Agreement

1) **Utilize Preferred Workout Methods**
   a. Lenders pledge to modify loan terms to the greatest extent possible so as to provide permanent and affordable relief to San Francisco borrowers. For homeowners living in their homes who are making timely payments and have adjustable rate loans that will become unaffordable for them when rates reset, lenders pledge to reinstate the original interest rate for the remainder of the life of the loan or, at a minimum, for 5 years.
   b. Lenders pledge to make available standardized guidelines for loan modifications for housing counselors negotiating on behalf of homeowners available.
   c. Lenders pledge to provide the City with direct contact information for a San Francisco program manager with authority to negotiate foreclosures and refinancing, as well as an alternate person for time-sensitive situations.
   d. Lenders pledge to provide the City a list of services offered to homeowners including eligibility criteria.

2) **Provide Outreach and Education of At-Risk Homeowners**
   a. Lenders pledge to identify, evaluate, and contact San Francisco borrowers who are at risk of default or have already defaulted on their loans at least six months in advance of approaching interest rate reset on a borrower's loan via mail and phone.
   b. Lenders pledge to partner with community-based organizations to conduct outreach to targeted at risk and delinquent borrowers.
   c. Lenders pledge to translate key loan documents and loan terms into the language in which the loan was negotiated.

3) **Adhere to Good Origination Practices to Prevent Future Problems**
   a. Lenders pledge to stop originating stated income or no documentation loans, which have been responsible for much abuse in California.
   b. Lenders pledge to originate loans only where the borrower's ability to repay is fully considered.
   c. Lenders pledge to translate key loan documents and loan terms into the language in which the loan was negotiated.

4) **Submit Monthly Loss Mitigation Reports to the City**
   a. Lenders pledge to report on their loss mitigation outcomes to date beginning November 30, 2007 and continuing on a monthly basis until further notice. Reports will include loan volume and total number of subprime loans. Monthly statistics should include number of:
      - delinquencies (for the month);
      - short sales;
      - foreclosures;

- payment plans;
- forbearance agreements;
- loan modifications for borrowers in default;
- loan modifications for borrowers not yet in default, but where there is a reasonable belief that the loan will go into default when the rate resets.

5) Support Home Loan Counseling Agencies and Legal Service Providers

a. Lenders pledge to increase funding for counseling agencies and legal service providers who are on the front lines of the foreclosure crisis. Funding from individual lenders should be proportionate to the direct profit earned from the subprime loans made to San Francisco borrowers.

6) Participate in an Ongoing Dialogue to Achieve Long-Term Solutions

a. Lenders sign and return this agreement by November 30.
b. Lenders pledge to join the San Francisco Fair Lending Committee.
c. Lenders pledge to attend and testify at a hearing before the San Francisco Board of Supervisor's Land Use & Economic Development Committee on December 10, 2007.

We request your response by November 30, 2007. Thank you.