

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

FILED MAY 26 2011 CLERK, U.S. DISTRICT COURT By [Signature] Deputy 4:27 p.m.

UNITED STATES OF AMERICA,

Plaintiff,

v.

SAXON MORTGAGE SERVICES, INC.;

Defendant.

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Case No. 3:11-cv-1111-F

CONSENT ORDER

I. INTRODUCTION

This Consent Order (Order) resolves the claims of the United States that the Defendant Saxon Mortgage Services, Inc. ("Saxon" or the "Company") violated the Servicemembers Civil Relief Act ("SCRA"), 50 U.S.C. app. § 533(c), when it foreclosed without court orders on the pre-service residential mortgages of individuals who were in military service<sup>1</sup> or were otherwise protected by the SCRA in states that allowed for non-judicial foreclosures.

Under the provisions of this Order, Saxon will maintain policies and procedures to ensure that the pre-service mortgages of servicemembers are not foreclosed unless pursuant to the protections provided by Section 533 of the SCRA, and Saxon will compensate those

<sup>1</sup> The term "military service" is defined by Section 511 of the SCRA, 50 U.S.C. app. § 511(2). Throughout this Order, the term "military service" has the same meaning as in Section 511 of the SCRA.

servicemembers<sup>2</sup> whose pre-service mortgages the United States alleges were foreclosed in violation of Section 533(c) of the SCRA, 50 U.S.C. app. § 533(c), between January 1, 2006 and December 31, 2010. The measures to achieve this objective, detailed in subsequent sections of this Order, include maintaining policies and procedures to regularly monitor foreclosures of mortgages serviced by Saxon in order to prevent, detect and address any foreclosure of such mortgages that does not comply with the SCRA and to remediate any such foreclosures should they occur.

The parties have entered into this Order to resolve voluntarily the claims asserted by the United States in order to avoid the risks and burdens of litigation. The parties agree that full implementation of the terms of this Order will provide a fair and reasonable resolution of the allegations of the United States in a manner consistent with Saxon's legitimate business interests. Saxon enters into this Consent Order in lieu of litigation and for settlement purposes only. Saxon neither admits nor denies the United States' allegations. The Consent Order is made without any trial, adjudication, or finding of any issue of fact or law.

The parties have agreed to the entry of this Consent Order, as indicated by the signatures below.

## **II. FACTUAL BACKGROUND**

Saxon Mortgage Services, Inc. ("Saxon") is an indirect wholly-owned subsidiary of Morgan Stanley. Saxon is an entity that services mortgage loans with its principal place of

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<sup>2</sup> The term "servicemember" means a member of the uniformed services, as that term is defined in Section 101(a)(5) of Title X of the United States Code. 50 U.S.C. app. § 511(1). Throughout this Order, the term "servicemember" has the same meaning as in Section 511 of the SCRA.

business at 4708 Mercantile Drive N., Fort Worth, Texas. Saxon provides mortgage services, including conducting foreclosures on mortgages, on behalf of the holders of mortgage loans.

The Complaint alleges that between January 1, 2006 and at least June 30, 2009, Saxon foreclosed on certain pre-service mortgages in violation of Section 533(c) of the SCRA. Additionally, the Complaint alleges that Saxon did not consistently determine the active duty status of mortgagors prior to foreclosure from January 1, 2006 through at least June 30, 2009. Saxon neither admits nor denies the allegations in the Complaint.

In an effort to ensure that eligible servicemembers whose mortgages are serviced by Saxon receive all SCRA benefits to which they are entitled, Saxon enhanced its SCRA Policies and Procedures in late 2009 to include, among other things, a requirement that Saxon independently determine the active duty status of mortgagors by querying the United States Department of Defense Manpower Data Center website (the "DMDC website") prior to foreclosure. These enhanced policies and procedures were provided to the United States on December 14, 2009.

Therefore, it is ORDERED as follows:

### III. INJUNCTION

#### A. General Injunction

1. Saxon, including all of its officers and employees, is hereby enjoined from foreclosing on the pre-service mortgages of SCRA-protected<sup>3</sup> borrowers<sup>4</sup> without providing the

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<sup>3</sup> The term "SCRA protected" means an individual who is in military service or is within nine months of completion of military service at the time of the foreclosure sale, or in the case of a reservist, an individual who has received orders to enter military service at the time of the foreclosure sale.

protections conferred by the SCRA. Additionally, Saxon's agents and representatives, to the extent that they are operating under Saxon's direction and control, are enjoined from foreclosing on the pre-service mortgages of SCRA-protected borrowers without providing the protections conferred by the SCRA.

2. Unless otherwise stated herein, the provisions of this Order shall be implemented within sixty days of the effective date of this Order and shall continue throughout its term. The effective date of this Order shall be the date on which it is approved and entered by the Court.

