

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into as of June 24, 2011 between (a) plaintiffs Shatonya Johnson (formerly Shatonya Harris), Mateo Huerta, and Kevin Nicholson (collectively, "Plaintiffs") on behalf of themselves and the Class Members (as defined herein), and (b) defendants Citigroup, Inc. ("Citigroup") and CitiMortgage, Inc. ("CitiMortgage") (collectively, Citigroup and CitiMortgage are "Defendants").

RECITALS¹

WHEREAS, Plaintiffs are the current named plaintiffs in a putative class action litigation captioned as *Shatonya Harris, Mateo Huerta, and Kevin Nicholson, on behalf of themselves and all others similarly situated v. CitiGroup, Inc. and CitiMortgage, Inc.*, currently pending in the United States District Court for the District of Massachusetts, Docket No. 08-10417;

WHEREAS, the Action asserts that Defendants violated the Fair Housing Act, 42 U.S.C. § 3601 *et seq.* ("FHA") and the Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.* ("ECOA") in connection with the pricing of mortgage loans;

WHEREAS, Plaintiffs allege that, while race-neutral and ethnicity-neutral, Defendants' pricing policies resulted in a disparate impact on African-American and Hispanic borrowers in that they allegedly received higher-priced loans than those loans made to similarly situated non-minority borrowers;

WHEREAS, Defendants have denied and continue to deny the material allegations in the Action, have denied and continue to deny any wrongdoing and any liability to Plaintiffs or any Class Member, in any amount, in connection with the claims asserted in the Action, have denied that class certification is required or appropriate, and contend that they would prevail in the Action;

WHEREAS, Plaintiffs maintain that they would prevail in the Action, on behalf of themselves and the Settlement Class;

WHEREAS, Plaintiffs and Class Counsel have conducted extensive formal and informal examinations and evaluations of the relevant law and facts to assess the merits of the pending and potential claims in the Action, and have conducted a further investigation to determine how to best serve the interests of the putative class in the Action, both before commencing the Action, as well as during the litigation of the Action and the negotiation of the Settlement provided for in this Agreement;

WHEREAS, Plaintiffs, for themselves and on behalf of the Settlement Class Members, desire to settle the Action and all matters within the scope of the Release set forth herein, having taken into account the risks, delay, and difficulties involved in establishing liability, the

¹ Capitalized terms used in these Recitals shall, unless otherwise defined in the Recitals, have the meanings set forth in Section I of the Settlement Agreement.

likelihood of recovery in excess of that offered by this Settlement Agreement, the desirability of payment now, and the likelihood that the Action could be protracted and expensive;

WHEREAS, Defendants vigorously and expressly deny any wrongdoing and any liability to Plaintiffs and the Class Members, but nevertheless believe that it is desirable and in their best interests to settle the Action and all matters within the scope of the Release in the manner and upon the terms and conditions provided for in this Settlement Agreement in order to avoid the further expense, inconvenience, and distraction of litigation, and in order to put to rest the claims that have been asserted in the Action and/or are within the scope of the Release;

WHEREAS, the issues before the Court are complex and, if fully litigated, would likely result in protracted litigation, appeals, and continued uncertainty as to any outcome;

WHEREAS, the Parties have had the opportunity to evaluate their respective positions on the merits of the Action; and

WHEREAS, the Parties have agreed on all of the terms and conditions of this Settlement Agreement through extensive arms length negotiations between their respective counsel, and the assistance of the Honorable Edward A. Infante (ret.), serving as mediator, at JAMS.

NOW THEREFORE, in consideration of the foregoing and the covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged herein, Plaintiffs, for themselves and as representatives of the Settlement Class, and Defendants agree, subject to the approval by the Court of the Settlement, as follows:

I. DEFINITIONS

In addition to the terms defined above, the following terms are used in this Settlement Agreement:

1.1 “Action” means the action captioned as *Shatonya Harris, Mateo Huerta, and Kevin Nicholson, on behalf of themselves and all others similarly situated v. CitiGroup, Inc. and CitiMortgage, Inc.*, and currently pending in the United States District Court for the District of Massachusetts, Docket No. 08-10417.

1.2 “Agreement” means this Stipulation and Agreement of Settlement, including its exhibits.

1.3 “Authorized Claimant” means a Wholesale Settlement Subclass Member who is Eligible and who properly submits a timely and valid Claim Form.

1.4 “Benefit Payments” means the negotiable check or voucher form to be sent to Authorized Claimants pursuant to Section 2.4 below.

1.5 “Claim Form” means the claim form contemplated by this Agreement.

1.6 “Defendants” means:

- (a) Citigroup, Inc.; and
- (b) CitiMortgage, Inc.

1.7 “Defendants’ Counsel” means Goodwin Procter LLP.

1.8 “Direct Mail Notices” means the method of notice set forth in Section 5.3 below.

1.9 “District Court” means the United States District Court for the District of Massachusetts.

1.10 “Effective Date” means ten (10) business days after Final Settlement Approval.

1.11 “Eligible” means a Wholesale Settlement Subclass Member who meets the requirements set forth in Section 5.6 below for submitting a valid claim.

1.12 “Final Approval Order” means an order entered by the District Court in the Action finally approving this settlement and resolving all issues between the Parties, as provided for in Section 7.1 below, substantially in the form attached hereto as Exhibit D.

1.13 “Final Fairness Hearing” means the hearing(s) at which the District Court will address whether to approve the settlement provided for in this Agreement, enter the Judgment and make such rulings as are contemplated by this Agreement.

1.14 “Final Settlement Approval” means the last date on which all of the following have occurred:

- (a) The Court has issued all necessary orders under Fed. R. Civ. P. 23 approving of the Settlement in a manner substantially consistent with the terms and intent of this Settlement Agreement, including the Final Approval Order;
- (b) The Court enters Judgment;
- (c) Either: (i) thirty-five (35) days have passed after entry of the Court’s judgment finally approving the Settlement in a manner substantially consistent with the terms and intent of this Settlement Agreement and within such time no appeal is taken after the Judgment and no motion or other pleading has been filed with the Court to set aside or in any way alter the Judgment and/or orders of the Court finally approving of the Settlement, or (ii) all appellate, reconsideration, or other forms of review and potential review of the Court’s orders and Judgment finally approving the Settlement are exhausted or become unavailable by virtue of the passage of time, and the Court’s orders and Judgment are upheld, or not altered in a manner that is substantially inconsistent with the judgment

contemplated by subparagraph (b) provided that, and without limitation, any change or modification that may increase Defendants' liability, or not approve the use of a Claim Form, or reduce the scope of the Release, or reduce the scope of the Settlement Class shall prevent the occurrence of Final Approval at the sole option of Defendants; and

(d) no Party with a right to do so has terminated the Agreement.

1.15 "Judgment" means a final judgment and order of dismissal with prejudice entered by the District Court, substantially in the form attached hereto as Exhibit E.

1.16 "Loan" means a residential mortgage loan of a Settlement Class Member originated by CitiMortgage, Inc. or any of its subsidiaries upon which the Settlement Class Member is or was an obligor.

1.17 "Mediator" means Judge Edward A. Infante, (Ret.), or if he becomes unable or unwilling to serve, such other person as may be mutually acceptable to the Parties, but in the absence of mutual agreement as to a substitute mediator, such United States Magistrate Judge as may be appointed by the District Court shall serve as "Mediator" for purposes of this Agreement.

1.18 "NCOA" means the National Change of Address system to provide updated address information.

1.19 "Parties" means Defendants, Plaintiffs and, upon class certification for settlement purposes only as set forth herein, each Settlement Class Member.

1.20 "Plaintiffs" means representative named plaintiffs Shatonya Johnson (formerly Shatonya Harris), Mateo Huerta and Kevin Nicholson, individually and as putative representatives of the Settlement Class.

1.21 "Plaintiffs' Counsel" and "Settlement Class Counsel" means Bonnett, Fairbourn, Friedman & Balint, P.C.; Roddy Klein & Ryan; the Law Offices of Al Hofeld Jr., LLC; Miller Law, LLC, Robbins, Geller, Rudman & Dowd, LLP, and the National Consumer Law Center, Inc.

1.22 "Preliminary Approval Order" means an order entered by the District Court in the Action, as provided for in Section 6.1 below, substantially in the form attached hereto as Exhibit C.

1.23 "Released Claims" means the claims released by this Agreement as set forth in Section 4.1 below.

1.24 "Released Parties" means each entity defined hereunder as Defendants and entity's predecessors, successors (including, without limitation, acquirers of all or substantially all of the assets, stock, or other ownership interests of any of the Released Parties) and assigns, the past, present and future, direct and indirect, parents (including, without limitation, holding companies), subsidiaries, affiliates and associates of any of the above; and the past, present and future principals, trustees, partners, officers, directors, employees, agents, attorneys, insurers,

vendors, shareholders, advisors, predecessors, successors (including, without limitation, acquirers of all or substantially all of the assets, stock, or other ownership interests of any of the above), assignors, assignees, assigns, representatives, heirs, executors and administrators of any of the above.

1.25 “Settlement Administrator” means Tilghman & Co., P.C. subject to the approval of the Court.

1.26 “Settlement Class” means Plaintiffs and any other person and/or entity who or which falls within the definition of the class provided for in Section 2.2 below, certified solely for purposes of this settlement.

1.27 “Settlement Class Member” means all members of the Settlement Class who have not timely and properly opted out of the Settlement Class as provided for in Section 6.4 below.

1.28 “Settlement Website” means a website designed and maintained by the Settlement Administrator with input from the Parties, which will provide information to the Settlement Class as described in Section 5.5 below.

1.29 “Wholesale Settlement Subclass” means any person and/or entity who or which falls within the definition of the subclass provided for in Section 2.2(b) below, certified solely for purposes of this settlement,.

1.30 “Wholesale Settlement Subclass Member” means all members of the Wholesale Settlement Subclass who have not timely and properly opted out of the Wholesale Settlement Subclass as provided for in Section 6.4 below.

1.31 As used herein, the plural of any defined term includes the singular thereof and *vice versa*, except where the context requires otherwise. All references to days shall be interpreted to mean calendar days, unless otherwise noted. When a deadline or date falls on a weekend or a legal Court holiday, the deadline or date shall be extended to the next business day that is not a weekend or legal Court holiday.

1.32 Other terms are defined in the text of this Agreement, and shall have the meaning given those terms in the text. It shall be the intent of the Parties in connection with all documents related to the Settlement that defined terms as used in other documents shall have the meaning given to them in this Agreement.

II. SETTLEMENT CLASS, WHOLESALE SETTLEMENT SUBCLASS, AND CONSIDERATION.

2.1 Certification of Settlement Class and Wholesale Settlement Subclass for Settlement Purposes Only.

Defendants dispute that a class would be manageable in the Action, and further denies that a class properly may be certified in the Action. However, solely for purposes of avoiding the expense and inconvenience of further litigation, Defendants do not oppose the certification for settlement purposes only of the Settlement Class as set out in Section 2.2(a) below or of the

Wholesale Settlement Subclass as set out in Section 2.2(b) below, provided that neither such certifications for settlement purposes only, nor any other act relating to the negotiation, execution or implementation of this Agreement, shall be considered as a factor in connection with any class certification issue(s) if the Agreement terminates, or there is no Judgment or Final Settlement Approval, or with respect to any Settlement Class member who timely and properly opts out of the Settlement Class. No agreements made by Defendants, or any order of a court, in connection with this settlement may be used by Plaintiffs, any Settlement Class Member, or any other person, to establish any of the elements of class certification, other than for settlement purposes. Nor shall this Agreement be deemed to limit the Plaintiffs, in the event that the Settlement Class or the Wholesale Settlement Subclass are not certified, or if the Agreement terminates, from later seeking certification of a different class in this or any other litigation pursuant to Fed. R. Civ. P. 23.

2.2 Definition of Settlement Class and Wholesale Settlement Subclass.

(a) Solely for purposes of this Settlement, the Parties agree to seek certification of the following Settlement Class pursuant to Fed. R. Civ. P. 23(a), 23(b)(2) and 23(b)(3):

All African-American or Hispanic borrowers (including, without limitation, individual borrowers, joint-borrowers, and co-borrowers) who obtained a Loan (as defined herein) originated between January 1, 2004 and the date of this Agreement.

