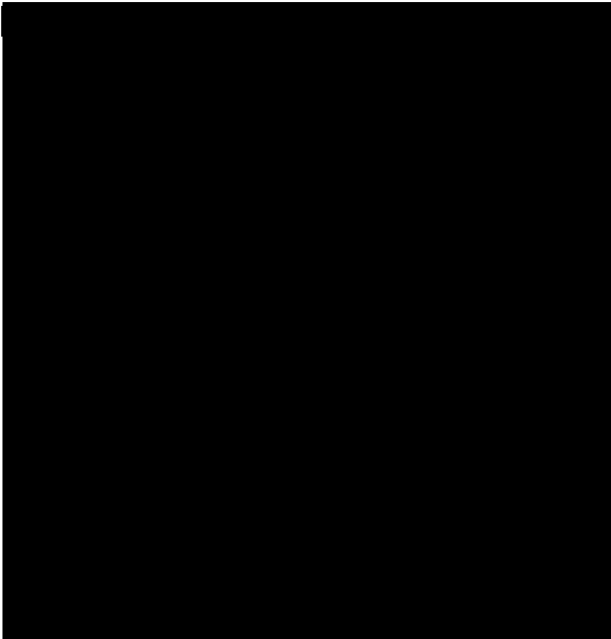
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APPENDIX C: Documents and System Outputs Required

Specific document requirements will vary for each tested loan. Actual document requirements will depend on various factors such as: the relevant state test plan; whether a targeted review or a full (a) to (h) analysis is being performed; and, the current status of the loan. Accordingly, document request lists will be tailored to the unique facts and circumstances. The list that follows is representative of the types of documents that may be required with respect to a particular mortgage loan. In addition, certain corporate data (such a policies / procedures) will also be requested. Navigant is compiling a complete Prepared by Client log that will be maintained as part of Navigant's project management protocols.

Foreclosure documents that may be requested include:

- Promissory Note
- Deed of Trust / Mortgage
- Breach / Demand Letter
- HAMP 10-02 Certificate
- FC Title Commitment / TSG / Title Report
- Assignments
- 1st Legal (compliant / NOS / NOD)
- Publications
- Affidavit of Indebtedness
- JFIGS (AOI)
- Judgment Entered
- Bid Instructions
- Broker Price Opinion
- Foreclosure Deed
- List of holds and why
- Foreclosure Complaint





Other items may include:



- Any checklists used (Pre foreclosure, Pre sale)
- File download from servicing system with origination, servicing, foreclosure steps and call log if possible
- State required mailings
- List of loss mitigation agreements entered
- Loan modification inputs and decisioning outputs
- Workout hierarchy
- Copies of certain correspondence with the borrower.

Professional Services Agreement

This Professional Services Agreement ("Agreement"), dated as of March 1, 2011 ("Effective Date") is made between Navigant Consulting, Inc. ("Navigant"), a Delaware corporation, having an address at [REDACTED] Chicago, Illinois 60606, and OneWest Bank, FSB ("OneWest"), a federally chartered savings bank, having an address at [REDACTED] Pasadena, California 91101.

In consideration of the terms and conditions set forth below, the parties agree as follows:

1. Services.

1.1 Specifications. OneWest hereby retains Navigant to perform the independent review (the "Foreclosure Review") described in the Statement of Work ("SOW") as approved by the Office of the Comptroller of the Currency ("OCC") as successor to the Office of Thrift Supervision ("OTS") attached hereto as Exhibit A (the "Services"). The Services shall be performed in a professional and workmanlike manner consistent with the SOW. OneWest acknowledges and agrees that any findings resulting from the Foreclosure Review will be the responsibility of OneWest and that OneWest retains final responsibility for compliance with applicable laws, rules, regulations, settlement agreements and any other obligations imposed by government agencies having jurisdiction over OneWest, including the OCC, and cannot transfer or delegate any such responsibility to Navigant. In addition, although Navigant will perform certain verification procedures in the course of performing the Services, Navigant will not audit (as defined under American Institute of Certified Public Accountants Standards) any information supplied by OneWest, or others acting on its behalf, and will assume and place reliance on the fact that all such information is complete and accurate. Navigant will, however, perform validation testing of certain OneWest data relied upon in the Foreclosure Review to validate, for example, the accuracy of loan-level information being tested in the Foreclosure Review and the accuracy of information used to identify the borrower population subject to review.

1.2 Service Changes.

1.2.1 Additional Scope. OneWest acknowledges that Navigant will receive instructions and direction from the OCC in connection with the Foreclosure Review. As a result, it is contemplated that Navigant may be directed by the OCC to perform work beyond the original scope of the SOW, in which case such additional work shall be included as "Services" under this Agreement. Notwithstanding the foregoing, in the event that the OCC directs Navigant to perform work materially beyond the original scope of the SOW, Navigant shall immediately inform OneWest so OneWest may directly address the additional work with the OCC. OneWest shall thereafter confirm for Navigant the additional work which it and the OCC have agreed upon, and such additional work will be included as "Services" under this Agreement.

1.2.2 Reduced Scope. If the OCC reduces the scope of Services, then OneWest may reduce the fees otherwise due hereunder to reflect the reduced costs Navigant shall realize on a prospective basis as a result of such reduced scope. The reduction shall be deducted from the fees set forth herein, as applicable. Navigant shall be deemed to have agreed to those reduced fees unless Navigant can demonstrate within thirty (30) days of OneWest's notice that Navigant's costs of providing the Services under the revised scope are not reduced. If the parties are unable in good faith to reach a mutually agreeable reduction in the fees, then OneWest may choose to revert back to the prior scope of Services, or, subject to Section 4.3.2 of this Agreement, terminate this Agreement upon written notice without penalty. Notwithstanding the preceding, if the OCC reduces the scope of Services, and the reduction substantially impairs Navigant's ability to deliver the remaining Services either operationally or financially, Navigant may either continue to perform the reduced scope of Services at no change to the fees or terminate this Agreement, without penalty.

1.3 Order of Precedence. In the event of any conflict between the terms of any SOW and the terms of this Agreement, the terms of the SOW shall control.

1.4 Security/Safety. OneWest shall have the right to maintain all security measures at all times and in all manners it deems appropriate over the use of its property by employees and subcontractors of Navigant, including, but not limited to, all computer facilities, communications equipment, office machines and supplies, and all other physical facilities belonging to OneWest. For any Services performed on OneWest's premises, Navigant shall comply with all such security, confidentiality, safety and health policies, provided that such policies have been communicated or otherwise provided to Navigant in advance. Navigant shall take all necessary precautions to prevent, and shall be responsible for, any physical injury to any persons (including, without limitation, employees of OneWest) or damage to tangible property (including, without limitation, OneWest's property) arising from or relating to Navigant's performance of the Services. Neither Navigant, nor any of its subcontractors, shall attempt to gain access to any of OneWest's premises outside of normal working hours for that location or on a day that is a scheduled holiday for that location, except as approved in advance by OneWest.

1.5 Communication and Reports. Navigant shall provide regular communication to OneWest regarding the progress of the Foreclosure Review, issues identified in the Foreclosure Review, and as OneWest may request. Upon reasonable request and unless expressly prohibited by the OCC, Navigant shall submit to OneWest written progress reports, in form and content acceptable to OneWest, describing the status of Navigant's performance of the Services. OneWest may require that Navigant include, without limitation, the following items in such reports: (i) the Services performed; (ii) hours expended; (iii) total dollars charged; (iv) schedule milestones met and/or missed; and (v) if applicable, Navigant's plan to remedy delays and previously missed milestones.

