# Exhibit 3

**IN THE UNITED STATES DISTRICT COURT**
**FOR THE DISTRICT OF MASSACHUSETTS**

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| **IN RE BANK OF AMERICA HOME AFFORDABLE MODIFICATION PROGRAM (HAMP) CONTRACT LITIGATION** | **MDL NO. 2193**<br><br>**Centralized before the Honorable Rya W. Zobel** |
| **This Document Relates To:**<br><br>**All Actions** | |

**DECLARATION OF Theresa Terrelonge**

I, Theresa Terrelonge, declare as follows:

1. I am over the age of 18 and I am otherwise competent to testify to the following based on my own personal knowledge.

2. From June 2009 through June 2010 I was employed by Bank of America as a "collector." Most of my job consisted of speaking on the telephone with homeowners who were calling regarding a loan modification that they had applied for as part of Home Affordable Modification Program (HAMP). My job could be accurately described as a loan level servicing representative.

3. I regularly reviewed the HAMP requirements and procedures on the U.S. Treasury Department website (http://makinghomeaffordable.gov). I did this on my own as Bank of America provided no training or information regarding HAMP and I wanted to know what I was talking about to homeowners calling in. Most, if not all of my colleagues and supervisors did not have suitable training, education, or experience in modifying mortgages, and certainly not regarding HAMP requirements and procedures. Loan level service representatives had to undergo some kind of training at least every six weeks. Almost all of these trainings included written materials. Most of the training I recall involved the use of systems and other ministerial work. Bank of America did not provide me or anyone I knew with training regarding HAMP requirements, applicable mortgage or lending laws, or the substance of what we were talking to homeowners about.

4. In the course of my work, I regularly spoke to homeowners who were inquiring about the status of their HAMP loan modification. I reviewed information regarding the borrower on Bank of America computer systems such as HomeSaver and AS400. These computer systems allowed me to view terms of a Trial Period Plan including amounts of trial payments and the dates they were due, the date and amount of each payment the homeowner made to Bank of America, and the date each payment was logged as having been received. The computer systems also allowed me to view the date the borrower had sent each financial

document to Bank of America. If needed, I could also view the actual document the borrower had sent electronically using Bank of America's "i-portal" computer system.

5. Although HAMP allowed a servicer to issue a Trial Period Plan based on "unverified" verbal representations from applicants, this was not Bank of America's practice. Throughout the time I worked there in 2009 and 2010, Bank of America determined whether applicants would receive a HAMP Trial Period Plan and calculated the amount of the trial payment based on the borrower's monthly income and other factors including the borrower's debt to income ratio. Bank of America also performed the Net Present Value test that HAMP required before deciding whether to issue the borrower a Trial Period Plan. Bank of America calculated the borrower's debt to income ration and performed the Net Present Value test by reviewing financial documents the borrower provided. Bank of America required HAMP applicants to document their assets and income and would not issue a Trial Period Plan without a borrower providing extensive financial documentation.

6. Based on what I observed, Bank of America was trying to prevent as many homeowners as possible from obtaining permanent HAMP loan modifications while leading the public and the government to believe that it was making efforts to comply with HAMP. It was well known among managers and many employees that the overriding goal was to extend as few HAMP loan modifications to homeowners as possible.

7. Much of my job consisted of speaking to people who received HAMP Trial Period Plans, made their trial payments, and who were calling to inquire about the status of their expected permanent loan modification. Using the Bank of America computer systems I saw that hundreds of customers had made their required trial payments and sent in the required documents, but had not received permanent modifications.

8. My colleagues and I were called into group meetings with our supervisors on a regular basis. The information we received in group meetings showed me that Bank of America's deliberate practice was to string homeowners along with no intention of providing permanent modifications. We were instructed to inform every homeowner who called in that

their file was "under review" – even where the computer system showed that the file had not been accessed in months or when the homeowner had been rejected for a modification.

9. My colleagues and I were instructed to inform homeowners that modification documents were not received on time, not received at all, or that documents were missing, even when, in fact, all documents were received in full and on time.

10. One tactic Bank of America used to delay the modification process involved telling homeowners who applied for a HAMP modification or who were in a Trial Period Plan to resubmit financial information each time they called to inquire about a pending modification. Bank of America then treated any change in financial information as justification for considering the homeowner to have restarted the HAMP process. Even a small change to financial information or correcting an error that Bank of America made will cause Bank of America to restart the application process under the pretext of changed financial information.