**B. SCRA Policies and Procedures**

3. Saxon has developed and implemented the SCRA Policies and Procedures it adopted in 2009, and will modify these SCRA Policies and Procedures in accord with the injunctive provisions of this Order to ensure that it does not foreclose on the pre-service mortgages of servicemembers in a manner inconsistent with the SCRA.
4. Prior to referring a mortgage for foreclosure proceedings and within seven days prior to conducting a foreclosure sale pursuant to a non-judicial process on any mortgage, Saxon shall query the United States Department of Defense Manpower Data Center ("DMDC") website to determine if the borrower(s) is SCRA-protected. Saxon shall also incorporate into its SCRA Policies and Procedures a requirement that Saxon shall query the DMDC website within two business days prior to conducting a sale pursuant to a non-judicial

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<sup>4</sup> The term "borrower(s)" includes all individuals obligated under the note at the time of the foreclosure and who have a current or vested ownership interest in the property securing the mortgage.

foreclosure and within two business days of the expiration of any applicable redemption period to determine if the borrower(s) is SCRA protected.

5. For purposes of compliance with this Consent Order, Saxon shall be entitled to reasonably rely on the accuracy of the DMDC website in determining whether the protections conferred by the SCRA apply to any borrower in cases where the borrower has not notified Saxon of military service. However, if Saxon learns that a foreclosure sale resulting from a non-judicial foreclosure process has been completed on a property owned by an SCRA protected borrower(s), Saxon will take corrective action in the same manner delineated in paragraph ten for violations detected through the monitoring program.
6. If prior to referring the loan to foreclosure, Saxon determines, based on a review of the DMDC website and information provided therein or otherwise, that the borrower is in military service, has received orders to enter military service, or will have been in military service within nine months prior to the date of any anticipated foreclosure, Saxon will not refer the loan for non-judicial foreclosure proceedings except as provided in paragraphs seven through nine.
7. If Saxon determines, based on a review of the DMDC website and information provided therein or otherwise, that the borrower is SCRA protected, Saxon, should it continue pursuing the foreclosure, will either: (a) petition a court for an order allowing the

foreclosure as set forth below in paragraph eight; or (b) obtain a waiver pursuant to Section 517 of the SCRA, 50 U.S.C. app. § 517, as set forth below in paragraph nine.<sup>5</sup>

8. If Saxon pursues a foreclosure action in court and the borrower fails to answer the action, Saxon will file a military affidavit with the court as required by Section 521 of the SCRA, 50 U.S.C. app. § 521(b)(1)(A). Saxon will instruct its foreclosure counsel to query and Saxon's foreclosure counsel will query the DMDC database on the date the affidavit is filed in court to determine if the borrower is in military service. If the DMDC website returns a certificate indicating that the borrower is in military service or has been in military service since the filing of the action, Saxon will instruct its foreclosure counsel to file and Saxon's foreclosure counsel will file an affidavit stating that "the defendant is in military service" and attaching the most recent certificate returned from the DMDC website showing military service prior to seeking default judgment.
9. If an SCRA protected borrower, or such borrower's spouse or legal representative, informs Saxon that the borrower no longer wishes to retain ownership of the property, or if Saxon and the borrower determine that a non-judicial foreclosure may be in the borrower's interests, Saxon may request that the SCRA protected borrower sign a waiver pursuant to 50 U.S.C. app. § 517 of the borrower's protection against non-judicial foreclosure under the SCRA, provided that Saxon, at least 30 days in advance of any anticipated foreclosure date, sends a letter and a copy of the proposed waiver to the

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<sup>5</sup> These requirements shall not apply to cases where Saxon agrees with the borrower to accept instead of foreclosure a short sale or deed-in-lieu of foreclosure or other resolution of the borrower's debt that does not involve foreclosure; however, Saxon must still provide a copy of the letter agreed upon pursuant to paragraph nine when it seeks a waiver in association with one of these non-foreclosure arrangements, although Saxon need not provide the letter according to the time limits of paragraph nine.

borrower. The letter and waiver shall advise the borrower of his or her protection against non-judicial foreclosure under the SCRA, encourage the borrower to discuss the waiver with an attorney, and provide contact information for United States Military Legal Assistance. Saxon must submit the form letter and waiver to the United States for approval within 60 days of the entry of the Order. The United States shall have 60 days from receipt of these documents to raise any objections to Saxon's proposed letter and waiver, and, if it raises any, the parties shall confer to resolve their differences. In the event they are unable to do so, any party may bring the dispute to this Court for resolution.