1.6 Subcontractors and Third-Party Vendors. Subject to prior written approval from OneWest, and prior written approval as may be required by the OCC, Navigant may subcontract portions of Navigant's obligations under this Agreement and/or utilize the services of a third-party vendor in connection with providing its Services. Navigant shall be responsible for ensuring adherence, and for any breach, by any or all subcontractors and third-party vendors with the provisions of this Agreement, and for ensuring that all subcontractors and third-party vendors shall be bound by its terms. Nothing in this Section 1.6 is intended to limit the ability of Navigant to utilize independent contractors to perform services either at Navigant's facilities or OneWest's facilities in connection with rendering Services to OneWest on behalf of Navigant and Navigant shall not be required to obtain OneWest's prior written approval to retain such independent contractors.

2. Intentionally Omitted.

3. Intellectual Property.

3.1 Ownership. Notwithstanding anything to the contrary herein, Navigant hereby agrees that all inventions, ideas, original works of authorship, and results and proceeds of the Services (collectively, the "Works") which are, in whole or in part, conceived or made by Navigant, including but not limited to all reports, programs, manuals, discs, tapes, listings, test file plans and matrices (including but not limited to the detailed test procedures, questions utilizing the applicable laws, regulations and guidelines, and related risk analysis) and other materials prepared by Navigant for OneWest (or any of its employees), during the term of this Agreement as part of providing the Services to OneWest shall be deemed OneWest intellectual property and shall belong exclusively to OneWest and automatically become part of the OneWest Confidential Information, as defined in Section 7.1 of this Agreement. Navigant hereby agrees that the term "Works" also includes any inventions or original works of authorship which are, in whole or in part, conceived or made by Navigant after the expiration or termination (for any reason, voluntary or involuntary) of this Agreement, provided that such inventions or works use OneWest Confidential Information. Navigant shall promptly

disclose to OneWest any Works and all details and documents related thereto. Navigant hereby irrevocably assigns and transfers to OneWest all right, title and interest, of every kind and character, which Navigant now has or may be deemed in the future to have in the Works, including but not limited to any inventions, material, original works of authorship, patents, trademarks, service marks, copyrights, goodwill, and trade secrets thereto, whether oral or in writing. Navigant hereby agrees to take, at all times hereafter, all action and sign and deliver all documents as OneWest may reasonably request in order to vest or perfect in OneWest all of such right, title and interest in the Works and to permit OneWest to protect such Works. All workpapers prepared by Navigant during the Foreclosure Review (“Workpapers”) shall be and remain the property of Navigant. Workpapers shall include those records, whether in tangible or electronic form, that document the information obtained, the procedures and tests performed and the conclusions reached by Navigant during the Foreclosure Review. The parties acknowledge and agree that OneWest’s ownership and other interests in any Works shall not be limited or restricted in the event that any Works are included among Workpapers. Upon request, Navigant shall make the Workpapers available for review by OneWest, solely for OneWest’s internal business purposes in connection with the Foreclosure Review.

3.2 Pre-Existing Materials. The term “Works” shall not include (a) any software, inventions, copyrights, patents, trade secrets, trademarks, intellectual property rights, ideas, concepts, methodologies, processes, techniques and know-how that existed and was owned by Navigant before the commencement of the Services and, to the extent of a general application, anything Navigant discovers, creates or develops during its provision of Services, which are included or embodied in the Works (collectively, “Background Technology”) or (b) any software, materials or other technology which is owned or controlled by a third party, including any open source code (collectively, “Third Party Technology”). Navigant hereby grants to OneWest a non-exclusive, worldwide, perpetual (without regard to any termination or expiration of this Agreement), irrevocable, fully paid, royalty-free license to use any Background Technology, solely for OneWest’s internal business purposes. In the event that OneWest (or any third party on behalf of OneWest) requires use of any Third-Party Technology in connection with the Foreclosure Review or otherwise, such use shall be governed by a separate license or sub-license agreement. In addition, OneWest agrees to reimburse Navigant for its costs associated with hosting Third Party Technology with a mutually acceptable third-party provider.

3.3 Use Of Trade Names and Tag Lines. Navigant is expressly prohibited from using any and all of OneWest’s trademarked names and tag lines in any manner, including for marketing purposes or registered domain names, without OneWest’s prior written consent.

3.4 Retention of Deliverables. Notwithstanding the foregoing, Navigant shall be entitled to retain a copy of any report or other document prepared by Navigant and delivered to OneWest or the OCC pursuant to this Agreement (collectively, “Deliverables”) in connection with its provision of Services hereunder for its internal recordkeeping purposes or in compliance with applicable professional standards or as otherwise required by the OCC to be retained. Any Deliverables so retained shall be treated as OneWest Confidential Information under this Agreement.

3.5 Use of Deliverables. OneWest acknowledges that the Deliverables shall be prepared solely for the OCC’s and OneWest’s use for purposes of the Foreclosure Review and will not be prepared for any other purpose or with the knowledge of any other third party. Without the prior written consent of Navigant or except as otherwise expressly permitted in this Agreement, the Deliverables are not to be disclosed to or shared with any third party, except (i) to OneWest’s legal advisors, auditors, or any government agency having jurisdiction over OneWest (but only in each case in connection with the subject matter of the Consent Order (as defined below)) or (ii) to the extent required by law, rule, regulation, subpoena, civil investigative demand or court order in which case OneWest shall seek to limit the scope of disclosure only to that which is legally required. Notwithstanding the foregoing, subject to Section 11.1, OneWest may voluntarily disclose any Deliverable to a third party not covered in the preceding sentence in connection with a legal proceeding relating to the general subject matter of the Consent Order (each, a “Voluntary Disclosure”), provided that in

such case OneWest does not characterize Navigant as an advocate for OneWest and notifies Navigant reasonably in advance of any such disclosure.

4. Term/Termination.

4.1 Term. The term of this Agreement shall commence effective as of the Effective Date and shall continue in full force and effect through the date on which the OCC accepts Navigant's final report detailing the findings of the Foreclosure Review and no further matters requiring the work of the independent consultant are pending under the Consent Order issued by the OTS to OneWest on April 13, 2011 (OTS Docket No. 18129), as the same may be modified from time to time (the "Consent Order"), unless terminated earlier by either party pursuant to Section 4.2 below.

4.2 Termination.

4.2.1 Termination by Navigant. Navigant shall have the right to cease performing the Services hereunder and/or terminate this Agreement without incurring any liability whatsoever if OneWest fails to comply with its payment obligations set forth in Section 5. Notwithstanding the foregoing, in the event OneWest notifies Navigant of a Dispute (as defined below) relating to payment pursuant to Section 19.1, Navigant shall not cease performing the Services hereunder or terminate this Agreement until completion of the Dispute resolution process in Section 19.

4.2.2 For Cause. Each party shall have the right to terminate this Agreement immediately following an Event of Default. Each of the following acts or occurrences shall constitute an event of default ("Event of Default") under this Agreement:

- Any party shall file for bankruptcy, receivership, insolvency, reorganization, dissolution, or liquidation;
- Any party shall have bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation or similar proceedings instituted against it and such proceeding shall not be dismissed within sixty (60) days; or
- A party shall breach, in any material respect, any representation or warranty set forth herein, or any covenant, condition, requirement, agreement or obligation specified herein (including, but not limited to, a failure to obtain any required consent or approval before taking action with respect to any matter requiring such consent or approval) and, unless a shorter period of time is specified elsewhere in this Agreement, such breach shall continue for a period of fifteen (15) days after the non-breaching party notifies the other of its breach. If such breach is capable of cure and the breaching party commences correction of the breach within the fifteen (15) day period, the non-breaching party may, in its reasonable discretion, extend the fifteen (15) day period upon the request of the breaching party, for such period of time as is reasonably necessary with the exercise of due diligence to correct the breach.