Based on a review of its records, Defendants represents that under this definition, the Settlement Class includes 103,338 members.

(b) Solely for purposes of this Settlement, the Parties agree to seek certification of the following Wholesale Settlement Subclass:

All African-American or Hispanic borrowers (including, without limitation, individual borrowers, joint-borrowers, and co-borrowers) who obtained a Loan (as defined herein) through a third-party mortgage broker originated between January 1, 2004 and December 31, 2006.

Based on a review of its records, Defendant represents that under this definition, the Wholesale Settlement Subclass includes 19,528 members.

2.3 Consideration to Settlement Class.

(a) Settlement Class Members shall be eligible to receive telephonic housing counseling services ("Counseling Services") through a date that is one year following that date of Final Settlement Approval. Such Counseling Services shall be accessed by a toll free number through a reputable non-profit outside provider selected by Settlement Class Counsel. Settlement Class Counsel shall notify Defendants' counsel of the cost of the Counseling Services by the Effective Date, with such costs not to exceed one hundred thousand dollars (\$100,000.00). Defendants shall pay the cost of the Counseling Services to Settlement Class Counsel, up to one hundred thousand dollars (\$100,000.00), within ten (10) business days of receiving notice of the

cost of such services. Defendants shall have no involvement with the selection or retention of the provider of the Counseling Services. Further, the names of the Released Parties, as well as logos, trademarks or service marks, may not be used in connection with or in association with the Counseling Services other than to identify the Counseling Services as a benefit available under this Agreement, except as otherwise authorized in writing by the Released Parties.

(b) Defendants further represent and agree as follows:

(i) Defendants represent that CitiMortgage has a policy of not allowing discretionary pricing and agrees to continue that policy;

(ii) Defendants represent that CitiMortgage has developed an enhanced Fair Lending Policy that addresses the claims raised by Plaintiffs in this litigation and has distributed and published this policy to all employees and affiliates working through all lending channels, and agrees to continue that policy;

(iii) Defendants represent that CitiMortgage has retained an expert in fair lending practices to develop a fair lending training program that covers all aspects of fair lending discrimination, including discriminatory pricing, and agrees to continue to retain that expert or an expert of similar quality and experience;

(iv) Defendants represent that CitiMortgage has trained all employees with respect to fair lending issues who are in any way involved with mortgage loan origination, and agrees to retrain such employees as necessary; and

(v) Defendants represent that CitiMortgage has developed an enhanced fair lending monitoring program with regard to residential mortgage loans, and agrees to continue that program.

(c) Defendants will provide Settlement Class Counsel with a declaration attesting to the implementation of the terms set forth in Section 2.3(b) no later than sixty (60) days from Final Settlement Approval.

2.4 Consideration to Wholesale Settlement Subclass.

(a) In addition to the consideration set forth in Section 2.3, each Authorized Claimant within the Wholesale Settlement Subclass will receive, in a manner compliant with Section 5.6 below, either (1) a check for ninety dollars (\$90.00) ("Settlement Checks") or (2) a credit in the amount of two hundred dollars (\$200.00) against the closing costs incurred by the Wholesale Settlement Subclass Member for their next Loan from CitiMortgage or any CitiMortgage subsidiary ("Closing Credit"), provided that the Wholesale Settlement Subclass Member is otherwise eligible to obtain the Loan under CitiMortgage's then-existing lending and underwriting policies.

(b) To the extent an Authorized Claimant elects to receive the Closing Credit, Defendants shall prepare a voucher outlining the details of such Closing Credit ("Closing Credit Voucher") for distribution to the Authorized Claimant.

(c) The Settlement Administrator, under the supervision of Settlement Class Counsel, and subject to the supervision, direction, and express prior approval of the District Court, shall administer, determine which claim forms are timely and proper, calculate the amount to be paid for Settlement Checks and the number of Closing Credit Vouchers to be issued to the Authorized Claimants, and oversee distribution to the Authorized Claimants.

(d) In no event shall Defendants or any other Released Party have any liability or responsibility with respect to the administration or distribution of the Benefit Payments, or any dispute by any member of the Settlement Class concerning the handling or resolution of his, her or its claim with respect to the Benefit Payments, except as expressly set forth in Section 5.1.

(e) Those Authorized Claimants electing to receive a Settlement Check shall be paid within sixty (60) days after the Effective Date by check mailed to the address provided by the Authorized Claimant on the returned claim form (or to any later forwarding address timely provided by the Authorized Claimant to the Settlement Administrator). Settlement Checks will bear a legend that they must be cashed within 120 days. If checks distributed to the Authorized Claimant are not cashed within 120 days of the check issue date, such checks will not be re-issued absent proof of exigent circumstances satisfactory to Settlement Class Counsel. To the extent Settlement Checks are not cashed, the money in question will be paid as a grant for general housing counseling services to the non-profit organization selected to provide Counseling Services pursuant to Section 2.3(a) on a date no earlier than 180 days after the check issue date.

(f) Those Authorized Claimants electing to receive a Closing Credit Voucher shall be distributed by mail to the address provided by the Authorized Claimant on the returned claim form (or to any later forwarding address timely provided by the Authorized Claimant to the Settlement Administrator). The Closing Credit Voucher shall be valid for a period of two (2) years following the date of issuance of the Closing Credit Voucher.

2.5 Other Relief

Nothing in this Settlement Agreement shall be construed to constitute a waiver of any rights that Settlement Class members may otherwise have to participate in any otherwise-existing loan modification or foreclosure prevention programs. Nothing in this Section shall be read as limiting the scope of the Settlement Class members' release, contained in Section 4.1 below.

Nothing in this Settlement Agreement shall be construed to require Defendants or any affiliated company to alter, in any way, their loan modification standards. Nor shall anything in this Settlement Agreement be construed as preventing Defendants or any affiliate entity from altering, in any way, their loan modification standards. Nor shall this Settlement Agreement prevent Defendants or any affiliated entity from releasing the servicing rights associated with the loan of any member of the Settlement Class in the normal course of business to a non-affiliated entity.

III. ATTORNEYS' FEES AND COSTS AND SERVICE AWARDS TO PLAINTIFFS

3.1 Subject to court approval, Settlement Class Counsel intend to seek no more than \$400,000 for their attorneys' fees and costs, and service awards of no more than \$5,000 for each of Plaintiffs. These payments will be in addition to, and will in no way reduce, the amounts Defendants are obligated to pay to Authorized Claimants. Settlement Class Counsel will not request attorneys' fees and costs in excess of the foregoing amounts, and Defendants will not oppose Settlement Class Counsel's petition for fees, costs and service awards in the foregoing amounts. The Service Awards shall be in addition to any claims Plaintiffs may obtain to the extent Plaintiffs qualify as Authorized Claimants.

3.2 Defendants will pay such attorneys' fees and costs and service awards as are awarded by the Court within 10 (ten) business days of the Effective Date.

IV. RELEASE AND DISMISSAL WITH PREJUDICE

4.1 Release. As of the Effective Date, Plaintiffs and each Settlement Class Member, and each of their respective spouses, heirs, executors, administrators, representatives, agents, attorneys, partners, successors, bankruptcy trustees, guardians, wards, joint tenants, tenants in common, tenants by the entirety, co-borrowers, joint-borrowers, guarantors, predecessors-in-interest, assigns and all persons acting for or on their behalf fully, finally and completely release and forever discharge, and shall be deemed to have fully, finally, completely released and forever discharged, the Released Parties, and each of them, from any and all actual or potential claim, right, demand, charge, complaint, action, cause of action, suit, counterclaim, cross-claim, third-party claim, contention, allegation, obligation, assertion of wrongdoing or liability of any and every kind whatsoever for lending discrimination associated with the origination of Loans or any activities attendant to the origination of Loans, including, without limitation, those based on contract, ECOA, and/or the FHA, or any other federal, state, local or other law, statute, regulation, or principle of common law or equity, including, without limitation, all claims for monetary, equitable, declaratory, injunctive, or any other form of relief, whether known or unknown, suspected or unsuspected, under the law of any jurisdiction, which Plaintiffs or any Settlement Class Member ever had, now has, or may have in the future, resulting from, arising out of, or in any way, directly or indirectly, connected with (a) the claims raised in the Action, or (b) any claims which could have been raised in the Action based on the same transactional nucleus of facts.

This paragraph constitutes a waiver of Section 1542 of the California Civil Code (and any similar or comparable provisions, rights and benefits conferred by the law of any state or territory of the United States or any jurisdiction, and any principle of common law or equity), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs and each Settlement Class Member understand and acknowledge the significance of these waivers of California Civil Code Section 1542 and/or of any other applicable law relating to limitations on releases. In connection with such waivers and relinquishment, Plaintiffs and each Settlement Class Member acknowledge that they are aware that they may hereafter discover facts other than, in addition to, or different from, those facts which they now know or believe to be true with respect to the subject matter of the settlement, and that they fully, finally and forever release and discharge all Released Claims, and in furtherance of such intention, the release will remain in effect notwithstanding the discovery or existence of any such other, additional or different facts.

4.2 Obligations of Each Settlement Class Member. Nothing in this Agreement will alter the Settlement Class Member's obligation, if any, on a promissory note, deed of trust, mortgage and/or security interest associated with a Loan.

4.3 Plaintiffs, Settlement Class Counsel and the Settlement Class Members acknowledge that he or she may hereafter discover facts other than or different from those that he or she knows or believes to be true with respect to the subject matter of the claims released pursuant to the terms of Paragraph 4.1, but each of those individuals expressly agree that, upon entry of the final judgment contemplated by this Settlement Agreement, he and she shall have waived and fully, finally, and forever settled and released any known or unknown, suspected or unsuspected, asserted or unasserted, contingent or non-contingent claim with respect to the claims released pursuant to Paragraph 4.1, whether or not concealed or hidden, without regard to subsequent discovery or existence of such different or additional facts.

V. NOTICE AND SETTLEMENT ADMINISTRATION

5.1 Costs of Notice and Administration. The reasonable costs of notice and administration shall be borne and promptly paid by Defendants. Defendants' payment of notice and administration costs will be in addition to, and will in no way reduce, the amounts Defendants are obligated to pay to Authorized Claimants.

5.2 Class List. In the event of Preliminary Approval, Defendants shall prepare a list identifying the members of the Settlement Class and the Wholesale Settlement Subclass by name and last known address shown in Defendants' electronic records, as maintained in the ordinary course of business, no later than three (3) weeks after entry of the Preliminary Approval Order and will provide the class list to the Settlement Administrator and to Settlement Class Counsel. Defendants shall have no obligation to look beyond information obtainable from Defendants' readily searchable computer media to prepare the class list. Provision of the class list to the Settlement Administrator and to Settlement Class Counsel shall be done pursuant to the Stipulated Protective Order ("Protective Order") filed with the District Court on June 25, 2010 in order to provide reasonable safeguards for all non-public personal information obtained in the course of administering this Agreement, and the contents of the Class List are hereby designated "Confidential Information" as defined by the Protective Order. The Settlement Administrator and any Class Counsel that has not already done so must execute and deliver to Defendants prior to delivery of the Class List a written acknowledgement and agreement to comply with the Protective Order.

5.3 Class Notice. Direct Mail Notices shall be provided as soon as practicable after entry of the Preliminary Approval Order, but in no event later than sixty (60) days following entry of such Order, as follows:

(a) Direct Mail Notices, substantially in the form attached hereto as Exhibits A-1 and A-2 and that are approved by the District Court, will be mailed, via first class mail, to members of the Settlement Class. Members of the Wholesale Settlement Subclass will receive a Direct Mail Notice substantially in the Form of Exhibit A-2 at the address provided to the Settlement Administrator pursuant to Section 5.2 above. All other members of the Settlement Class will receive a Direct Mail Notice substantially in the Form of Exhibit A-1 at the address provided to the Settlement Administrator pursuant to Section 5.2 above. The Direct Mail Notices shall be in English, but will contain a bold font statement in Spanish that copies of the Direct Mail Notices is available in Spanish on the Settlement Website or in writing by contacting the Settlement Administrator by telephone. Addresses will be run once through the NCOA system and returned notices will be re-mailed if they are returned with a postmark date within thirty (30) days of the postmark date of the Direct Mail Notices and contain a forwarding address. If the returned mail does not reflect a forwarding address, then the Settlement Administrator shall have no additional obligation to locate the Settlement Class Member or Wholesale Settlement Subclass Member or re-mail the Direct Mail Notices. Without limiting the generality of this Section, Defendants shall have no responsibility with respect to Direct Mail Notices that are returned undeliverable.