11. When Bank of America purchased loans from other servicers, including when it bought the servicer itself – as it did with Wilshire Credit, Bank of America forced the homeowners to restart the modification process. When a homeowner called regarding a modification started with another servicer, my co-workers and I were instructed to say that Bank of America had no record of the modification or of the payments the homeowner already made under the modification. We were instructed to make this statement even when Bank of America's system showed the homeowners' modification and previous payments, and even when the system showed that the homeowner had completed the trial process with the previous servicer and should have received a permanent modification.

12. Bank of America regularly ignored completed loan modifications and did not treat the loan as having been modified in its computer system. Even after a homeowner signed and returned modification documents (both trial modifications and permanent modifications), Bank of America's system continued to show the loan as delinquent. Bank of America continued to send delinquency notices, continued to report homeowners as delinquent to credit reporting

agencies, and pursued foreclosure. I saw multiple instances of people who had lost their homes to foreclosure despite having fulfilled all requirements of their Trial Period Plans.

13. When an account or attempted modification was considered "closed" it meant that the homeowner would not be receiving a modification and would often be facing collections or foreclosure. The production goals Bank of America placed on its managers were based on how many accounts they could "close" – meaning how many homeowners they could reject for the loan modifications rather than how many modifications they could successfully complete. Managers received bonuses if their teams met or exceeded production goals.

14. Managers, in turn, pushed their production goals on the loan level employees. Employees were awarded incentives such as $25 in cash, or as a restaurant gift card based on the number of accounts they could close in a given day or week – meaning how many applications for loan modifications they could decline.

15. I personally witnessed employees and managers close loan accounts based on information that was obviously wrong. This included closing accounts, and declining loan modifications based on the homeowner's failure to provide certain documents or information when, in fact, it was apparent from the loan file and from the electronic system of record (electronic databases including AS400, HomeSaver, HomeBase, and others) that the homeowner had provided the very information claimed to be missing.

16. I witnessed employees and managers change and falsify information in the systems of record, and remove documents from homeowners' files to make the account appear ineligible for a loan modification. This included falsifying electronic records so that the records would no longer show that the homeowner had sent in required documents or had made required payments. This was done so that the file could be closed, the homeowner's effort to obtain a loan modification could be rejected, and the manager could meet Bank of America's production goal for the given week or month.

17. Bank of America often avoided extending HAMP modifications by sending non-HAMP modifications to homeowners who had applied for a HAMP modification. These non-

HAMP modifications were typically on worse terms for the homeowner than what they were eligible to receive under HAMP – but they were at higher interest rates and more profitable for Bank of America. I fielded dozens of calls from homeowners who had waited months for a HAMP modification and were confused, and often in tears, when they received a modification that appeared nothing like what they were led to expect.

18. Bank of America used group meetings to convey production goals, adjustments to protocol for speaking to homeowners, adjustments to information we were expected to give (or not give) homeowners, and other information regarding the jobs of loan level representatives. These group meetings were conducted by a manager. The agenda and itinerary for the meetings were sent to the manager via e mail. The manager, in turn, conveyed the information to loan level representatives verbally, but often showed us the E mail he received with a summary of the content he was supposed to convey in the meeting. In addition to group meetings, loan level service representatives received information regarding general policies and procedures, new programs, and certain clarifications to programs via e mail.

19. Throughout my tenure at Bank of America, loan level servicing representatives were constantly being evaluated. We received written evaluations known as "scorecards" on a weekly basis via e mail. These scorecards evaluated employees based on criteria including the number of customer calls they took each day, the number of minutes they spent on each call, and whether they gave the homeowner too much information. Employees received negative evaluations and negative comments if they spent too much time on the phone with a particular homeowner in an effort to answer their questions or if they gave what Bank of America considered to be too much information about the modification process.

20. Loan level servicing representatives regularly conducted much of their work via e mail and used e mail extensively both regarding general policies and procedures and regarding particular loan files. We regularly e mailed with supervisors and managers, other departments, and customers regarding particular loans. While some information that was contained in some of the E mails could be reflected in electronic systems such as AS400, HomeSaver, or HomeBase, it

is not accurate to say all E-mail or the full content of virtually any E mail was captured on the electronic systems. These systems would not capture the entire content of an e mail or all the e mails loan level representatives sent regarding a particular file. I do not know what Bank of America's policy was regarding deleting e mail. But I regularly looked back over e mails that were several months old. Toward the end of my tenure, I recall that I was able to look back over e mails that were nearly a year old.

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

EXECUTED this 15 day of May, 2013 at Grand Prarie, Texas

By Theresa Terrelonge

Theresa Terrelonge