Upon the occurrence of an Event of Default and at any time thereafter so long as the same shall be continuing, each party shall have, in addition to the remedies provided elsewhere in this Agreement and except as otherwise limited in this Agreement, all other remedies otherwise available at law or in equity which each party may, in its sole and absolute discretion, elect to pursue, either successively or concurrently.

4.2.3 Termination for Regulatory Action. Notwithstanding anything to the contrary in this Agreement, OneWest may terminate this Agreement, subject to Section 4.3 (but without payment of any termination fee), if (i) the OCC determines that Navigant has not been fully compliant with the standards set forth in the SOW as approved by the OCC or as otherwise established by the OCC and Navigant fails to remedy such non-compliance, if given the opportunity, with the time frame prescribed by the OCC, (ii) the OCC directs that OneWest terminate this Agreement for any reason or (iii) OneWest obtains the OCC's prior written consent to terminate this Agreement without cause, upon thirty (30) days prior written notice to Navigant or such other prior written notice as may be specified by the OCC.

4.3 Obligations Upon Termination.

4.3.1 OneWest Obligations. OneWest shall pay Navigant the full undisputed amount due for Services performed and costs and expenses incurred through the effective date of termination, plus the costs of returning Navigant personnel to home base and other reasonable costs and expenses incurred in effecting the termination subject to Section 5.1.2 of this Agreement.

4.3.2 Navigant Obligations. If Navigant receives notice of termination of this Agreement, if applicable, Navigant shall reimburse the prorated amount of any fees, which have been prepaid by OneWest. In addition, Navigant agrees to cease providing the Services under this Agreement in an orderly manner in accordance with OneWest’s reasonable instructions.

5. Fees/Payment.

5.1 Fees/Schedule.

5.1.1 Fees. For Services rendered under this Agreement, OneWest shall pay Navigant on a time and materials basis, with fees discounted off Navigant’s standard rates. Navigant’s hourly rate table for the Services is provided below:

	Navigant Current Standard Rates	OneWest Rates from March 1, 2011 to June 30, 2011	OneWest Rates from July 1, 2011 through the Term of this Agreement
Managing Director			
Director			
Associate Director			
Managing Consulting			
Senior Consultant			
Consultant			

Any independent contractors or sub-contractors utilized by Navigant on the engagement will be billed at the rates applicable for similarly skilled and experienced Navigant employees. Navigant shall provide detailed time incurred reports relative to specific work activity and loan file production to OneWest on a bi-weekly basis or more frequently at OneWest’s request.

5.1.2 Reimbursable Expenses. OneWest shall pay to Navigant such reasonable and actual expenses, including travel and living expenses as well as costs of retaining independent legal counsel, incurred or expended on its behalf in connection with the provision of the Services, pursuant to the payment terms set forth in this Agreement. Navigant shall require that independent legal counsel issue to Navigant detailed billing statements for services rendered and disbursements posted in connection with the Foreclosure Review. Navigant shall, in turn, provide true and correct copies of such invoices to OneWest, except that such invoices may be redacted to remove detailed information for time entries that contain: (a) attorney-client privilege communications/attorney work product, or (b) descriptions of legal services rendered by independent legal counsel that Navigant, in its sole judgment, deems to be confidential to Navigant. For the avoidance of doubt, Navigant shall not deem confidential, and therefore shall not redact, detailed information from time entries that reflect independent legal counsel’s work on Deliverables that are exchanged between Navigant and OneWest, such as test plans, or work performed at the request of or with the knowledge of OneWest. Navigant will review all invoices from independent legal counsel to confirm that they reflect work Navigant requested independent legal counsel to perform. Further, the parties agree that the provision of independent legal counsel’s invoices to OneWest does not constitute a waiver of the attorney-client or work product privilege

between Navigant and independent legal counsel. Airfare expenses shall only be at coach rates, though Navigant (defined for purposes of this Section 5.1.2 to include its independent legal counsel and any other approved third party service provider) may upgrade at its own expense. Meal reimbursement allowance cannot exceed \$45 per day (\$65 per day in Washington, D.C. related travel) per person while on travel status. Unless otherwise approved in writing by the OneWest signatory to this Agreement, hotel reimbursement shall not exceed \$170 (\$275 in Washington, D.C. related travel) (including all applicable taxes) per day per person; in lieu of the aforementioned lodging limitation, Navigant may elect to arrange for lodging through OneWest's current travel agency by submitting a request to the OneWest business unit representative for whom the Services under this Agreement are being performed. Upon request by OneWest, Navigant shall provide receipts for all such expenses.

5.1.3 Related Proceedings. In the event that, after the expiration of this Agreement, access to any document in Navigant's possession relating to the Services is sought by a third party or any of Navigant employees (current or former), subcontractors or agents are requested or compelled to testify as a fact witness in any legal, regulatory or administrative proceeding related to the Services, including in connection with a Deliverable that OneWest is requested to disclose or chooses to voluntarily disclose (as permitted in Section 3.5), OneWest agrees to reimburse Navigant the current billing rate per hour for its time expended and for any expenses incurred (including reasonable attorney fees) at Navigant's direct cost; provided, however, no such fees or expenses shall be reimbursed if it is found that Navigant committed gross negligence or willful misconduct in rendering the Services to OneWest.

5.1.4 Schedule. The start date is the Effective Date at OneWest's location in Austin, Texas.

5.2 Taxes. OneWest is responsible for all applicable taxes, duties or other charges, including sales or use taxes, imposed by any federal, state, or local governmental entity on Services furnished by Navigant under this Agreement, except for taxes based on Navigant's net income, gross revenue or employment obligations. If applicable law or regulation obligates Navigant to collect and remit any taxes relating to the Services, then Navigant shall add the appropriate amount to OneWest's invoices as a separate line item. Navigant shall indemnify, defend and hold harmless OneWest from and against any interest, penalties or other charges resulting from the non-payment or late payment of taxes or other charges for which Navigant failed to invoice OneWest or which Navigant otherwise failed to pay in a timely manner.

5.3 Invoicing/Payment.

5.3.1 Invoicing. Invoices shall be submitted monthly for all Services performed and out-of-pocket expenses incurred during the previous month to the following OneWest Representative:

OneWest Bank, FSB

[REDACTED]
Pasadena, CA 91101
[REDACTED]

Invoices must contain detailed information as reasonably requested by OneWest for OneWest to verify that Services were provided.

All invoices for Services rendered and costs and expenses incurred under this Agreement must be submitted within one hundred and eighty (180) days after the Services were provided (the "Invoicing Period"). Failure by Navigant to submit invoices within the Invoicing Period shall constitute a conclusive and binding waiver to any claim for payment by OneWest to Navigant for such charges.

5.3.2 Payment. OneWest shall make payments of all undisputed amounts within thirty (30) calendar days of invoice receipt. Any objection by OneWest to an invoice must be made within sixty (60) days

after the date of invoice receipt or, for invoices that were pending on the date OneWest signed this Agreement, within sixty (60) days of the date of signing. Failure by OneWest to make a timely objection to an invoice shall evidence OneWest's agreement to such invoiced amounts.