(b) The form of Direct Mail Notice to Wholesale Settlement Subclass Members attached hereto as Exhibit A-2 shall include a claim form substantially in the form attached hereto as Exhibit B and that is approved by the District Court ("Claim Form").

5.4 Certification to the District Court. No later than ten (10) days before the Final Fairness Hearing, the Settlement Administrator and/or its designees shall file a declaration with the District Court verifying that Direct Mail Notices have been provided to the Settlement Class and the Wholesale Settlement Subclass.

5.5 Settlement Website. The Settlement Administrator shall set up a website to provide certain information to the Settlement Class and the Wholesale Settlement Subclass, including the Second Amended and Consolidated Class Action Complaint, the Direct Mail Notices, the Claim Form, this Agreement, information relevant to claiming benefits under this Agreement, and such other information as may be agreed to by the Parties.

5.6 Claims.

(a) Timeliness of Claims. In order for a claim form to be deemed timely and properly submitted, a Wholesale Settlement Subclass Member must fully complete the Claim Form and return it such that it is either actually received by the Settlement Administrator by a date that is no later than one hundred and five (105) days after entry of the Preliminary Approval Order, or in the event of a claim form returned by mail, such that it bears a postmark that is no later than one hundred and five (105) days after entry of the Preliminary Approval Order. The Settlement Administrator will have no obligation to honor any claim form that is not fully completed or is returned after that date. Claim Forms that are not timely will not be allowed absent relief from the District Court specifically granting allowance prior to entry of the Final Approval Order.

(b) Claims of Deceased or Incapacitated Persons. Claims of deceased or incapacitated persons will not be allowed unless a Claim Form is submitted by a person authorized to act on behalf of the deceased or incapacitated person's estate together with proof of such authorization.

(c) Claims of Joint Borrowers. For purposes of this settlement, joint borrowers on the same loan from CitiMortgage and its subsidiaries are deemed to be a single member of the Settlement Class and will be treated for the purposes of distribution as if they have a single claim. If only one claim form is timely submitted on a loan with joint borrowers, the entire amount of the joint borrowers' claim will be paid to the joint borrower who timely submitted the claim form. If more than one claim form is timely submitted on a loan with joint borrowers, the claim will be paid by a single check made payable jointly to the joint borrowers.

(d) Incomplete or Improper Claims. The Settlement Administrator will have final authority, in consultation with Settlement Class Counsel and Defendants' Counsel, to allow or disallow any incomplete or improperly filed claim forms and will send notice of and the reasons for such disallowance, if any, to the Settlement Class Member, with copies to Settlement Class Counsel and Defendants' Counsel, no later than twenty (20) days prior to the Final Fairness Hearing. To the extent that deficiencies in filed claim forms are not resolved prior to entry of the Final Approval Order, and if no relief from the District Court is obtained by the claimant at the claimant's sole cost and expense, said claim will be permanently and finally disallowed.

(e) Members of the Settlement Class with Multiple Loans during the Class Period. Class members who have multiple Loans with CitiMortgage or its subsidiaries during the class period will be entitled to make claims for each such Loan.

5.7 Dispute Resolution. The Parties agree to meet and confer in good faith in regard to any dispute relating to the settlement or to administration of the settlement, including, without limitation, disputes concerning confirmatory discovery and the approval or denial of claims. Any dispute that cannot be resolved by the Parties shall be submitted to the Mediator for resolution, provided that at least thirty (30) days has elapsed since notice of the dispute was first given absent a compelling reason for a shorter time period.

VI. PRELIMINARY APPROVAL ORDER AND FINAL FAIRNESS HEARING

6.1 Preliminary Approval Order. As soon as reasonably possible after the execution of this Agreement, or in accordance with any Order of the District Court, Plaintiffs will seek the District Court's approval of this Agreement, and the settlement contemplated hereby, by filing an appropriate Motion for Preliminary Approval and seeking entry of a Preliminary Approval Order, substantially in the form attached hereto as Exhibit C. The Parties shall cooperate in presenting such papers to the District Court as may be necessary to effectuate the intent and purposes of this Agreement without limitation, by assenting to any motion for Preliminary Approval that is consistent with this Agreement. Among other things, the Preliminary Approval Order shall specifically include the following:

(a) A preliminary determination that, for settlement purposes only, the Action may be maintained as a class action pursuant to Rule 23(a), Rule 23(b)(2) and Rule 23(b)(3) of the Federal Rule of Civil Procedure;

(b) A finding that the Direct Mail Notices are the only notice required, and that such Direct Mail Notices satisfy the requirements of due process, the Federal Rules of Civil Procedure and any other applicable laws and that the Parties' notice and plan for providing notice to Settlement Class Members is approved as sufficient and valid;

(c) A preliminary finding that this Agreement is fair, reasonable, adequate and within the range of possible approval;

(d) A preliminary finding that Plaintiffs fairly and adequately represent the interests of the Settlement Class;

(e) A preliminary finding that Settlement Class Counsel are adequate to act as counsel for the Settlement Class and appointing Settlement Class Counsel as counsel to the Settlement Class;

(f) A scheduled date for the Final Fairness Hearing, which the Parties shall request be approximately one hundred fifty (150) days after entry of the Preliminary Approval Order, to determine whether there exists any reasonable basis why the settlement should not be approved as being fair, reasonable and adequate, and in the best interests of the Settlement Class and why Judgment should not be entered thereon;

(g) Establishment of a procedure for filing claims and setting a deadline to file claims that is no later than one hundred and five (105) days after entry of the Preliminary Approval Order;

(h) Establishment of a procedure for members of the Settlement Class to opt-out of the proposed settlement and setting a postmark deadline of one hundred and five (105) days after entry of the Preliminary Approval Order, after which no Settlement Class member shall be allowed to opt-out of the Settlement Class;

(i) Establishment of a procedure for any Settlement Class Member to object to the proposed settlement and setting a postmark deadline of one hundred and five (105) days after entry of the Preliminary Approval Order, after which no Settlement Class Member shall be allowed to object to the proposed settlement;

(j) Establishment of a procedure for any person or government entity noticed pursuant to 28 U.S.C. § 1715, or that claims an entitlement to have been noticed pursuant to 28 U.S.C. § 1715, to object to the proposed settlement and setting a postmark deadline of one hundred and five (105) days after entry of the Preliminary Approval Order, after which no person or government entity shall be allowed to object to the proposed settlement; and

(k) Entry of a stay of all proceedings in the Action except as may be necessary to implement the settlement or comply with the terms of the Agreement.

6.2 Notifications to Governmental Entities. Within the time period provided under 28 U.S.C. § 1715, Defendants shall cause the requisite notifications of the Agreement and the terms thereof to be made to the persons and/or governmental entities or officials identified in the statute.

6.3 Denial of Preliminary Approval Order. If the District Court fails for any reason to enter the Preliminary Approval Order substantially in the form attached hereto as Exhibit C or to certify the Settlement Class for settlement purposes consistent with the provisions hereof, and if all Parties do not agree jointly to appeal such ruling, this Agreement shall terminate and be of no further force or effect without any further action by the Parties. In such an event, nothing in this Agreement (as well as the negotiation, execution or implementation of this Agreement) or filed in connection with seeking entry of the Preliminary Approval Order shall be construed as an admission or concession by Defendants of the allegations raised in the Action, or any other action, of any fault, wrongdoing or liability of any kind, or of the propriety of certification of a litigation class, nor are Defendants estopped from (i) challenging those allegations in further proceedings in the Action or in any other action, and (ii) opposing any subsequent class certification issue(s).

6.4 Opt-Out/Requests for Exclusion.

(a) Requests for Exclusion. Members of the Settlement Class shall be given the opportunity to opt-out of the Settlement Class certified pursuant to Federal Rules of Civil Procedure 23(a) and 23(b)(3). All requests by members of the Settlement Class to be excluded from the Settlement Class must be in writing and mailed to the Settlement Administrator, postmarked no later than one hundred and five (105) days after entry of the Preliminary Approval Order. To be effective, a written request for exclusion also must be personally signed by the member of the Settlement Class and must include: (i) the Settlement Class member's name, address, telephone number; (ii) the address of the property securing the mortgage loan(s); (iii) the account number of the mortgage loan(s); (iv) a sentence confirming, under penalty of perjury, that he or she is a member of the Settlement Class; and (v) the following statement: "I request to be excluded from the Settlement Class in *Harris v. Citigroup, Inc.*, United States District Court, District of Massachusetts, 08-10417." No member of the Settlement Class, or any person acting on behalf of or in concert or participation with that member of the Settlement Class, may exclude any other member of the Settlement Class from the Settlement Class, except in the case of joint borrowers or persons authorized to act on behalf of another, such as the administrator of an estate.

(b) Delivery to Parties/Filing with District Court. The Settlement Administrator shall provide copies of the original requests for exclusion to the Parties by no later than fifteen (15) days after the opt-out deadline. Unless otherwise ordered by the District Court, the Settlement Administrator shall file with the District Court a declaration that lists all of the opt-outs received no later than ten (10) days before the Final Fairness Hearing.

(c) Effect. All members of the Settlement Class who timely and properly exclude themselves from the Settlement Class will not be eligible to receive any payment or other relief pursuant to this Agreement or be bound by any further orders or judgments in the Action, and will preserve their ability independently to pursue any individual claims for damages they may

have against Defendants by filing their own lawsuit or arbitration at their own expense subject to all of Defendants' defenses. In the event of ambiguity as to whether a member of the Settlement Class has requested to be excluded (such as through a submission of both a request for exclusion and a claim form or through unclear potential request for exclusion), the member of the Settlement Class shall be deemed not to have requested exclusion.

(d) Right to Withdraw for Excessive Opt-Outs. If more than two (2.0%) percent of Settlement Class Members successfully request exclusion, Defendants may terminate the Agreement in their sole discretion and the Parties shall be returned to the status quo ante as of the date of this Agreement, for all litigation purposes, as if no settlement had been negotiated or entered into. If Defendants exercise this right to declare the Agreement void, they shall provide Plaintiffs' Counsel with written notice of this election no later than twenty (20) days after the opt-out deadline. If Defendants declare this Agreement void, then the terms of the Agreement and the fact that the Agreement was reached shall not be referred to by the Parties in connection with any further proceedings.

6.5 Objections to Settlement.

(a) Right to Object. Any Settlement Class Member who has filed timely and properly filed an objection may appear at the Final Fairness Hearing to argue that the proposed settlement should not be approved and/or to oppose the application of Settlement Class Counsel for an award of attorneys' fees and costs and the service awards to Plaintiffs.

(b) Deadline. Any such objection must be filed with the Clerk of the United States District Court for the District of Massachusetts, Eastern Division, United States Courthouse, 1 Courthouse Way, Boston, Massachusetts, 02210, postmarked no later than one hundred and five (105) days after entry of the Preliminary Approval Order. Copies of all objections also must be mailed to each of the following, postmarked by the last day to file the objection:

(1) Settlement Class Counsel

Gary Klein, Esq.
Roddy Klein & Ryan
727 Atlantic Avenue
Boston, MA 02111

(2) Defendants' Counsel

Brenda R. Sharton, Esq.
Goodwin Procter LLP
53 State Street
Boston, MA 02109

(c) Content of Objections. All objections must include: (i) the objector's name, address and telephone number; (ii) the property address securing the mortgage loan; (iii) a sentence confirming, under penalty of perjury, that he or she is a Settlement Class Member; (iv) the factual basis and legal grounds for the objection to the settlement; (v) the identity of

witnesses (if any) whom the objector may call to testify at the Final Fairness Hearing; and (vi) copies of exhibits (if any) they intend to offer into evidence at the Final Fairness Hearing.

