



U.S. Department of Justice
Civil Rights Division
Housing and Civil Enforcement

SHR:EAS:ARS:mrbr
DJ 216-60-1

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December 4, 2008

Andrew L. Sandler
Anand S. Raman
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005-2111

Dear Mr. Sandler and Mr. Raman:

As you know, the Department of Justice initiated an investigation on April 10, 2007, into the policies and practices of Homecomings Financial, LLC ("Homecomings") with regard to compliance with the Servicemembers Civil Relief Act ("SCRA"), 50 App. U.S.C. § 501, *et seq.* This matter came to our attention as a result of a request by Master Sergeant Brenda S. Gomez ("the borrower") that Homecomings waive the prepayment penalty on her residential mortgage loan.

I write to inform you that the Department of Justice is closing its investigation of Homecomings, owned by Residential Funding Company, LLC ("the Company"). Our decision to close the investigation is based primarily on your provision of a written policy that has been implemented, as well as your willingness to refund the prepayment penalty of \$9,144 paid by the borrower. Our closure of this investigation does not constitute a formal decision on the merits, but rather a determination that no enforcement action is appropriate at this time.

Homecomings has informed us that prior to our investigation its policy was to waive the prepayment penalty when a Servicemember obtained a loan before entering active duty, subsequently entered active duty and prepaid the mortgage while on active duty. Homecomings has assured us that it will continue to waive prepayment penalties in these circumstances. Following the initiation of our investigation, and notwithstanding the view of Homecomings that its existing policies fully complied with the SCRA, Homecomings modified its policy. The modified policy applies to all loans on owner-occupied properties serviced by Homecomings or GMAC Mortgage, LLC with respect to which one of the following entities retains the contractual right to receive the prepayment penalty: Homecomings or GMAC Mortgage, LLC or either entity's affiliate, including, but not limited to, the Company and GMAC Bank ("the Covered Entities").

The modified policy contains the following components:

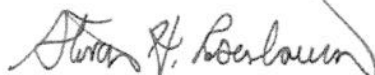
- Prepayment penalties will be waived on all loans where a Servicemember obtains a loan while on active duty and later receives a change of station order assigning him or her to a base 30 miles or more from his or her current residence.
- A Servicemember may request a waiver of a prepayment penalty at any time within 90 days of the loan payoff.
- If any request for SCRA benefits is denied, the Servicemember will be provided with a letter that contains the following statement: "Our decision was based on our policies implementing the SCRA. You can obtain more information about the SCRA, its benefits and its eligibility requirements by visiting <http://legalassistance.law.af.mil/> and following the link *Legal Services Locator* to locate your Judge Advocate General's Military Legal Assistance Office or through consulting the following website: <http://www.abanet.org/legalservices/lamp>. Please note, however, that these websites are not maintained by Homecomings or GMAC Mortgage, LLC and that Homecomings and GMAC Mortgage, LLC do not take any responsibility for the accuracy of their content."

Homecomings and GMAC Mortgage, LLC will conduct three special compliance reviews of this modified policy. The first review will be conducted approximately six months after the date of this letter, and the subsequent reviews will be conducted at approximately one-year intervals thereafter. Homecomings and GMAC Mortgage, LLC will provide the Department of Justice with a written summary of these reviews, which will include statistics regarding the number of requests for prepayment penalty waivers and the number granted under the modified policy.

In conclusion, we are encouraged by the modified policy and by the Company's willingness to refund the prepayment penalty on the borrower's mortgage loan. If you agree on behalf of your client that this letter accurately reflects the policy of the Covered Entities, please countersign this letter in the space provided below and return it to me by courier at 1800 G Street, NW, Suite 7036, Washington, D.C. 20006.

If you have any questions, please contact me.

Sincerely,



Steven H. Rosenbaum
Chief

Housing and Civil Enforcement Section

On behalf of Homecomings Financial, LLC and GMAC Mortgage, LLC and their affiliates, including but not limited to GMAC Bank and Residential Funding Company, LLC, I agree that this letter accurately reflects their policy and their commitments to the Department of Justice.



Andrew L. Sandler

Anand S. Raman

Attorneys for Homecomings Financial, LLC, and
GMAC Mortgage, LLC, and their Affiliates,
including but not limited to GMAC Bank and
Residential Funding Company, LLC

12/12/08
Date