6. **Independent Contractor.** The parties acknowledge the following:

6.1 **Relationship.** Navigant is an independent contractor and shall perform its duties hereunder as such, and not as the agent, employee, or servant of OneWest. Navigant shall be fully responsible for any personnel, employees, agents, subcontractors, representatives, affiliates, independent contractors, or any other such entities or persons (collectively, "Navigant's Personnel" or "Personnel") rendering Services for OneWest on behalf of Navigant, provided that no partner, employee or person performing services on behalf of the independent legal counsel retained by Navigant hereunder shall be deemed "Navigant's Personnel" or "Personnel" hereunder. Navigant's Personnel are not OneWest's personnel, employees or agents, and Navigant assumes full responsibility for their acts or omissions. Navigant Personnel shall not have, and Navigant shall ensure they do not hold themselves out as having, any right, power or authority to create any contract for or on behalf of OneWest or OneWest affiliates.

6.2 **Payroll/Benefit Obligations.** Navigant Personnel are not, and shall not, be deemed to be employed by OneWest or any affiliate of OneWest in any manner or for any purpose. OneWest shall not be responsible for payment of Navigant's Personnel's salary, benefits, expenses, insurance, taxes, workers' compensation, unemployment insurance or any other employee costs or benefits, but such responsibility, including the payment of any subcontractors, shall be that of Navigant. Furthermore, Navigant shall be fully responsible for withholding any and all Federal, state or local income and employment taxes in connection with the compensation of its Personnel performing any Services hereunder.

6.3 **Travel Liability.** In the event that performance of Navigant's Services requires travel, Navigant shall be solely responsible for injuries, emergencies and/or death to Navigant or its Personnel that may occur while they are traveling.

6.4 **No Partnership.** This Agreement shall not be construed as creating a partnership between the parties or as creating any other form of legal association that would impose liability upon one party for the act or failure to act of the other party.

7. **Confidential and Consumer Information.**

7.1 **Protection of OneWest Confidential Information.** Navigant agrees that any information or material concerning OneWest, its parents or affiliates, their directors, officers or employees or OneWest's trade secrets, know how, financial data, ideas or materials of or relating in any way to the past, present, planned or foreseeable business, products, developments, technology or activities of OneWest and the Works, in whatever form, tangible or intangible, is proprietary to OneWest ("OneWest Confidential Information"), provided that OneWest Confidential Information shall not include any information or material (a) previously known by Navigant, (b) independently developed by Navigant, (c) acquired by Navigant from a third party that is not, to Navigant's knowledge, under any obligation not to disclose such information or material or (d) that is or becomes public through no breach by Navigant of this Agreement. Such information shall be treated by Navigant and its Personnel as confidential and shall not be disclosed by Navigant or its Personnel to any third-party (other than its independent legal counsel) or used by Navigant or its Personnel, except to the extent (i) required to perform the Services hereunder, (ii) required by the OCC or (iii) to the extent required by applicable law, rule, regulation, subpoena, civil investigative demand or court order; in such event, Navigant shall promptly notify OneWest of such disclosure in order to provide an opportunity for OneWest to contest such disclosure. All such information and all other written reports, recommendations, advice, records, documents, software and other materials coming into Navigant's or its Personnel's possession during the term of this Agreement that relate to the business of OneWest, its parents or affiliates, their directors, officers or employees

shall, as between OneWest and Navigant, be the sole and exclusive property of OneWest and shall be, where practicable, promptly returned or destroyed upon request of OneWest or within thirty (30) days of the termination of the Agreement. Notwithstanding the foregoing, Navigant shall be entitled to retain a copy of any Deliverables or any information contained in its Workpapers in accordance with its internal recordkeeping policies or in compliance with applicable professional standards or any document retention requirements imposed by the OCC, provided that any information so retained will continue to be treated as OneWest Confidential Information pursuant to the terms of this Agreement. Navigant shall inform its Personnel of the confidentiality obligations set forth herein. Navigant shall take all steps necessary to assure that confidentiality is maintained by its Personnel and shall take all reasonable steps requested by OneWest to assure such confidentiality.

7.2 Security of OneWest Confidential Information. Navigant shall maintain security procedures to protect from improper disclosure or use of OneWest Confidential Information. Without limiting other provisions in this Agreement, in the event that Navigant desires to use a third-party vendor to electronically store any Confidential Information, Consumer Information (defined below), Consumer Confidential Information (defined below) and/or OneWest Consumer Information (defined below) specifically in connection with the Services, use of any such third-party vendor shall require the prior written consent by OneWest and such party shall be subject to the vendor and security requirements of OneWest, including those specified in this Agreement. Without limiting the foregoing, Section 1.4 or any other terms and conditions of this Agreement, any such approved third-party vendor shall remove all Confidential Information, Consumer Information, Consumer Confidential Information, and OneWest Consumer Information from all accessible systems within 12 months of completion of the Foreclosure Review, or such other period as may be required by the OCC. The prior written consent requirement in Section 1.4 or as described above in this Section 7.2 shall not apply to third-party vendors utilized in the ordinary course of Navigant's business. Navigant shall provide to OneWest's internal and external auditors (including, without limitation, members of OneWest's vendor management), upon execution of an appropriate confidentiality agreement, reasonable access at reasonable hours to Navigant and to the facilities at or from which the Services are or have been provided, and to Navigant records, all to the extent relevant to Navigant's obligations for security of OneWest Confidential Information under this Agreement. Such access shall be provided for the purpose of performing audits and inspections of Navigant and its businesses, to (i) verify the integrity of OneWest Confidential Information, (ii) examine the systems that process, store, support and transmit that OneWest Confidential Information, (iii) examine the controls (e.g., organizational controls, input/output controls, system modification controls, processing controls, system design controls, and access controls) and the security, disaster recovery and back-up practices and procedures, and (iv) examine Navigant's performance of its security obligations under this Agreement.

7.3 Confidentiality Remedies. Without prejudice to the rights and remedies otherwise available to either party, each party agrees that if it breaches or threatens to breach any provision of this Section, the other party shall have the right to have this Agreement specifically enforced or enforced by injunction, temporary restraining order or other equitable relief, and without the necessity of posting a bond or other security. Nothing herein contained shall be construed to prevent or preclude such other remedy or combination of remedies as the other party may elect to invoke.

To the extent that Navigant receives any Consumer Information (as defined in Section 7.4 below), the following shall apply:

7.4 Additional Confidentiality Requirements. In addition to the foregoing restrictions and notwithstanding anything in this Agreement to the contrary, and to the extent applicable, Navigant shall treat all information regarding and relating to Consumer Information as follows: "Consumer Information" or "Consumer Confidential Information" is any information that is personally identifiable financial information that OneWest, its parents or affiliates, officers or employees has relating to a specific individual consumer who: (i) has utilized any service of OneWest or for whom OneWest is acting or has acted as a fiduciary (ii) resulting

from any transaction with the consumer or any service performed for the consumer; or (iii) otherwise obtained by OneWest. "OneWest Consumer Information" is defined as Consumer Information of a OneWest Customer.