6.6 The Parties will recommend that any filings, objections, statements, or other submissions by any person or government entity noticed pursuant to 28 U.S.C. § 1715, or that claims an entitlement to have been noticed pursuant to 28 U.S.C. § 1715, shall be filed with the Court and served upon Settlement Class Counsel and Defendants' Counsel no later than one hundred and five (105) days after entry of the Preliminary Approval Order. The Parties also will recommend that any objection by such person or government entity be made by the same method and subject to the same restrictions as set forth in Section 6.5 above.

VII. FINAL APPROVAL OF SETTLEMENT AND OTHER CONDITIONS

7.1 Final Approval Order. On a date to be set by the District Court, Plaintiffs will petition the District Court for an order granting final approval of this settlement, and entering Judgment in the Action, substantially in the form attached hereto as Exhibits D and E respectively. Defendants will assent to any such motion that is consistent with the Agreement. The Final Approval Order will provide:

- (a) That the Action, for purposes of this settlement only, may be maintained as a class action on behalf of the Settlement Class;
- (b) That Plaintiffs fairly and adequately represent the interests of the Settlement Class;
- (c) That Settlement Class Counsel adequately represent Plaintiffs and the Settlement Class;
- (d) That the Direct Mail Notices satisfied the requirements of due process, the Federal Rules of Civil Procedure and any other applicable laws;
- (e) That the settlement is fair, reasonable and adequate to the Settlement Class and that each Settlement Class Member shall be bound by the settlement, including, without limitation, the releases contained in Section 4.1 above;
- (f) That the settlement represents a fair resolution of all claims asserted on behalf of the Settlement Class and should fully and finally resolve all such claims;
- (g) That this Agreement should be, and is, approved;
- (h) The amount of attorneys' fees and costs, and service awards that may be paid from the Settlement Fund;
- (i) Confirm the opt-outs from the settlement;
- (j) Overrule any objections to the settlement;

(k) Dismiss, on the merits and with prejudice, all claims in the Action, including without limitation the Second Amended Complaint, with prejudice, and permanently enjoin each and every Settlement Class Member from commencing, instituting, continuing, pursuing, maintaining, prosecuting, bringing, joining or enforcing, directly or indirectly, in any judicial, administrative, arbitral, or other forum, any Released Claims against any of the Released Parties, and enter Judgment thereon; and

(l) Retain jurisdiction of all matters relating to the modification, interpretation, administration, implementation, effectuation and enforcement of this Agreement and the settlement.

VIII. TERMINATION OF AGREEMENT

8.1 Non-Approval of Agreement. This Agreement is conditioned upon Final Settlement Approval without material modification by the District Court in the Action. In the event that the Agreement is not so approved or otherwise terminates, the Parties shall return to the *status quo ante* with respect to the Action as if no settlement had been negotiated or entered into. Moreover, the Parties shall be deemed to have preserved all of their rights or defenses, and shall not be deemed to have waived any substantive or procedural rights of any kind that they may have as to each other or any member of the proposed Settlement Class, including, without limitation, the right to oppose any class certification motion(s) on any ground. Likewise, in the event that the Agreement is approved without material modification by the District Court, but is later reversed or vacated on appeal, the Parties shall return to the *status quo ante*, for all litigation purposes, as if no Agreement had been negotiated or entered into, and shall not be deemed to have waived any substantive or procedural rights of any kind that they may have as to each other or any member of the proposed Settlement Class, including, without limitation, the right to oppose any class certification motion(s) on any ground.

IX. MISCELLANEOUS PROVISIONS

9.1 Further Assurance. Each of the Parties shall execute all documents and perform all acts necessary and proper to effectuate the terms of this Agreement.

9.2 Publicity and Non-Disparagement. Plaintiffs and Plaintiffs' Counsel shall refrain from disparaging Defendants, or taking any action designed to harm the public perception of Defendants regarding any issue related to the settlement or the Action. None of the Parties or their counsel shall issue press releases or otherwise communicate with the media regarding this Agreement or the settlement contemplated hereby except as set forth herein or as may be required by law. Prior to submission of the settlement to the District Court for preliminary approval, the Parties may work in good faith to develop a joint agreed statement regarding the settlement which may be made publicly available (following the beginning of mailing to the Settlement Class of the Direct Mail Notices) and develop joint agreed responses to likely questions from Settlement Class Members, as well as to provide informational materials to be used by the Settlement Administrator, although the Parties are under no obligation to create any such statement or joint agreed responses to likely questions. Nothing in this section is intended to prevent Settlement Class Counsel from responding to communications from Settlement Class Members regarding the settlement.

9.3 Entire Agreement. This Agreement constitutes the entire agreement between and among the Parties with respect to the settlement of the Action. This Agreement supersedes all prior negotiations and agreements, including, without limitation, the “Terms of Agreement in Principle” executed at the April 15, 2011 mediation. The Parties, and each of them, represent and warrant that no other party or any agent or attorney of any of the Parties has made any promise, representation or warranty whatsoever not contained in this Agreement and the other documents referred to in this Agreement to induce them to execute the same. The Parties, and each of them, represent and warrant that they have not executed this Agreement or the other documents referred to in this Agreement in reliance on any promise, representation or warranty not contained in this Agreement and the other documents referred to in this Agreement.

9.4 Confidentiality. Any and all drafts of this Agreement and other documents relating to the negotiations between the Parties will remain confidential and will not be disclosed except as necessary to obtain preliminary and/or final court approval or otherwise to implement and enforce the terms of this Agreement. This provision will not prohibit the Parties from submitting this Agreement to any court of competent jurisdiction in order to obtain preliminary and/or final approval of the settlement or otherwise to implement and enforce the terms of this Agreement. Pursuant to the terms of the Protective Order in the Action, all materials produced or provided by a Party that contain Confidential Information or Attorneys’ Eyes Only Information shall be returned or disposed of in accordance with the terms of the Protective Order. For the avoidance of doubt, nothing in this Agreement or in the Protective Order shall prevent any Party from implementing and enforcing the terms of this Agreement.

9.5 This Agreement is not an Admission. The Parties hereto agree that this Agreement (including, without limitation, its exhibits), and any and all negotiations, documents and discussions associated with it, shall be without prejudice to the rights, positions or privileges of any Party (except as expressly provided for in this Agreement, including, without limitation, its exhibits), and shall not be deemed or construed to be an admission or evidence of any violation of any statute, law, rule, regulation or principle of common law or equity, or of any liability or wrongdoing by Defendants, or of the truth of any of the claims alleged in the Action, and evidence thereof shall not be discoverable or used, directly or indirectly, in any way, whether in the Action or in any other action or proceeding, except for purposes of demonstrating, describing, implementing or enforcing the terms and conditions of this Agreement, the Preliminary Approval Order, the Final Approval Order and/or the Judgment.

9.6 Representations and Warranties.

(a) Plaintiffs, Settlement Class Counsel, and Defendants represent and warrant that they have not, nor will they (i) attempt to void this Agreement in any way (unless provided for under the terms of this Agreement); (ii) opt-out of the Settlement under this Agreement; (iii) solicit or encourage in any fashion Settlement Class Members to opt-out; or (iv) solicit or encourage in any fashion any effort by any person (natural or legal) to object to the Settlement under this Agreement.

(b) Plaintiffs and Settlement Class Counsel represent and warrant that they will not use or seek to use the discovery obtained in the Action in any other claim, proceeding, action or litigation against Defendants or any Released Person. Plaintiffs and Settlement Class Counsel

further represent and warrant that they will not seek to use the fact or content of the Settlement in any other claim, proceeding, action or litigation, other than any claim, proceeding, action or litigation arising out of the enforcement of this Agreement itself, against Defendant or any Released Person to establish or attempt to establish (i) Defendants' or any Released Person's liability, and/or (ii) that class treatment or certification is required or appropriate.

9.7 Successors and Assigns. The Agreement shall be binding upon, and inure to the benefit of, the heirs, successors and assigns of the Parties.

9.8 Competency of Parties. The Parties, and each of them, acknowledge, warrant, represent and agree that in executing and delivering this Agreement, they do so freely, knowingly and voluntarily, that they had an opportunity to and did discuss its terms and their implications with legal counsel, they are fully aware of the contents and effect of the Agreement and that such execution and delivery is not the result of any fraud, duress, mistake or undue influence whatsoever.

9.9 Authority. The person signing this Agreement on behalf of each of the Defendants warrants and represents that he or she is authorized to sign on each of the Defendants' behalf. Each of the Plaintiffs has personally signed this Agreement.

9.10 Modification. No modification of or amendment to this Agreement shall be valid unless it is in writing and signed by all Parties hereto or agreed to on the record in the District Court.

9.11 Construction. Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any of the Parties on the basis that such Party was deemed to be the drafter. Before declaring any provision of this Agreement invalid, the court shall first attempt to construe the provision valid to the fullest extent possible consistent with applicable precedent so as to find all provisions of this Agreement valid and enforceable. After applying this rule of construction and still finding a provision invalid, the court shall thereupon interpret the invalid provision to the fullest extent possible to otherwise enforce the invalid provision. The invalidity of any one provision shall not render this Agreement otherwise invalid and unenforceable unless the provision found to be invalid materially affects the terms of this Agreement after application of the rules of construction set forth in this paragraph.

9.12 No Waiver. The failure of any of the Parties to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, or any other provision, nor in any way to affect the validity of this Agreement or any part hereof, or the right of any of the Parties thereafter to enforce that provision or each and every other provision. No waiver of any breach of this Agreement shall constitute or be deemed a waiver of any other breach.

9.13 Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

9.14 Notices/Communications. All requests, demands, claims and other communications hereunder shall: (a) be in writing; (b) be delivered by U.S. Mail and facsimile;

(c) be deemed to have been duly given on the date received; and (d) be addressed to the intended recipient as set forth below:

If to Plaintiffs or the Settlement Class:

Gary Klein, Esq.
Roddy Klein & Ryan
727 Atlantic Avenue
Boston, MA 02111

If to Defendants:

Brenda R. Sharton, Esq.
Goodwin Procter LLP
53 State Street
Boston, MA 02109

Each of the Parties may change the address to which requests, demands, claims or other communications hereunder are to be delivered by giving the other Parties notice in the manner set forth herein.

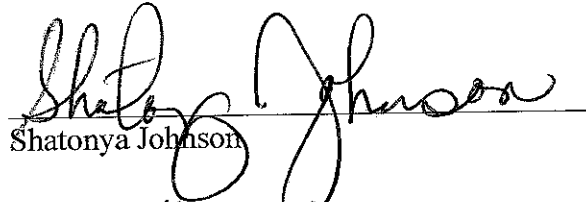
9.15 Headings. The headings used in this Agreement are for the convenience of the reader only and shall not affect the meaning or interpretation of this Agreement.

9.16 Counterparts. This Agreement may be executed in one or more counterparts and, if so executed, the various counterparts shall be and constitute one instrument for all purposes and shall be binding on each of the Parties that executed it, provided, however, that none of the Parties shall be bound unless and until all Parties have executed this Agreement. For convenience, the several signature pages may be collected and annexed to one or more documents to form a complete counterpart. Photocopies of executed copies of this Agreement may be treated as originals.

9.17 Sealed Instrument. It is understood that agreed by the Parties that the terms of this Agreement are contractual, not a mere recital, and that this Agreement shall take effect as a sealed instrument.