**C. Monitoring Program**

10. Saxon shall develop and implement a foreclosure monitoring program designed to ensure compliance with this Order and Section 533(c) of the SCRA. This program shall be subject to the following reviews:

- A quarterly review of at least a statistically valid sample of the loans on which non-judicial foreclosure proceedings were completed during the preceding quarter. Each such quarterly review shall be documented and presented to Saxon's respective officers and Board (or a committee thereof) for review and approval not later than 60 days after the end of each quarter.
- An annual review of Saxon's compliance with the SCRA policies and procedures described in Part III.B of this Order based on at least a statistically valid sample and an analysis of any complaints of SCRA violations relating to mortgage foreclosure.

In the event that any such review discloses the non-judicial foreclosure of any servicemember's pre-service mortgage, in violation of the SCRA, Saxon shall determine the reason(s) for this violation and shall promptly take corrective action to address the violation, including, where possible, restoring ownership of the home to the servicemember upon request,<sup>6</sup> providing financial remediation of the foreclosure, and modifying the SCRA Policies and Procedures where appropriate. Saxon will also take action, as reasonably determined necessary, against any agents or employees involved in the foreclosure where any agent or employee failed to adhere to Saxon's SCRA Policies and Procedures referenced herein. Saxon shall document all non-judicial foreclosures of a servicemember's pre-service mortgage in violation of the SCRA and actions taken, and shall provide the quarterly reviews and any documentation and analysis relating thereto to the United States within 60 days after the end of each quarter. If the United States raises any objections to Saxon's actions, Saxon and the United States shall meet and confer to consider appropriate steps to address the concerns raised by the United States' review. If the parties are unable to come to an agreement regarding such objections or concerns, any party may bring the dispute to this Court for resolution.

**D. Approval of SCRA Policies and Procedures and Monitoring Program**

11. Saxon shall modify the SCRA Policies and Procedures it adopted in 2009 as necessary to incorporate the additional requirements of this Order and shall provide a copy of its modified SCRA Policies and Procedures required herein to the United States within 60 days of the effective date of this Order. Saxon shall also provide descriptions of the

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<sup>6</sup> The provision regarding restoration of ownership only applies if Saxon has not yet sold the property to a bona fide third party purchaser.



monitoring programs required herein, including the methodology for selecting a statistically valid sample of loans for review,<sup>7</sup> to counsel for the United States within 60 days of the effective date of this Order.<sup>8</sup> The United States shall have 45 days from receipt of these documents to raise any objections to Saxon's modified SCRA Policies and Procedures and Monitoring Program, and, if it raises any, the parties shall confer to resolve their differences. In the event they are unable to do so, any party may bring the dispute to this Court for resolution. Subsequent proposed revisions to these policies and programs shall be submitted to the United States for objection and resolution in the manner provided for in this paragraph.

**E. SCRA Compliance Training**

12. No later than 60 days after the United States approves Saxon's training materials pursuant to paragraph 15 of this Order, Saxon shall provide SCRA compliance training to any employees who: (a) provide customer service to servicemembers in connection with SCRA benefits or protections,<sup>9</sup> or (b) have significant involvement in any aspect of the mortgage foreclosure process ("SCRA Trainees"). During this training, Saxon shall provide to each SCRA Trainee: (a) a copy of the portions of Saxon's modified SCRA

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<sup>7</sup> If Saxon's monitoring review identifies any cases of noncompliance with Section 533 of the SCRA, 50 U.S.C. app. § 533, the parties shall confer about how to expand the review beyond the statistically valid sample and provide appropriate relief. In the event that the parties are unable to reach agreement, any party may bring the dispute to this Court for resolution.

<sup>8</sup> All material required by this Order to be sent to counsel for the United States shall be sent by commercial overnight delivery service addressed as follows: Chief, Housing and Civil Enforcement Section, Civil Rights Division, U.S. Department of Justice, 1800 G Street NW, Washington, DC 20006, Attn: DJ 216-73-2, or by facsimile to 202-514-1116.

<sup>9</sup> This category of SCRA Trainees does not include employees who merely route calls to the appropriate customer service agents to address SCRA-related benefits.

Policies and Procedures applicable to that SCRA Trainee;<sup>10</sup> and (b) training on the requirements of the SCRA, and his or her responsibilities under each. During the term of this Order, Saxon shall provide annual SCRA training to SCRA Trainees with respect to their responsibilities and obligations under the SCRA and the modified SCRA Policies and Procedures.