7.4.1 Protection of Consumer Information. Each party agrees to use and disclose Consumer Information only in accordance with any applicable laws, rules and regulations relating to the disclosure or use of personal information ("Consumer Privacy Laws"). Unless and until a person forms a "customer" or "consumer" relationship with Navigant, as those terms are defined under the Consumer Privacy Laws, or provides Navigant separate authorization, Navigant agrees not to use or disclose Consumer Information for any purpose other than (i) to perform the Services or (ii) pursuant to an enumerated exception to the opt-out and notice requirement under the regulations implementing the Gramm-Leach-Bliley Act provided in 12 CFR Sections 573.14 and 573.15 ("GLB"). Pursuant to the GLB and Interagency Guidelines, Navigant shall control the access to a customer's social security number and/or mask that number so that it can not be combined with a person's name and their loan number or account number and shall further restrict access to consumer information to only those persons who have a legitimate business interest in that information. Navigant shall comply with SB 1 - The California Financial Privacy Act; the California Online Privacy Protection Act; and OneWest's published Privacy Policy regarding all Consumer Information and OneWest Consumer Information located at <http://www.owb.com/Privacy-and-Security/>. In the event that Navigant forwards Consumer Information (which was not received through OneWest) to OneWest, Navigant will obtain the person's authorization to forward Consumer Information to unspecified third parties that may be able to extend credit to the person, on the terms and conditions that the person requests, which authorization shall apply to OneWest. Absent express authorization provided directly by a consumer to Navigant or obtained by Navigant for the benefit of OneWest as provided in the foregoing sentence, Navigant will not use or share Consumer Information with any affiliated or unaffiliated third party for any purpose other than to perform the Services. Navigant may inform Consumers of OneWest's privacy policy and provide to consumers notices and disclosures required under such privacy policy on behalf of OneWest; provided, however, that Navigant is not obligated to exercise its independent judgment as to the legal sufficiency or advisability of any such information, notices or disclosures or the delivery or timing of such delivery of such information, notices or disclosures. OneWest and Navigant shall have in place an information security program, which program shall be designed to (i) ensure the security, integrity, and confidentiality of all Consumer Information and OneWest Consumer Information; (ii) protect against hazards to the security, integrity, and confidentiality of Consumer Information and OneWest Consumer Information; and (iii) protect against unauthorized access to or use of Consumer Information or OneWest Consumer Information. OneWest and Navigant shall provide the other a copy of its information security program upon reasonable request made by the other party in writing. Notwithstanding the foregoing, nothing in this Section 7.4.1 shall be deemed to limit or restrict Navigant from providing any documents, workpapers, materials or other information to the OCC as it may from time to time request.

7.4.2 Security Audit. Navigant shall provide to OneWest's internal and external auditors (including, without limitation, members of OneWest's vendor management), upon execution of an appropriate confidentiality agreement, reasonable access at reasonable hours to Navigant to the facilities at or from which the Services are or have been provided, and to Navigant records, all to the extent relevant to Navigant's obligations for security of Consumer Information and OneWest Consumer Information under this Agreement. Such access shall be provided for the purpose of performing audits and inspections of Navigant and its businesses, to (i) verify the integrity of Consumer Information and OneWest Consumer Information, (ii) examine the systems that process, store, support and transmit that Consumer Information and OneWest Consumer Information (iii) examine the controls (e.g., organizational controls, input/output controls, system modification controls, processing controls, system design controls, and access controls) and the security, disaster recovery and back-up practices and procedures, and (iv) examine Navigant's performance of its security obligations under this Agreement.

7.4.3 Protection of OneWest Consumer Information. Navigant acknowledges that pursuant to this Agreement, Navigant may receive OneWest Consumer Information. Navigant hereby agrees not to (i)

use or share any OneWest Consumer Information with any affiliated or unaffiliated third party for any purpose other than in connection with the enforcement of its rights and the performance of its duties under this Agreement or (ii) copy such OneWest Consumer Information except as may be necessary to perform its duties under the Agreement. If Navigant proposes to disclose OneWest Consumer Information to a third party in order to perform under this Agreement, Navigant shall remain responsible for any breach by third parties of confidentiality covenants made by Navigant hereunder. Navigant must enter into a confidentiality agreement with such third party pursuant to which such third party would be restricted from disclosing, using or duplicating such OneWest Consumer Information, except as consistent with this Section. Navigant shall notify OneWest in writing immediately upon becoming aware of any unauthorized use or disclosure of OneWest Consumer Information. In such event, Navigant shall cooperate with OneWest in mitigating any potential damages by, at Navigant's expense: (i) immediately recovering all OneWest Consumer Information from the unauthorized recipient and instructing the unauthorized recipient to cease and desist from any use of such OneWest Consumer Information, (ii) at the request of OneWest, deleting from Navigant's electronic systems and physical records within five (5) business days all OneWest Consumer Information and providing written certification that such deletion has occurred; (iii) promptly responding with assistance and cooperation, to any demand forwarded by OneWest to Navigant as a result of a court order imposed on OneWest or from a governmental authority having jurisdiction over OneWest; and (iv) taking any other remedial steps reasonably required by OneWest. The restrictions on use and disclosure set forth above shall not apply (a) in the case of disclosures to the OCC or (b) when, and to the extent that, the OneWest Consumer Information is required to be disclosed by Navigant as a matter of law (including pursuant to a subpoena or civil investigative demand or court order), provided that Navigant uses all reasonable efforts to provide OneWest with at least ten (10) business days' prior notice of such disclosure and Navigant discloses only that portion of the OneWest Consumer Information that is legally required to be furnished pursuant to the opinion of legal counsel of Navigant. The provisions of this Section shall survive the termination of this Agreement.

7.4.4 Remedies. Navigant agrees that a breach of the confidentiality obligations contained in this Section as they relate to Consumer Information and OneWest Consumer Information may cause OneWest to suffer irreparable harm in an amount not easily ascertained. Navigant agrees that any breach of this Section whether threatened or actual, will give OneWest the right to terminate this Agreement immediately and without penalty (subject to Section 4.3.1), seek equitable relief, including an injunction to restrain any disclosure or use of any and all Consumer Information and OneWest Consumer Information, and pursue all other remedies OneWest may have at law or in equity. In addition, Navigant agrees that its failure to provide OneWest, from time to time, commercially reasonable assurances that Navigant has taken adequate steps to protect the security of all Consumer Information and OneWest Consumer Information in its possession shall give OneWest the right to terminate this Agreement immediately and without penalty (subject to Section 4.3.1).

7.4.5 Breach of Security Regarding Consumer Information. A "Security Breach" is the unauthorized acquisition of computerized data that compromises the security, confidentiality or integrity of Consumer Information or OneWest Consumer Information. The unauthorized acquisition of Consumer Information or OneWest Consumer Information that triggers a Security Breach is the name (first name or initial and last name) plus any of the following:

- Social Security number,
- Driver's license or State Issued Identification Card number, OR
- Financial account number, credit or debit card number (along with any PIN or other access code where required for access to account).

In the event a Security Breach has occurred, Navigant shall provide OneWest notice in the most expedient time possible and without delay following the discovery of the Security Breach. In the event of a Security Breach, Navigant agrees to follow the "Recommended Practices on Notice of Security Breach Involving Personal Information" found at <http://www.dhcs.ca.gov/formsandpubs/laws/priv/Documents/PrivacyProtection.pdf> as well as the Treasury Department "Interagency Guidance on Response Programs for Unauthorized Access to

Customer Information and Customer Notice". Navigant shall consult with OneWest regarding the obligations of Navigant pursuant to applicable federal and state law for a Security Breach.