Accepted and Agreed

SHATONYA JOHNSON


Shatonya Johnson

Date: 21 JUL 2011

REPRESENTATIVE PLAINTIFF

MATEO HUERTA

Mateo Huerta

Date: _____

REPRESENTATIVE PLAINTIFF

KEVIN NICHOLSON

Kevin Nicholson

Date: _____

REPRESENTATIVE PLAINTIFF

Accepted and Agreed

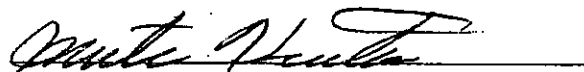
SHATONYA JOHNSON

Shatonya Johnson

Date: _____

REPRESENTATIVE PLAINTIFF

MATEO HUERTA


Mateo Huerta

Date: 07-20-2011

REPRESENTATIVE PLAINTIFF

KEVIN NICHOLSON

Kevin Nicholson

Date: _____

REPRESENTATIVE PLAINTIFF

Accepted and Agreed

SHATONYA JOHNSON

Shatonya Johnson

Date: _____

REPRESENTATIVE PLAINTIFF

MATEO HUERTA

Mateo Huerta

Date: _____

REPRESENTATIVE PLAINTIFF

KEVIN NICHOLSON


Kevin Nicholson

Date: July 21, 2011

REPRESENTATIVE PLAINTIFF

Accepted and Agreed

CITIGROUP, INC.

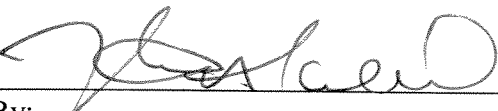
By: 

Title: Asst Secy

Date: 7/27/11

DEFENDANT

CITIMORTGAGE, INC.

By: 


Title: Senior Vice President

Date: 7/28/11

DEFENDANT

Accepted and Approved as to Form

RODDY KLEIN & RYAN



By: KEVIN COSTELLO

Date: 7.25.11

ATTORNEYS FOR PLAINTIFFS

**BONNETT, FAIRBOURN, FRIEDMAN &
BALINT, P.C.**

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

**THE LAW OFFICES OF AL HOFELD
JR., LLC**

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

**NATIONAL CONSUMER LAW CENTER,
INC.**

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

Accepted and Approved as to Form

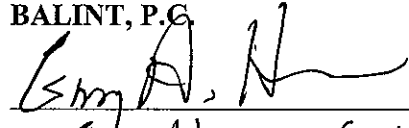
RODDY KLEIN & RYAN

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

**BONNETT, FAIRBOURN, FRIEDMAN &
BALINT, P.C.**

By:  _____
By: Emily Harrison for Wendy Harrison

Date: Aug. 1, 2011

ATTORNEYS FOR PLAINTIFFS

**THE LAW OFFICES OF AL HOFELD
JR., LLC**

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

**NATIONAL CONSUMER LAW CENTER,
INC.**

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

Accepted and Approved as to Form

RODDY KLEIN & RYAN

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

**BONNETT, FAIRBOURN, FRIEDMAN &
BALINT, P.C.**

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

**THE LAW OFFICES OF AL HOFELD
JR., LLC**

By: Al Hofeld

Date: July 28, 2011

ATTORNEYS FOR PLAINTIFFS

**NATIONAL CONSUMER LAW CENTER,
INC.**

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

Accepted and Approved as to Form

RODDY KLEIN & RYAN

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

**BONNETT, FAIRBOURN, FRIEDMAN &
BALINT, P.C.**

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

**THE LAW OFFICES OF AL HOFELD
JR., LLC**

By: _____

Date: _____

ATTORNEYS FOR PLAINTIFFS

**NATIONAL CONSUMER LAW CENTER,
INC.**



By: STUART T. ROSSMAN

Date: 7/28/11

ATTORNEYS FOR PLAINTIFFS

Accepted and Approved as to Form

GOODWIN PROCTER LLP



By: Brenda Shanton

Date: 8/1/11

ATTORNEYS FOR DEFENDANTS

EXHIBIT A - 1

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION
LAWSUIT TO CITIMORTGAGE, INC. BORROWERS**

You have received this Notice because you were identified as someone who may be eligible to receive valuable benefits provided under the proposed settlement of a class action lawsuit as described below. You are eligible for benefits if you are African-American or Hispanic and obtained a residential mortgage loan from CitiMortgage, Inc. between January 1, 2004 and June 24, 2011.

THIS NOTICE COULD AFFECT YOUR RIGHTS – PLEASE READ IT CAREFULLY

***PARA UNA TRADUCCIÓN AL ESPAÑOL DE ESTE AVISO, POR FAVOR
CONSULTE WWW.SETTLEMENTWEBSITE.COM.***

This Notice and attached Claim Form are sent to you by order of the United States District Court for the District of Massachusetts. It summarizes a proposed settlement of a class action lawsuit titled *Harris et al. v. Citigroup, Inc. et al.*, Case No. 08-10417 (“*Harris Lawsuit*”). In that case, several individuals (the “Plaintiffs”) sued Citigroup, Inc. (“Citigroup”) and CitiMortgage, Inc. (“CitiMortgage”) (together, Citigroup and CitiMortgage are the “Defendants”), claiming that CitiMortgage had a policy and practice of affording employees and the mortgage brokers with whom it dealt discretion in setting the pricing terms of loans. Plaintiffs further alleged that the availability of this discretion resulted in higher-cost loans to African-American and Hispanic borrowers than to white borrowers with the same credit characteristics. Plaintiffs specifically identified yield spread premiums as an example of the pricing discretion that is afforded to mortgage brokers. Based on these allegations, Plaintiffs claimed that Defendants are liable for disparate impact discrimination under the Equal Credit Opportunity Act, 15 U.S.C. §§ 1691, et seq. (“ECOA”), and the Fair Housing Act, 42 U.S.C. §§ 3601, et seq. (“FHA”). Plaintiffs sought both actual and punitive damages, in addition to injunctive and declaratory relief.

Defendants deny all allegations of wrongdoing and contend that they fully complied with the law. More specifically, Defendants contend that there were no facts indicating that CitiMortgage’s loan origination practices at issue resulted in higher-cost loans being made to minority borrowers, or resulted in any discriminatory or other adverse impacts on minority borrowers.

Who is a Settlement Class Member?

If you are African-American or Hispanic and you obtained a residential real estate loan **between January 1, 2004 and June 24, 2011** from CitiMortgage, you are a “Settlement Class Member.” **According to Defendants’ records, each person to whom this Notice is being sent is likely to be a Settlement Class Member.**

What are the terms of the proposed Settlement?

The complete terms of the proposed settlement are set forth in a formal Settlement Agreement (the “Agreement”) which is on file with the Court. This Notice is only a summary of the Settlement, and in case of any conflict between this Notice and the Agreement, the terms of the Agreement will control. The Settlement, if approved, would resolve all of the claims alleged in

the *Harris* lawsuit and all other pending cases involving similar issues, regardless of whether the litigation is specifically identified in this Notice or in the Agreement.

In the proposed Settlement, Defendants have agreed to:

- Fund telephonic housing counseling services offered by a third-party non-profit organization;
- Maintain fair lending compliance policies and programs;
- Provide either a payment or a closing cost credit to only those Settlement Class Members who obtained a residential real estate loan through a third party broker; and
- Pay certain attorneys' fees and representative plaintiffs awards to Settlement Class Counsel and Plaintiffs, respectively.

The settlement benefits are summarized below.

Borrower Assistance Programs. Defendants have agreed to fund, up to one hundred thousand dollars (\$100,000), telephonic housing counseling services ("Counseling Services") to Settlement Class Members for a period of one year following the date when the Court gives final approval to the Settlement. Such Counseling Services shall be accessed by a toll free number through a reputable non-profit outside provider selected by Settlement Class Counsel. Defendants shall have no involvement with the selection or retention of the provider of the Counseling Services. If the settlement is approved, information about how to receive Counseling Services will be available on the Settlement Website: www.settlementwebsite.com

Fair Lending Compliance Policies and Programs. Defendants represent that CitiMortgage has a policy of not allowing discretionary pricing and have agreed to continue that policy. Defendants further agree to continue CitiMortgage's enhanced Fair Lending Policy that addresses the claims raised by Plaintiffs in this litigation, and that CitiMortgage has trained, and will re-train as necessary, all employees who are in any way involved with mortgage loan origination with respect to fair lending issues.

Payments or Closing Cost Credits. If the Settlement is approved by the Court, Settlement Class Members who received a residential loan through a third party broker and have filed a claim form will be eligible to receive either a one-time payment of ninety dollars (\$90.00) ("Payment") or a voucher for a credit in the amount of two hundred dollars (\$200.00) ("Voucher") against the closing costs incurred in your next residential mortgage loan obtained from CitiMortgage or any CitiMortgage subsidiary. Claim forms have only been provided to those individuals identified through CitiMortgage's records as Settlement Class Members who received a residential loan through a third party broker.

Attorneys' Fees and Representative Plaintiffs' Awards. Plaintiffs' counsel will ask the Court to award them up to \$400,000, and to award each of the Plaintiffs \$5,000 (for a total of \$415,000 in fees, costs and service awards). The Court will determine the appropriate amount of the awards to be paid separately and in addition to any benefits for which you are eligible. The Settlement is not conditioned upon approval of any of the attorneys' fees, costs or service award amounts.

What Happens Next?

The Court will hold a “Final Fairness Hearing” on _____, **2011**, at _____ A.M./P.M. at the United States District Court for the District of Massachusetts, 1 Courthouse Way, Courtroom #10, Boston, MA 02210, to hear any objections and to consider whether to give final approval to the Settlement. The Court will only hear objections at the hearing from those who timely object to the Settlement (see below). You may participate in the Final Fairness Hearing with or without an attorney, but if you choose to be represented by an attorney you must do so at your own expense. **YOU DO NOT HAVE TO APPEAR AT THE HEARING TO RECEIVE THE BENEFITS OF THE SETTLEMENT.**

What Are Your Options?

Participate in the Settlement. If you wish to remain a part of the Settlement in order to be eligible for the Housing Counseling Services, you do not have to do anything now. You automatically will be eligible for the Housing Counseling Services if the Settlement receives final approval from the Court.

Opt Out of the Settlement. If you choose to exclude yourself, or “opt out,” of the Settlement, you must send a written statement to the Settlement Administrator that includes: (1) your name, address, telephone number; (2) the address of the property securing your mortgage loan(s); (3) the account number of your mortgage loan(s); (iv) a sentence confirming, under penalty of perjury, that you are a Settlement Class Member; and (v) the following statement: “I request to be excluded from the Settlement in *Harris v. Citigroup, Inc.*, United States District Court, District of Massachusetts, 08-10417.” You must personally sign your written “opt-out” statement and **mail it postmarked by _____, 2011 to the following address:**

[Settlement Administrator name]

[address]

[city, state, zip]

If you do not opt out, you will be bound by this Settlement.

Object to the Settlement. You may remain a member of the Settlement Class, but object to the terms of the Settlement. You may object to all or any portion of the Settlement at the Final Fairness Hearing, but you must first explain your objections in writing. All objections must include: (1) your name, address and telephone number; (2) the account number(s) of your loan(s); (3) a sentence confirming, under penalty of perjury, that you are a Settlement Class Member; (4) the factual basis and legal grounds for your objection; (5) the identity of any witnesses whom you may call to testify at the Final Fairness Hearing; and (6) copies of any exhibits you intend to offer into evidence at the Final Fairness Hearing. To be considered, objections must: **(1) be mailed to the lawyers handling the case for each side postmarked by _____, 2011; and (2) filed with the court no later than _____, 2011.**

The three addresses are:

Counsel for Plaintiffs

Gary E. Klein, Esq.
Roddy Klein & Ryan
727 Atlantic Ave.
Boston, MA 02111

Counsel for Defendants

Brenda R. Sharton, Esq.
Goodwin Procter LLP
53 State Street
Boston, MA 02109

The Court

Clerk, United States District Court for the District of Massachusetts
1 Courthouse Way, Suite 2300
Boston, Massachusetts 02210

You have the right to consult with your own attorney, at your own expense, before deciding how best to proceed.

What claims will be released by this Settlement?