8. **Representations and Warranties.** Navigant hereby covenants, represents and warrants that:

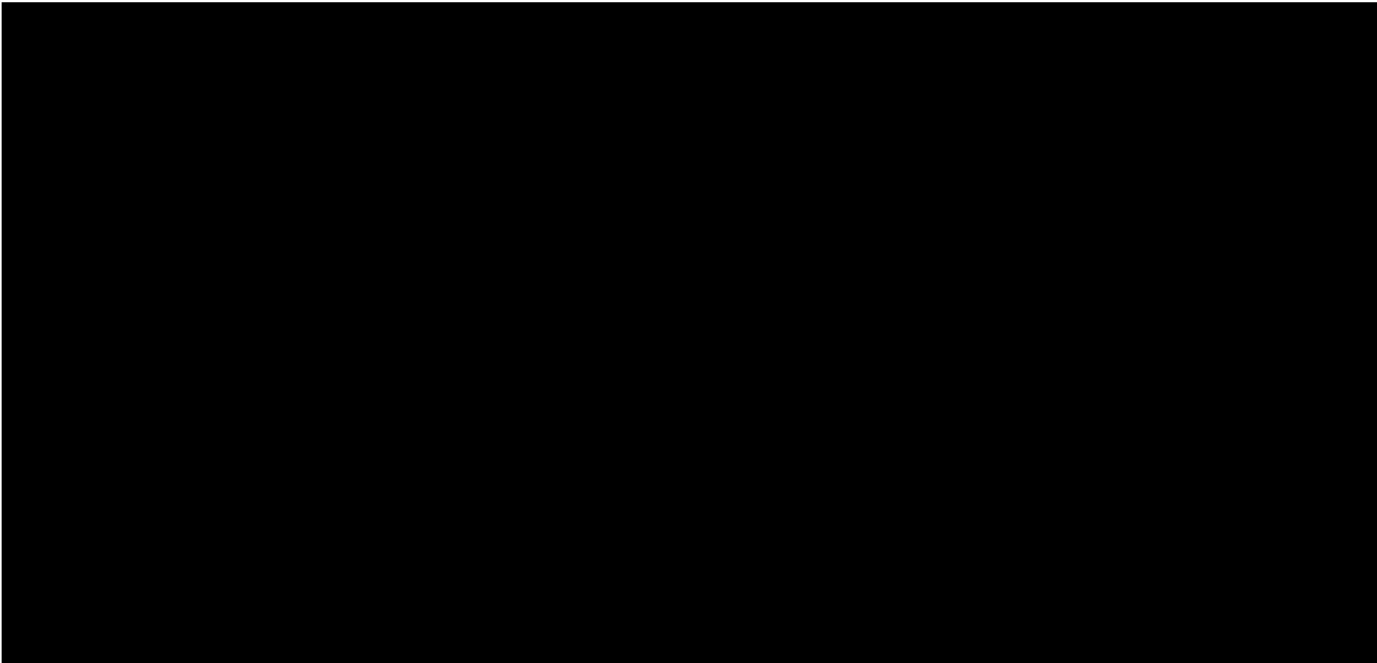
- Subject to the limitations set forth in Section 1.1, Navigant and its Personnel have the expertise, experience and familiarity with the subject matter necessary to perform the Services, that the Services rendered hereunder shall conform to generally accepted industry standards and that Navigant is in good financial standing and able to meet its financial obligations with respect to its Personnel performing Services hereunder;
- **Immigration Requirements.** All of Navigant's Personnel performing the Services hereunder are either (i) citizens of the U.S., or (ii) aliens with valid and current documentation, which authorizes their presence and work status in the U.S.;
- Navigant maintains a principal place of business other than at the place of business of OneWest;
- Navigant reasonably believes neither it nor Navigant's Personnel should be treated as an employee of OneWest by way of any federal, state or local laws, regulations, rules or ordinances, including those governing income and employment taxes, and, furthermore, that it is fully aware of its obligations resulting from such treatment;
- Navigant has all requisite corporate or organizational power, authority and capacity to carry on its business as it is now being conducted, to execute and deliver this Agreement, and to perform all of its obligations hereunder. Navigant does not believe, nor does it have any cause or reason to believe, that it cannot perform each and every covenant contained in this Agreement;
- Neither Navigant nor any of its directors or officers is an individual, entity or organization (i) listed on the U.S. Office of Foreign Assets Control's Specially Designated Nationals List ("SDN List"), (ii) otherwise subject to embargo or sanction under the U.S. Office of Foreign Assets Control's regulations, (iii) a foreign shell bank or (iv) resident in a jurisdiction identified by the Financial Action Task Force as non-cooperative;
- Navigant has implemented policies, procedures and internal controls reasonably designed to prevent Navigant from being used to launder money or finance terrorist activities;
- Navigant shall fully observe and comply with all applicable federal, state, and local laws, regulations, rules or ordinances pertaining to the provision of the Services hereunder; and
- [REDACTED] will not have any access to any data, reports, or any workpapers, including without limitation, any Confidential Information, Consumer Information, Consumer Confidential Information, or OneWest Consumer Information, either through access granted by Navigant, its Personnel, any subcontractor or third-party vendor used by Navigant, or through the design of any software application used by Navigant in connection with performing the Services.

OneWest acknowledges that in performing the Services hereunder, Navigant will be obligated to give its best independent judgment, and Navigant has not made, and cannot make, any guarantee or warranty, that One West will be in compliance with all applicable laws, regulations or any other obligations during the term of this Agreement. EXCEPT AS SET FORTH IN THIS SECTION 8 OR AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, NAVIGANT HEREBY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED (EITHER IN FACT OR BY OPERATIONS OF LAW) OR STATUTORY, WITH RESPECT TO THE SERVICES PROVIDED UNDER THIS AGREEMENT,

INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE.

9. **Survival.** The terms and conditions of this Agreement that by their sense and context are intended to survive termination hereof shall so survive, including without limitation, Sections 5.2, 7, 11, 14, 18, 19, 21, 23, 24 and 27.

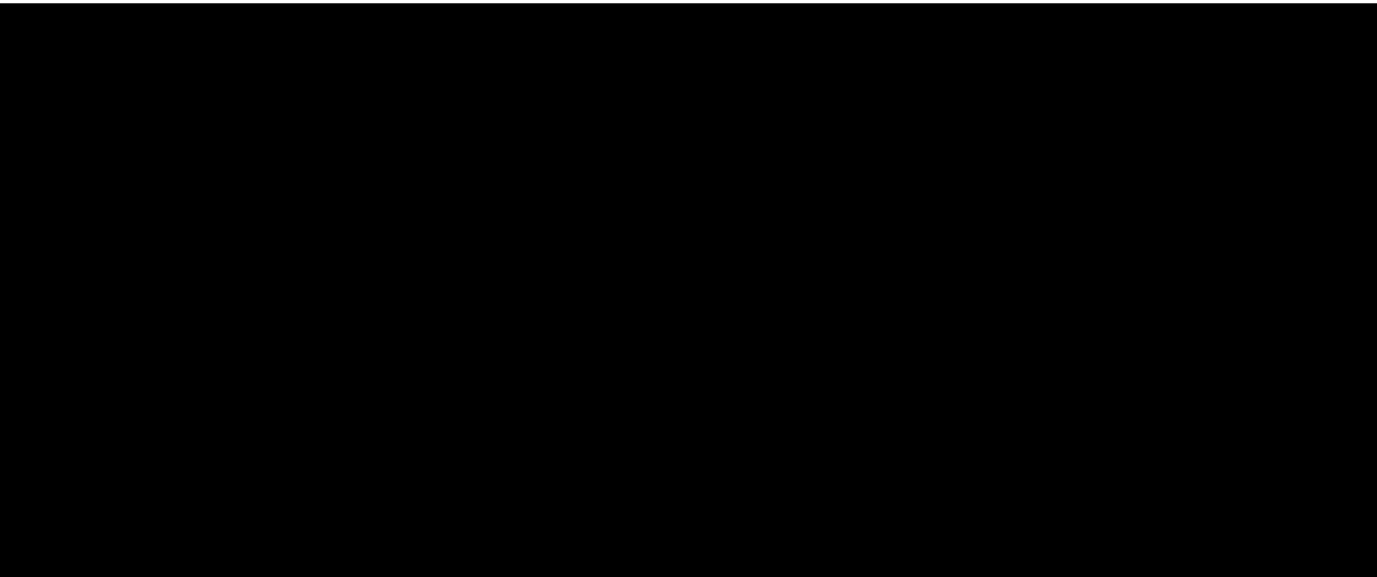
10. **Insurance.**

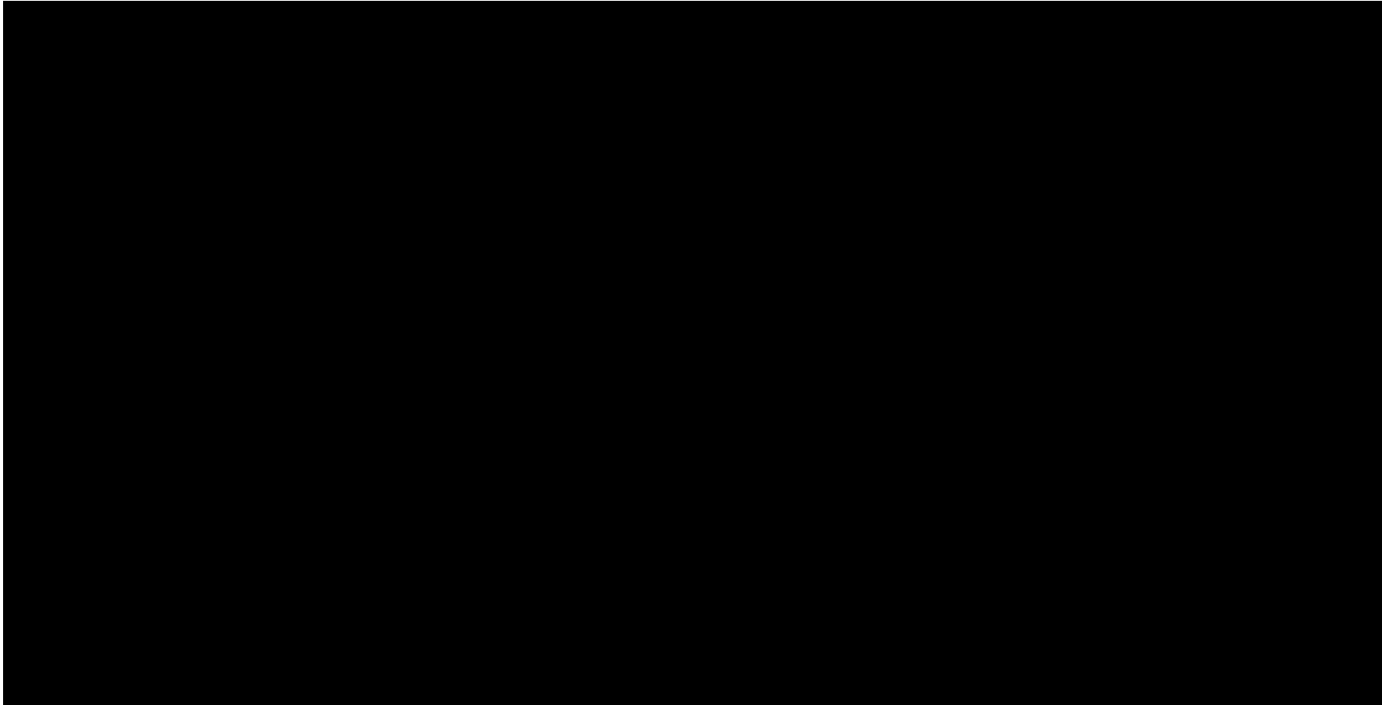


10.2 **Rating.** All insurance required under this Section is to be placed with insurers with a current A.M. Best's rating of no less than A, unless otherwise approved in writing by OneWest.

10.3 **Documentation Requirements.** Upon request, Navigant shall furnish OneWest with certificates of insurance evidencing coverage required by this Section. All documents are to be signed by a person authorized by that insurer to bind coverage on its behalf.

11. **Indemnification/Limitation of Liability.**





12. **Facilities.** When agreed to by OneWest in advance, OneWest shall provide Navigant Personnel or subcontractors assigned to provide the Services at OneWest's premises with adequate work space, supplies, office/computer equipment, system access, telephones, restroom facilities, postage, delivery supplies, and all other office facilities necessary to perform the Services contemplated by this Agreement.

13. **Regulatory Requirements.**

13.1 **OCC Authority.** Navigant acknowledges that OneWest is subject to OCC examination oversight, including oversight relating to the performance by third parties of Services for OneWest, and agrees that the OCC shall have the authority and responsibility provided to the other regulatory agencies pursuant to the Bank Service Corporation Act, 12 U.S.C. 1867(C), relating to services performed by contract or otherwise.

13.2 **Background Checks.** If Navigant requires access to OneWest's systems in order to perform any Services, Navigant shall conduct background checks in accordance with applicable law and maintain records on all individuals who shall be performing such Services hereunder. To ensure compliance with this requirement, Navigant must also complete OneWest's "Attestation of Completion of Criminal Background Check" form, a copy of which may be obtained from OneWest by Navigant upon request. Individuals who have been convicted of a crime involving dishonesty, breach of trust or money laundering are prohibited from accessing OneWest's systems unless OneWest has granted permission. Navigant shall use reasonable efforts to determine whether its employees or contractors performing such Services have been convicted of any such crime or if charges for such offenses are pending or if the individual has entered into a pretrial diversion program or has been granted a deferred entry of judgment with respect thereto. If Navigant learns of such circumstances with respect to any employee or contractor of Navigant who shall be performing such Services under this Agreement, Navigant shall notify OneWest in writing prior to the commencement of such Services for OneWest. If Navigant becomes aware of such circumstances after any such employee or contractor begins performing Services on behalf of OneWest hereunder, Navigant shall so notify OneWest immediately upon obtaining knowledge thereof. Upon receiving such notice, OneWest shall determine, in its sole discretion, whether to allow the performance of Services by such individual or entity.

14. **Audits.** OneWest's internal or external auditors (including, without limitation, members of OneWest's vendor management) or an independent auditor chosen by OneWest and acceptable to Navigant (except in the case of a bona fide government regulatory audit), provided that Navigant may not unreasonably withhold its consent to an auditor, and subject in each case to appropriate confidentiality restrictions, may from time to time, upon reasonable advance notice to Navigant have reasonable access during normal business hours to any systems, procedures and processes with which Navigant or any of its subcontractors uses in providing the Services, to Navigant Personnel, and to data and records relating to the Services provided to OneWest for the purpose of performing audits and inspections of either Navigant or any of its subcontractors to:

- Verify the accuracy of charges and invoices for the Services;
- Verify the integrity of OneWest Confidential Information and examine the systems that process, store, support and transmit that data; and
- Examine Navigant's performance of the Services including, to the extent applicable to the Services performed by Navigant and to the charges therefor, performing any audit necessary to enable OneWest to meet applicable regulatory requirements.