If the Settlement receives final approval from the Court, the Settlement will be legally binding on all Settlement Class Members, including Settlement Class Members who object. If you, or someone acting on your behalf, are currently litigating claims against Defendants or other released parties, you will be barred from pursuing the claims released by the Settlement unless you validly “opt out” as described above. The full terms of the release, which will bind all Settlement Class Members as to certain claims against the Defendants and certain affiliates and related entities (“Released Parties”), are set forth in the Agreement which is on file with the Court. In summary, you will release all race discrimination claims relating to the origination of your mortgage loan(s), including any claim that race discrimination caused you to pay more for your mortgage than you should have paid, or caused you to be placed in a loan that was not suitable for you (“Released Claims”). The release provides:

As of the Effective Date, Plaintiffs and each Settlement Class Member, and each of their respective spouses, heirs, executors, administrators, representatives, agents, attorneys, partners, successors, bankruptcy trustees, guardians, wards, joint tenants, tenants in common, tenants by the entirety, co-borrowers, joint-borrowers, guarantors, predecessors-in-interest, assigns and all persons acting for or on their behalf fully, finally and completely release and forever discharge, and shall be deemed to have fully, finally, completely released and forever discharged, the Released Parties, and each of them, from any and all actual or potential claim, right, demand, charge, complaint, action, cause of action, suit, counterclaim, cross-claim, third-party claim, contention, allegation, obligation, assertion of wrongdoing or liability of any and every kind whatsoever for lending discrimination associated with the origination of Loans or any activities attendant to the origination of Loans, including, without limitation, those based on contract, ECOA,

and/or the FHA, or any other federal, state, local or other law, statute, regulation, or principle of common law or equity, including, without limitation, all claims for monetary, equitable, declaratory, injunctive, or any other form of relief, whether known or unknown, suspected or unsuspected, under the law of any jurisdiction, which Plaintiffs or any Settlement Class Member ever had, now has, or may have in the future, resulting from, arising out of, or in any way, directly or indirectly, connected with (a) the claims raised in the Action, or (b) any claims which could have been raised in the Action based on the same transactional nucleus of facts.

This paragraph constitutes a waiver of Section 1542 of the California Civil Code (and any similar or comparable provisions, rights and benefits conferred by the law of any state or territory of the United States or any jurisdiction, and any principle of common law or equity), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs and each Settlement Class Member understand and acknowledge the significance of these waivers of California Civil Code Section 1542 and/or of any other applicable law relating to limitations on releases. In connection with such waivers and relinquishment, Plaintiffs and each Settlement Class Member acknowledge that they are aware that they may hereafter discover facts other than, in addition to, or different from, those facts which they now know or believe to be true with respect to the subject matter of the settlement, and that they fully, finally and forever release and discharge all Released Claims, and in furtherance of such intention, the release will remain in effect notwithstanding the discovery or existence of any such other, additional or different facts.

More Information Is Available

This Notice is only a summary of the Settlement and the Agreement. If you have questions regarding the Settlement, or would like to review a copy of the Agreement, please contact the Settlement Administrator:

[Settlement Administrator name]
[address]
[city, state, zip]

You may also review the Court's file during regular court hours at:

U.S. District Court for the District of Massachusetts
1 Courthouse Way, Suite 2300
Boston, Massachusetts 02210

You may also find additional information at the settlement website at www.settlementwebsite.com.

PLEASE DO NOT TELEPHONE THE COURT, THE JUDGE, OR THE CLERK OF THE COURT.

Dated: _____, 2011

By Order of the United States District Court for the District of Massachusetts.

EXHIBIT A - 2

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION
LAWSUIT TO CITIMORTGAGE, INC. BORROWERS**

You have received this Notice because you were identified as someone who may be eligible to receive valuable benefits provided under the proposed settlement of a class action lawsuit as described below. You are eligible for benefits if you are African-American or Hispanic and obtained a residential mortgage loan between January 1, 2004 and December 31, 2006 from CitiMortgage, Inc. through a third-party mortgage broker.

THIS NOTICE COULD AFFECT YOUR RIGHTS – PLEASE READ IT CAREFULLY

***PARA UNA TRADUCCIÓN AL ESPAÑOL DE ESTE AVISO, POR FAVOR
CONSULTE WWW.SETTLEMENTWEBSITE.COM.***

This Notice and attached Claim Form are sent to you by order of the United States District Court for the District of Massachusetts. It summarizes a proposed settlement of a class action lawsuit titled *Harris et al. v. Citigroup, Inc. et al.*, Case No. 08-10417 (“*Harris Lawsuit*”). In that case, several individuals (the “Plaintiffs”) sued Citigroup, Inc. (“Citigroup”) and CitiMortgage, Inc. (“CitiMortgage”) (together, Citigroup and CitiMortgage are the “Defendants”), claiming that CitiMortgage had a policy and practice of affording employees and the mortgage brokers with whom it dealt discretion in setting the pricing terms of loans. Plaintiffs further alleged that the availability of this discretion resulted in higher-cost loans to African-American and Hispanic borrowers than to white borrowers with the same credit characteristics. Plaintiffs specifically identified yield spread premiums as an example of the pricing discretion that is afforded to mortgage brokers. Based on these allegations, Plaintiffs claimed that Defendants are liable for disparate impact discrimination under the Equal Credit Opportunity Act, 15 U.S.C. §§ 1691, et seq. (“ECOA”), and the Fair Housing Act, 42 U.S.C. §§ 3601, et seq. (“FHA”). Plaintiffs sought both actual and punitive damages, in addition to injunctive and declaratory relief.

Defendants deny all allegations of wrongdoing and contend that they fully complied with the law. More specifically, Defendants contend that there were no facts indicating that CitiMortgage’s loan origination practices at issue resulted in higher-cost loans being made to minority borrowers, or resulted in any discriminatory or other adverse impacts on minority borrowers.

Who is a Settlement Class Member?

If you are African-American or Hispanic and you obtained a residential real estate loan **between January 1, 2004 and December 31, 2006** from CitiMortgage, Inc. **through a third-party mortgage broker**, you are a “Settlement Class Member.”

What are the terms of the proposed Settlement?

The complete terms of the proposed settlement are set forth in a formal Settlement Agreement (the “Agreement”) which is on file with the Court. This Notice is only a summary of the Settlement, and in case of any conflict between this Notice and the Agreement, the terms of the

Agreement will control. The Settlement, if approved, would resolve all of the claims alleged in the *Harris* lawsuit and all other pending cases involving similar issues, regardless of whether the litigation is specifically identified in this Notice or in the Agreement.

In the proposed Settlement, Defendants have agreed to:

- Fund telephonic housing counseling services offered by a third-party non-profit organization;
- Maintain fair lending compliance policies and programs;
- Provide either a payment or a closing cost credit **to only those Settlement Class Members who make timely claims**; and
- Pay certain attorneys' fees and representative plaintiffs awards to Settlement Class Counsel and Plaintiffs, respectively.

The settlement benefits are summarized below.

Borrower Assistance Programs. Defendants have agreed to fund, up to one hundred thousand dollars (\$100,000), telephonic housing counseling services ("Counseling Services") to Settlement Class Members for a period of one year following the date when the Court gives final approval to the Settlement. Such Counseling Services shall be accessed by a toll free number through a reputable non-profit outside provider selected by Settlement Class Counsel. Defendants shall have no involvement with the selection or retention of the provider of the Counseling Services. If the settlement is approved, information about how to receive Counseling Services will be available on the Settlement Website: www.settlementwebsite.com

Fair Lending Compliance Policies and Programs. Defendants represent that CitiMortgage has a policy of not allowing discretionary pricing and have agreed to continue that policy. Defendants further agree to continue CitiMortgage's enhanced Fair Lending Policy that addresses the claims raised by Plaintiffs in this litigation, and that CitiMortgage has trained, and will re-train as necessary, all employees who are in any way involved with mortgage loan origination with respect to fair lending issues,

Payments or Closing Cost Credits. If the Settlement is approved by the Court, some Settlement Class Members will be eligible to receive either a one-time payment of ninety dollars (\$90.00) ("Payment") or a voucher for a credit in the amount of two hundred dollars (\$200.00) ("Voucher") (valid for two years from date of issuance) against the closing costs incurred in your next residential mortgage loan obtained from CitiMortgage or any CitiMortgage subsidiary, provided that you are otherwise eligible to obtain the mortgage loan under CitiMortgage's then-existing lending and underwriting policies. Because you received this form of notice, you are eligible for this benefit. If you wish to receive a payment or closing cost credit, please fill out, sign, and return the enclosed claim form to the Settlement Administrator. **THE CLAIM FORM MUST BE POSTMARKED ON OR BEFORE _____, 2011 OR IT WILL NOT BE ACCEPTED.**

Attorneys' Fees and Representative Plaintiffs' Awards. Plaintiffs' counsel will ask the Court to award them up to \$400,000, and to award each of the Plaintiffs \$5,000 (for a total of \$415,000 in fees, costs and service awards). The Court will determine the appropriate amount of the awards to be paid separately and in addition to any benefits for which you are eligible. The Settlement is not conditioned upon approval of any of the attorneys' fees, costs or service award amounts.

What Happens Next?

The Court will hold a "Final Fairness Hearing" on _____, **2011**, at _____ A.M./P.M. at the United States District Court for the District of Massachusetts, 1 Courthouse Way, Courtroom #10, Boston, MA 02210, to hear any objections and to consider whether to give final approval to the Settlement. The Court will only hear objections at the hearing from those who timely object to the Settlement (see below). You may participate in the Final Fairness Hearing with or without an attorney, but if you choose to be represented by an attorney you must do so at your own expense. **YOU DO NOT HAVE TO APPEAR AT THE HEARING TO RECEIVE THE BENEFITS OF THE SETTLEMENT.**

What Are Your Options?

Participate in the Settlement. If you wish to remain a part of the Settlement in order to be eligible for the Housing Counseling Services, you do not have to do anything now. If you wish to receive either the Payment or the Voucher for your valid claim(s), **you must mail a completed claim form postmarked on or before _____, 2011. The Claim Form is enclosed with this Notice.** You will also automatically be eligible for the Housing Counseling Services if the Settlement receives final approval from the Court.

Opt Out of the Settlement. If you choose to exclude yourself, or "opt out," of the Settlement, you must send a written statement to the Settlement Administrator that includes: (1) your name, address, telephone number; (2) the address of the property securing your mortgage loan(s); (3) the account number of your mortgage loan(s); (iv) a sentence confirming, under penalty of perjury, that you are a Settlement Class Member; and (v) the following statement: "I request to be excluded from the Settlement in *Harris v. Citigroup, Inc.*, United States District Court, District of Massachusetts, 08-10417." You must personally sign your written "opt-out" statement and **mail it postmarked by _____, 2011 to the following address:**

[Settlement Administrator name]

[address]

[city, state, zip]

If you do not opt out, you will be bound by this Settlement.

Object to the Settlement. You may remain a member of the Settlement Class, but object to the terms of the Settlement. You may object to all or any portion of the Settlement at the Final Fairness Hearing, but you must first explain your objections in writing. All objections must include: (1) your name, address and telephone number; (2) the account number(s) of your

loan(s); (3) a sentence confirming, under penalty of perjury, that you are a Settlement Class Member; (4) the factual basis and legal grounds for your objection; (5) the identity of any witnesses whom you may call to testify at the Final Fairness Hearing; and (6) copies of any exhibits you intend to offer into evidence at the Final Fairness Hearing. To be considered, objections must: **(1) be mailed to the lawyers handling the case for each side postmarked by _____, 2011; and (2) filed with the court no later than _____, 2011.**

The three addresses are:

Counsel for Plaintiffs

Gary E. Klein, Esq.
Roddy Klein & Ryan
727 Atlantic Ave.
Boston, MA 02111

Counsel for Defendants

Brenda R. Sharton, Esq.
Goodwin Procter LLP
53 State Street
Boston, MA 02109

The Court

Clerk, United States District Court for the District of Massachusetts
1 Courthouse Way, Suite 2300
Boston, Massachusetts 02210

You have the right to consult with your own attorney, at your own expense, before deciding how best to proceed.

What claims will be released by this Settlement?

If the Settlement receives final approval from the Court, the Settlement will be legally binding on all Settlement Class Members, including Settlement Class Members who object. If you, or someone acting on your behalf, are currently litigating claims against Defendants or other released parties, you will be barred from pursuing the claims released by the Settlement unless you validly “opt out” as described above. The full terms of the release, which will bind all Settlement Class Members as to certain claims against the Defendants and certain affiliates and related entities (“Released Parties”), are set forth in the Agreement which is on file with the Court. In summary, you will release all race discrimination claims relating to the origination of your mortgage loan(s), including any claim that race discrimination caused you to pay more for your mortgage than you should have paid, or caused you to be placed in a loan that was not suitable for you (“Released Claims”). The release provides:

As of the Effective Date, Plaintiffs and each Settlement Class Member, and each of their respective spouses, heirs, executors, administrators, representatives, agents, attorneys, partners, successors, bankruptcy trustees, guardians, wards, joint tenants, tenants in common, tenants by the entirety, co-borrowers, joint-borrowers, guarantors, predecessors-in-interest, assigns and all persons acting for or on their behalf fully, finally and completely release and forever discharge, and shall be deemed to have fully, finally, completely released and forever discharged, the Released Parties, and each of them, from any and all actual or potential claim, right, demand, charge, complaint, action, cause of action, suit, counterclaim, cross-claim, third-party claim, contention, allegation, obligation, assertion of wrongdoing or liability of any and every kind whatsoever for lending discrimination associated with the origination of Loans or any activities attendant to the origination of Loans, including, without limitation, those based on contract, ECOA, and/or the FHA, or any other federal, state, local or other law, statute, regulation, or principle of common law or equity, including, without limitation, all claims for monetary, equitable, declaratory, injunctive, or any other form of relief, whether known or unknown, suspected or unsuspected, under the law of any jurisdiction, which Plaintiffs or any Settlement Class Member ever had, now has, or may have in the future, resulting from, arising out of, or in any way, directly or indirectly, connected with (a) the claims raised in the Action, or (b) any claims which could have been raised in the Action based on the same transactional nucleus of facts.

This paragraph constitutes a waiver of Section 1542 of the California Civil Code (and any similar or comparable provisions, rights and benefits conferred by the law of any state or territory of the United States or any jurisdiction, and any principle of common law or equity), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs and each Settlement Class Member understand and acknowledge the significance of these waivers of California Civil Code Section 1542 and/or of any other applicable law relating to limitations on releases. In connection with such waivers and relinquishment, Plaintiffs and each Settlement Class Member acknowledge that they are aware that they may hereafter discover facts other than, in addition to, or different from, those facts which they now know or believe to be true with respect to the subject matter of the settlement, and that they fully, finally and forever release and discharge all Released Claims, and in furtherance of such intention, the release will remain in effect notwithstanding the discovery or existence of any such other, additional or different facts.

More Information Is Available

This Notice is only a summary of the Settlement and the Agreement. If you have questions regarding the Settlement, or would like to review a copy of the Agreement, please contact the Settlement Administrator:

[Settlement Administrator name]

[address]

[city, state, zip]

You may also review the Court's file during regular court hours at:

U.S. District Court for the District of Massachusetts
1 Courthouse Way, Suite 2300
Boston, Massachusetts 02210

You may also find additional information at the settlement website at www.settlementwebsite.com.

PLEASE DO NOT TELEPHONE THE COURT, THE JUDGE, OR THE CLERK OF THE COURT.

Dated: _____, 2011

By Order of the United States District Court for the District of Massachusetts.

EXHIBIT B

CLAIM INFORMATION AND FORM

This Claim Form accompanies the Notice of Proposed Settlement of Class Action in *Harris et al. v. Citigroup, Inc. et al.*, United States District Court, District of Massachusetts, Case No. 08-10417.

PLEASE READ THE NOTICE BEFORE READING OR FILLING OUT THIS FORM!

You have received this claim form because you have been identified as a CitiMortgage, Inc. borrower who may be eligible to receive valuable benefits under the terms of the proposed Settlement of this case. The following persons are eligible to submit a claim:

All African-American or Hispanic persons throughout the United States who, between January 1, 2004 and December 31, 2006, obtained residential closed-end real estate secured mortgage loans from CitiMortgage, Inc. through a third-party mortgage broker.

ONLY CLAIMS POSTMARKED BEFORE THE DEADLINE OF _____, 2011 WILL BE CONSIDERED.

INSTRUCTIONS

The benefits provided by the proposed Settlement of this action are described in the accompanying Notice and are on file with the Court. Some additional instructions which may or may not apply to you are as follows.

Multiple Borrowers: Settlement Fund payments will be based on the number of loans, not the number of borrowers. If more than one person is or was liable under the loan ("joint borrowers"), they will be treated for these purposes as if they have a single claim. If only one claim form is timely submitted, the entire amount of the joint borrowers' claim will be paid to that person. If more than one claim form is timely submitted, the claim will be paid by check to the joint borrowers.

Deceased Persons: If the borrower is deceased, the representatives of his/her estate may make a claim for the estate. Claims on behalf of deceased persons should be submitted by a person authorized to act on behalf of the deceased person's estate together with proof of such authorization.

CLAIM FORMS MUST BE POSTMARKED ON OR BEFORE _____, 2011. ALL CLAIMS SUBMITTED BEARING A POSTMARK AFTER THAT DATE WILL BE DENIED. CLAIMS WILL NOT BE PAID UNTIL THE SETTLEMENT IS FINAL. PLEASE DO NOT CONTACT THE COURT, THE DEFENDANTS, OR DEFENDANTS' COUNSEL. THE DEFENDANTS' REPRESENTATIVES ARE NOT AUTHORIZED TO CHANGE THE TERMS OF THE AGREEMENT. UPDATED INFORMATION ABOUT THE STATUS OF THE SETTLEMENT WILL BE AVAILABLE ON THE SETTLEMENT ADMINISTRATOR'S WEBSITE: www.settlementwebsite.com. ACCURATE CLAIMS PROCESSING TAKES TIME; IT WILL LIKELY BE ABOUT FOUR TO SIX MONTHS BEFORE YOU RECEIVE ANY CHECK OR VOUCHER. THANK YOU FOR YOUR PATIENCE.

CLAIM FORM

Harris et al. v. Citigroup, Inc. et al.
United States District Court, District of Massachusetts, Case No. 08-10417

BORROWER INFORMATION

First Name: _____

Middle Name: _____

Last Name: _____

Current Street Address: _____

City, State and Zip: _____

Daytime Telephone Number: _____

Email (optional): _____

CO-BORROWER INFORMATION (if any)

First Name: _____

Middle Name: _____

Last Name: _____

Current Street Address: _____

City, State and Zip: _____

Daytime Telephone Number: _____

Email (optional): _____

LOAN AND PROPERTY INFORMATION

Account Number of Residential Loan (if known): _____

Property Address (if different than your current address):

Street Address: _____

City, State and Zip: _____

If you have or had more than one mortgage loan from Citimortgage, Inc., as obtained through a third-party mortgage broker during the period January 1, 2004 through December 31, 2006, provide the same information for each qualifying loan. (You may copy the form if necessary.)

Account Number of Residential Loan (if known): _____

Property Address (if different than your current address):

Street Address: _____

City, State and Zip: _____

Account Number of Residential Loan (if known): _____

Property Address (if different than your current address):

Street Address: _____

City, State and Zip: _____

ELECTION OF SETTLEMENT BENEFITS

Please select the settlement benefit option you would like to proceed. If you have only one residential mortgage loan that qualifies for these benefits, please select **only one settlement benefit option**. If you have multiple residential mortgage loans that qualify for these benefits, please provide the number of either settlement benefit options you wish to receive – do not select more benefit options than the number of qualifying mortgages.

_____ Settlement Check of Ninety Dollars (\$90.00)

_____ Closing Cost Voucher of Two Hundred Dollars (\$200.00)

I/we affirm that the information provided in this form is true.

Signature

Signature

Mail this form to the Settlement Administrator by _____, 2011:

[Name]

[Address]

[City, State, Zip]

EXHIBIT C

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. For purposes of this Action, this Court has subject matter jurisdiction and, for purposes of the settlement only, this Court has personal jurisdiction over the Parties, including all Settlement Class Members.

2. For purposes of this settlement only, this Court preliminarily certifies the following Settlement Class:

All African-American or Hispanic borrowers (including, without limitation, individual borrowers, joint-borrowers, and co-borrowers) who obtained a Loan (as defined herein) originated between January 1, 2004 and June 24, 2011.

For purposes of this settlement only, the Settlement Class preliminarily will be certified pursuant to Federal Rules of Civil Procedure 23(b)(2) and 23(b)(3), and all Settlement Class Members shall have the right to exclude themselves by way of the opt-out procedure set forth below in Paragraph 12.

3. This Court preliminarily finds, solely for purposes of the settlement, that the Action may be maintained as a class action on behalf of the Settlement Class because: (a) the Settlement Class is so numerous that joinder of all Settlement Class Members in the Action is impracticable; (b) there are questions of law and fact common to Settlement Class Members that predominate over any individual questions; (c) Plaintiffs' claims are typical of the claims of the Settlement Class; (d) Plaintiffs and Class Counsel have fairly and adequately represented and protected the interests of the Settlement Class; (e) Defendants have acted or refused to act on grounds that apply generally to the Settlement Class, so that final injunctive relief or corresponding declaratory relief is appropriate with respect to the Settlement Class as a whole;

and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

4. This Court preliminarily approves the Agreement as being fair, reasonable and adequate and within the range of possible approval, subject to further consideration at the Final Fairness Hearing as set forth below in Paragraph 7.

5. This Court preliminarily finds that Plaintiffs fairly and adequately represent the interests of the Settlement Class and therefore designate Plaintiffs as the representatives of the Settlement Class.

6. Pursuant to Federal Rule of Civil Procedure 23(g), and after consideration of the factors described therein and oral and written arguments, this Court designates as Class Counsel the law firms of Bonnett, Fairbourn, Friedman & Balint, P.C., Roddy Klein & Ryan, the Law Offices of Al Hofeld Jr., LLC, Miller Law, LLC, Robbins, Geller, Rudman & Dowd, LLP, and the National Consumer Law Center, Inc. This Court preliminarily finds that based on the work Class Counsel have done in identifying, investigating and prosecuting the claims in the action, Class Counsel's experience in handling class actions, other complex litigation and claims of the type asserted in this action, Class Counsel's knowledge of the applicable law and the resources Class Counsel have and will commit to representing the class, Class Counsel have and will fairly and adequately represent the interests of the Settlement Class. This Court authorizes Plaintiffs and Class Counsel to enter into the Agreement on behalf of the Settlement Class, subject to final approval by this Court of the settlement. Plaintiffs and Class Counsel, on behalf of the Settlement Class, are authorized to take all appropriate action required or permitted to be taken by the Settlement Class pursuant to the Agreement to effectuate its terms.

7. The Final Fairness Hearing shall take place before the Honorable Mark L. Wolf on _____, 2011 at ____ a.m./p.m. at the United States District Court, District of Massachusetts, Courtroom #10, 1 Courthouse Way, Suite 2300, Boston, Massachusetts 02210, to determine: whether the proposed settlement of the Action on the terms and conditions provided for in the Agreement is fair, adequate and reasonable as to the Settlement Class Members and should be approved; whether the Judgment, as provided for in the Agreement, should be entered; the amount of fees and costs that should be awarded to Class Counsel; and the amount of the service awards that should be awarded to Plaintiffs, as provided for in the Agreement. The Court will also hear and consider any properly lodged objections at that time.

8. This Court approves Tilghman & Co., P.C. as Settlement Administrator.

9. This Court finds that the notice provision as set forth in Section 6.2 of the Agreement is the only notice required, and that such notice satisfies the requirements of Due Process, the Federal Rules of Civil Procedure and any other applicable laws, and constitutes the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons entitled thereto. This Court approves the form and content of the Direct Mail Notices and Claim Form attached as Exhibits A-1, A-2 and B, respectively, to the Agreement.

10. The Court approves the claims procedures set forth in Section 5.6 of the Agreement. To be treated as valid, claim forms must be postmarked within one hundred five (105) days of entry of this Order.

11. All Settlement Class Members who do not request exclusion (“opt-out”) from the Settlement Class, pursuant to the procedure set forth in Paragraph 12 below, shall be bound by all determinations and judgments in this Action concerning the settlement, including, but not

limited to, the validity, binding nature and effectiveness of the releases set forth in Section 5.1 of the Agreement.