Navigant shall provide to such auditors such assistance as they may reasonably require. Navigant shall cooperate fully with OneWest or its designees in connection with audit functions and with regard to examinations by regulatory authorities. Until (i) two (2) years after expiration or termination of this Agreement, or (ii) all pending matters relating to this Agreement are closed, whichever is later, Navigant shall maintain and provide reasonable access upon request to the records, documents and other information required to meet OneWest's audit rights under this Agreement. If any audit under this Section 14 determines that Navigant has overcharged OneWest, OneWest shall notify Navigant of the amount of such overcharge and Navigant shall promptly refund such amount to OneWest, provided that any Dispute relating to such overcharge and refund request shall be resolved in accordance with Section 19.

15. **Severability.** If any one provision of the Agreement is interpreted as being illegal or unenforceable it shall be severed from the Agreement and the remainder of the Agreement shall remain enforceable.

16. **Notices.** All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if transmitted via facsimile with written confirmation of transmission, delivered personally to such party or upon delivery by registered or certified mail or by private courier addressed as follows:

To OneWest: To Navigant:

OneWest Bank, FSB

[REDACTED]

Pasadena, CA 91101

[REDACTED]

Navigant Consulting, Inc.

[REDACTED]

Washington, DC

[REDACTED]

with a copy (for breach or termination only) to:

OneWest Bank, FSB

[REDACTED]

Pasadena, CA 91101

Attn: Office of the General Counsel

[REDACTED]

Navigant Consulting, Inc.

[REDACTED]

Chicago, IL 60606
Attn: General Counsel

17. **Counterparts.** The parties may execute this Agreement or any amendment in mutually executed counterparts, each of which shall constitute an original and all of which shall constitute the same Agreement. The signature of an executed counterpart signature page by facsimile or PDF is as effective as executing such counterpart(s) in the presence of the other party to this Agreement.

18. **Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, applicable federal laws and the laws of the State of California, without reference to conflict of laws principles, and both parties hereby irrevocably agree that any court action arising out of this Agreement shall be brought in any state or federal court of competent jurisdiction within the State of California, County of Los Angeles.

19. **Dispute Resolution.** All disputes or claims arising under this Agreement (“Disputes”) shall be resolved as set forth in this Section.

19.1 **Informal Resolution.** In the event of a Dispute, a party shall notify the other party of the Dispute with as much detail as possible. OneWest and Navigant business representatives shall use good faith efforts to resolve the Dispute within ten (10) business days after receipt of a Dispute notice. If the parties' business representatives are unable to resolve the Dispute, or agree upon the appropriate corrective action to be taken, within such ten (10) business days, then either party may initiate mediation proceedings as set forth in Section 19.2 below. Pending resolution of the Dispute, both parties will continue without delay to carry out all their respective responsibilities under this Agreement, except as otherwise set forth herein.

19.2 **Mediation.** Except as provided in Section 19.4 below, and for claims by Navigant of undisputed amounts payable by OneWest hereunder, if the parties hereto are unable to resolve the Dispute pursuant to Section 19.1, the parties shall refer such Dispute to non-binding mediation before a mediator acceptable to both sides.

19.3 **Binding Arbitration.** Except as provided in Section 19.4 below, if the parties hereto are unable to resolve the Dispute pursuant to Sections 19.1 or 19.2, the parties shall refer such Dispute to final, binding and confidential arbitration conducted in Los Angeles, California in accordance with the current rules of the American Arbitration Association (AAA).

19.4 **Injunctive Relief.** Nothing contained in this Section shall limit or delay the right of either party to seek injunctive relief from a court of competent jurisdiction, whether or not such party has pursued informal resolution or mediation in accordance with this Section.

TO THE EXTENT PERMISSABLE BY APPLICABLE LAW, BOTH PARTIES VOLUNTARILY AND KNOWINGLY WAIVE ANY RIGHT THEY HAVE TO A JURY TRIAL PURSUANT TO ANY COURT ACTION BROUGHT BY ANY PARTY TO THIS AGREEMENT.

20. **Changes.** This Agreement may not be changed or modified without a writing signed by both parties.

21. **No Publicity.** Navigant acknowledges that OneWest has a “no publicity” policy regarding its vendor relationships. Navigant may not include OneWest’s name or marks in any of its press releases, marketing material, advertising or publicity of any kind without OneWest’s express written consent. Notwithstanding the foregoing, Navigant may include OneWest’s name on its list of current customers, which it provides to prospective customers, during the term of this Agreement.

22. **Force Majeure.** Neither OneWest nor Navigant shall be liable for any delays in performance due to causes beyond its control, including acts of God, government intervention, or public enemy.
23. **Entire Agreement.** This Agreement and any amendments constitute the entire agreement between the parties concerning the subject matter hereof and shall supersede all prior agreements or understandings concerning such subject matter.
24. **Waiver.** A failure or delay of either party to this Agreement to enforce at any time any of the provisions hereof, or to exercise any option which is herein provided, or to require at any time performance of any of the provisions hereto shall in no way be construed to be a waiver of such provisions of this Agreement.
25. **Headings.** The headings herein are for convenience of reference only and shall not impact the meaning of this Agreement.
26. **No Third-Party Rights.** Unless expressly provided herein, nothing in this Agreement shall be construed to confer upon any third party, other than the parties hereto, a right of action under this Agreement or in any manner whatsoever.
27. **Legal Fees/Expenses.** Except as otherwise provided for in Section 5.1.3, Section 11 and in this Section 27, each party hereto shall bear **their own attorneys' fees, court costs and expenses for any action arising under this Agreement.** In any legal action brought relating to any intellectual property infringement under this Agreement, then the prevailing party in any final judgment, or the non-dismissing party in the event of a voluntary dismissal by the party instituting the action, shall be entitled to the full amount of all reasonable expenses, including all court costs, and actual attorney fees paid or incurred in good faith.
28. **Circular 230 Disclaimer.** Navigant's analysis is limited to the issues as outlined in the SOW and this Agreement. Additional issues may exist that could affect the Federal tax treatment of the interests that are the subject of such analysis, and Navigant's analysis does not consider or provide a conclusion with respect to any additional issues. Navigant's analysis is not intended or written by Navigant to be used, and cannot be used, by OneWest or any other persons or entity, for the purpose of avoiding any penalties that may be imposed on any taxpayer.
29. **Corporate Obligation.** The obligations of Navigant are solely corporate obligations, and no officer, director, employee, agent, shareholder or controlling person of Navigant shall be subjected to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of any other party to this Agreement.
30. **Assignment.** Neither party may assign this Agreement without the other party's prior written consent, except that OneWest may assign this Agreement without consent to its parent, subsidiary or affiliate companies, provided that OneWest remains jointly and severally liable for any obligations hereunder, or to any successor by merger.

In Witness Whereof, the parties have executed this Agreement effective as of the Effective Date.

Agreed: **Navigant Consulting, Inc.**

Agreed: **OneWest Bank, FSB**

By: _____
 (Signature) (Date)

By: _____
 (Signature) (Date)

Print Name: _____

Print Name: _____

Title: _____

Title: _____