12. Any Settlement Class Member who wishes to opt-out of the Settlement Class as to damages claims shall submit to the Settlement Administrator, with a postmark no later than one hundred five (105) days after entry of this Order, an appropriate written request for exclusion by mail, personally signed by the Settlement Class Member, including: (i) the Settlement Class Member's name, address, telephone number; (ii) the account number of the Loan(s); (iii) a sentence confirming, under penalty of perjury, that he or she is a Settlement Class Member; and (iv) the following statement: "I request to be excluded from the class settlement in Harris et al. v. Citigroup, Inc. et al., United States District Court, District of Massachusetts, Case No. 08-10417." No Settlement Class Member, or any person acting on behalf of or in concert or participation with that Settlement Class Member, may exclude any other Settlement Class Member from the Settlement Class, except in the case of joint borrowers.

13. Any Settlement Class Member, who has not previously opted-out in accordance with the terms of Paragraph 12 above, may appear at the Final Fairness Hearing to argue that the proposed settlement should not be approved and/or to oppose the application of Class Counsel for an award of attorneys' fees and costs and the service awards to Plaintiffs; provided, however, that no Settlement Class Member shall be heard, and no objection may be considered, unless the Settlement Class Member files with this Court a written statement of the objection postmarked no later than one hundred five (105) days after entry of this Order. Copies of all objection papers must be served on:

Class Counsel
Gary Klein, Esq.
Roddy Klein & Ryan
727 Atlantic Ave.

Boston, MA 02111

Counsel for Defendants

Brenda R. Sharton, Esq.
Goodwin Procter LLP
53 State Street
Boston, MA 02109

All objections must include: (i) the objector's name, address and telephone number; (ii) the account number of the Loan(s); (iii) a sentence confirming, under penalty of perjury, that the objector is a Settlement Class Member; (iv) the factual basis and legal grounds for the objection to the settlement; (v) the identity of witnesses whom the objector may call to testify at the Final Fairness Hearing; and (vi) copies of exhibits intended to be offered into evidence at the Final Fairness Hearing.

14. The costs of notice and settlement administration shall be paid from the Settlement Fund as described in Section 3.4(a)(i) of the Agreement.

15. All proceedings in this Action are stayed pending final approval of the settlement, except as may be necessary to implement the settlement or comply with the terms of the Agreement.

16. Pending final determination of whether the settlement should be approved, Plaintiffs, all Settlement Class Members and any person or entity allegedly acting on behalf of Settlement Class Members, either directly, representatively or in any other capacity, are preliminarily enjoined from commencing or prosecuting against the Released Parties any action or proceeding in any court or tribunal asserting any of the Released Claims, provided, however, that this injunction shall not apply to individual claims of any Settlement Class Members who timely exclude themselves in a manner that complies with Paragraph 12 above. This injunction is necessary to protect and effectuate the settlement, this Preliminary Approval Order, and this

Court's flexibility and authority to effectuate this settlement and to enter judgment when appropriate, and is ordered in aid of this Court's jurisdiction and to protect its judgments pursuant to 28 U.S.C. section 1651(a).

17. This Court reserves the right to adjourn or continue the date of the Final Fairness Hearing without further notice to Settlement Class Members, and retains jurisdiction to consider all further applications arising out of or connected with the settlement. This Court may approve or modify the settlement without further notice to Settlement Class Members.

IT IS SO ORDERED.

Dated: _____

Honorable Mark L. Wolf
United States District Judge

EXHIBIT D

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

1. This Final Approval Order and Judgment incorporates by reference the definitions in the Agreement, and all terms used herein shall have the same meanings as set forth in the Agreement.

2. This Court has jurisdiction over the subject matter and, for purposes of this settlement only, personal jurisdiction over all the Parties, including all Settlement Class Members.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and consistent with Due Process, this Court hereby approves the Agreement and finds that the settlement consideration is fair and that said settlement is, in all respects, fair, just, reasonable and adequate to the Settlement Class Members, and the Parties are hereby directed to perform its terms.

4. This Court hereby certifies, solely for purposes of effectuating this settlement, the “Settlement Class” defined as follows:

All African-American or Hispanic borrowers (including, without limitation, individual borrowers, joint-borrowers, and co-borrowers) who obtained a Loan (as defined herein) originated between January 1, 2004 and June 24, 2011.

For purposes of this settlement only, the Settlement Class is certified pursuant to Federal Rules of Civil Procedure 23(b)(2) and 23(b)(3). Settlement Class Members had the right to exclude themselves by way of the opt-out procedure set forth in the Preliminary Approval Order. Excluded from the Settlement Class are those persons who validly and timely requested exclusion from the Settlement Class by way of the opt-out procedures set forth in the Preliminary Approval Order (identified in Exhibit 1 hereto) (the “Opt-Outs”).

5. For purposes of this settlement only, this Court finds and concludes that: (a) the Settlement Class Members are so numerous that joinder of all Settlement Class Members is

impracticable; (b) there are questions of law and fact common to the Settlement Class which predominate over any individual questions; (c) Plaintiffs' claims are typical of the claims of the Settlement Class; (d) Plaintiffs and Class Counsel have fairly and adequately represented and protected the interests of all of the Settlement Class Members; (e) Defendants have acted or refused to act on grounds that apply generally to the Settlement Class, so that final injunctive relief or corresponding declaratory relief is appropriate with respect to the Settlement Class as a whole, and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy, considering: (i) the interests of the Settlement Class Members in individually controlling the prosecution of the separate actions; (ii) the extent and nature of any litigation concerning the controversy already commenced by Settlement Class Members; (iii) the desirability or undesirability of continuing the litigation of these claims in this particular forum; and (iv) the difficulties likely to be encountered in the management of the class action.

6. This Court finds that the notice provided to Settlement Class Members was the best notice practicable and fully satisfied the requirements of the Federal Rules of Civil Procedure, Due Process, and any other applicable laws.

7. This Court has considered and hereby overrules all objections to the settlement on their merits.

8. This Court hereby dismisses with prejudice on the merits and without costs (except as otherwise provided in the Agreement) the above-captioned action (subject to retention of jurisdiction to enforce the settlement).

9. Plaintiffs and each Settlement Class Member (except Opt-Outs who nonetheless are deemed to release all claims for injunctive and non-monetary equitable relief), their respective spouses, heirs, executors, administrators, representatives, agents, attorneys, partners,

successors, bankruptcy trustees, guardians, wards, joint tenants, tenants in common, tenants by the entirety, co-borrowers, joint-borrowers, guarantors, predecessors-in-interest, assigns and all persons acting for or on their behalf fully, finally and completely release and forever discharge, and shall be deemed to have fully, finally, completely released and forever discharged, the Released Parties, and each of them, from any and all actual or potential claim, right, demand, charge, complaint, action, cause of action, suit, counterclaim, cross-claim, third-party claim, contention, allegation, obligation, assertion of wrongdoing or liability of any and every kind whatsoever for lending discrimination associated with the Origination of Loans or any activities attendant to Origination of Loans, including, without limitation, those based on contract, ECOA, and/or the FHA, or any other federal, state, local or other law, statute, regulation, or principle of common law or equity, including, without limitation, all claims for monetary, equitable, declaratory, injunctive, or any other form of relief, whether known or unknown, suspected or unsuspected, under the law of any jurisdiction, which Plaintiffs or any Settlement Class Member ever had, now has, or may have in the future, resulting from, arising out of, or in any way, directly or indirectly, connected with (a) the claims raised in the Action, or (b) any claims which could have been raised in the Action based on the same transactional nucleus of facts.

10. As of the date of entry of the Preliminary Approval Order, Plaintiffs and Settlement Class Members are deemed to have waived Section 1542 of the California Civil Code and any similar, comparable, or similar provisions, rights and benefits conferred by the law of any state or territory of the United States or any jurisdiction, and any principle of common law, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs and each Settlement Class Member understand and acknowledge the significance of these waivers of California Civil Code Section 1542 and/or of any other applicable law relating to limitations on releases. In connection with such waivers and relinquishment, Plaintiffs and each Settlement Class Member acknowledge that they are aware that they may hereafter discover facts in addition to, or different from, those facts which they now know or believe to be true with respect to the subject matter of the settlement, but that they release fully, finally and forever all Released Claims, and in furtherance of such intention, the release will remain in effect notwithstanding the discovery or existence of any such additional or different facts.

11. This Court approves an award to be paid from the Settlement Fund to Class Counsel of \$400,000 in attorneys' fees and costs, and service awards of \$5,000 for each of Plaintiffs, for a total of \$15,000 in service awards. The service awards shall be in addition to any claims Plaintiffs may have to obtain any monetary benefits available under the Agreement. This Court, having presided over the above-captioned action and having considered the materials submitted by Class Counsel in support of final approval of the settlement as well as their request for attorneys' fees and costs, finds the award appropriate based on the following factors:

- a. The settlement provides substantial benefits for the class.
- b. The requested award of attorneys' fees and expenses is within the range of reasonable fees for similar class action settlements.
- c. The requested fee is consistent with the total lodestar fees of Class Counsel, based on declarations submitted to the Court.

- d. This litigation raised numerous questions of law and fact, Plaintiffs' Counsel was opposed by highly skilled defense counsel, the litigation was intensely contested through the completion of the Settlement Agreement, and there was substantial risk that Plaintiffs would not prevail on some or all of their claims.
- e. The Settlement was negotiated at arms' length and without collusion, with the assistance of a highly qualified mediator.
- f. The fees will be paid in addition to and will not diminish any class settlement.

12. This Final Approval Order and Judgment, the Preliminary Approval Order, the Agreement, and any act performed or document executed pursuant to or in furtherance thereof:

- a. Will not be offered or received against the Released Parties as evidence of, or be construed as or deemed to be evidence of, any admission or concession by the Released Parties as to the truth or relevance of any fact alleged by Plaintiffs, the existence of any class alleged by Plaintiffs, the propriety of class certification had this matter been litigated rather than settled, or the validity of any claim that has been or could have been asserted in the Complaint, Amended Complaint, Second Amended Complaint, or in any other litigation, or the deficiency of any defense that has been or could have been asserted in the Complaint, Amended Complaint, Second Amended Complaint, or in any other litigation, or of any liability, negligence, fault, or wrongdoing of the Released Parties;

- b. Will not be offered as or received against any of the Released Parties as evidence of, or construed as or deemed to be evidence of, any admission or concession of any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the parties to the Agreement, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Agreement, except that the Released Parties may refer to it to effectuate the liability protection granted them thereunder;
- c. Will not be deemed an admission by Defendants that they are subject to the jurisdiction of any Massachusetts court;
- d. Will not be construed against any Defendant, Plaintiff, putative class member or other person as an admission or concession that the consideration to be given under the Agreement represents the amount which could be or would have been recovered after trial.

13. The Released Parties may file the Agreement and/or this Final Approval Order and Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar, reduction, set-off or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

14. Settlement Class Members, and any person or entity allegedly acting on behalf of Settlement Class Members, either directly, representatively or in any other capacity, are enjoined from commencing or prosecuting against the Released Parties any action or proceeding in any

court or tribunal asserting any of the Released Claims, provided, however, that this injunction shall not apply to non-released claims of Opt-Outs.

15. Without affecting the finality of this Final Approval Order and Judgment in any way, this Court retains continuing jurisdiction to implement the Agreement and to construe, enforce and administer the Agreement and this settlement. Class Counsel will continue in their role to oversee all aspects of the Agreement and settlement. Upon notice to Class Counsel, Defendants may seek from this Court, pursuant to 28 U.S.C. § 1651(a), such further orders or process as may be necessary to prevent or forestall the assertion of any of the Released Claims in any other forum, or as may be necessary to protect and effectuate the Settlement and this Final Approval Order and Judgment.

16. If an appeal, writ proceeding or other challenge is filed as to this Final Approval Order and Judgment, and if thereafter the Final Approval Order is not ultimately upheld, all orders entered, stipulations made and releases delivered in connection herewith, or in the Agreement or in connection therewith, shall be null and void to the extent provided by and in accordance with the Agreement.

IT IS SO ORDERED.

Dated: _____

Honorable Mark L. Wolf
United States District Judge

EXHIBIT E