13. Saxon shall secure a signed statement from each SCRA Trainee at its SCRA compliance training acknowledging that he or she has completed the training, has received and read the applicable SCRA Policies and Procedures, has had the opportunity to have questions answered about the requirements of the SCRA and the applicable SCRA Policies and Procedures, and agrees to abide by the SCRA Policies and Procedures.<sup>11</sup> This statement shall be substantially in the form and content set forth in Exhibit A. Saxon shall maintain these signed statements for the duration of this Order. Saxon shall also follow these training procedures for each of its employees who subsequently: (a) provides customer service to servicemembers in connection with SCRA benefits or protections,<sup>12</sup> or (b) has significant involvement in any aspect of the mortgage foreclosure process within 30 days of his or her hiring, promotion or transfer.
14. Saxon further agrees that it shall provide training materials to its third-party agents who provide customer service to servicemembers or have significant involvement in any aspect of the mortgage foreclosure process. These materials shall include training on the

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<sup>10</sup> The requirement to provide a copy of Saxon's SCRA Policies and Procedures is satisfied by Saxon's making these materials available to employees through the Company's intranet.

<sup>11</sup> For purposes of Section E, an electronic signature of an employee or agent shall be deemed satisfactory for purposes of verifying training required under this Order.

<sup>12</sup> This category of SCRA Trainees does not include employees who merely route calls to the appropriate customer service agents to address SCRA-related benefits.

requirements of the SCRA, and their responsibilities under the SCRA and Saxon's modified SCRA Policies and Procedures. For the duration of this Order, Saxon shall require its third-party agents to provide this training to the agents' employees and to maintain a signed statement from each employee acknowledging that he or she has completed the training, has received and read the applicable portions of the modified SCRA Policies and Procedures,<sup>13</sup> has had the opportunity to have questions answered about the SCRA and the employee's obligations under the applicable portions of the modified SCRA Policies and Procedures, and agrees to abide by the SCRA Policies and Procedures. This statement shall be substantially in the form and content set forth in Exhibit A.

15. The training required by this Section shall be approved in advance by the United States. Saxon shall provide its training program as required herein to the United States within 45 days of the date on which the United States or the Court approves its modified SCRA Policies and Procedures. The United States shall have 45 days from receipt of the training program to raise any objections to the training program, and, if it raises any, the parties shall confer to resolve their differences. In the event they are unable to do so, any party may bring the dispute to this Court for resolution. The training required by Section III.E may be provided via live training, computer-based training, web-based training or via interactive digital media. Should the training be conducted in any format other than live training, Saxon shall ensure that employees receive a response to their questions by

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<sup>13</sup> The requirement for third-party agents to provide a copy of Saxon's SCRA Policies and Procedures is satisfied by Saxon or the agent making these materials available to the agent's electronically.

personnel Saxon identifies as having SCRA expertise within one business day of the training. Any expenses associated with the training program discussed in Section III.E shall be borne by Saxon.

**F. SCRA Foreclosure Review**

16. Saxon shall undertake to conduct a review of non-judicial foreclosures conducted from July 1, 2009 through December 31, 2010 to determine compliance with the SCRA. The purpose of this review is to determine whether Saxon foreclosed, in violation of Section 533(c) of the SCRA, on any residential mortgage loan while the borrower was SCRA protected and the loan was originated prior to the commencement of military service. No later than 30 days after the effective date of this Order, Saxon shall provide data regarding all foreclosures in states that permit non-judicial foreclosures from July 1, 2009 through December 31, 2010. The United States will identify any cases where a foreclosure sale occurred while the borrower was SCRA protected. Saxon will then review all loans so identified and within 30 days, or a reasonable time agreed to by the parties, will prepare a written report of the review and submit such report to the United States. If any persons identified by this review who did not receive all the protections provided by Section 533 of the SCRA (hereinafter the "SCRA Eligible Servicemembers To Be Identified"), they shall be compensated in accordance with paragraph twenty of this Order. The parties shall consult in good faith regarding any persons identified by this review to determine whether any in fact did not receive all the protections provided by Section 533 of the SCRA.

**IV. COMPENSATION OF SCRA ELIGIBLE SERVICEMEMBERS**

17. Within ten (10) business days after entry of this Consent Order, Saxon shall deposit the sum of TWO MILLION THREE HUNDRED AND FIFTY THOUSAND DOLLARS (\$2,350,000) into an interest bearing account (the Settlement Fund”) for the purpose of compensating persons whom the United States has determined to be persons foreclosed between January 1, 2006 and June 30, 2009, who did not receive all protections provided by Section 533 of the SCRA, and one person foreclosed in October 2009 identified as not receiving all protections provided by Section 533 of the SCRA (hereinafter “Previously Identified SCRA Eligible Servicemembers”). In addition, within ten (10) business days of the entry of this Order, Saxon shall submit proof to the United States that this account has been established and the funds deposited.
18. The Previously Identified SCRA Eligible Servicemembers shall have two years from the date of entry of this Order to provide a signed release in the form of Exhibit B. The SCRA Eligible Servicemembers To Be Identified shall have two years from the date that Saxon provides to the United States its completed report evaluating the individuals identified pursuant to paragraph sixteen.
19. In no event shall the aggregate of all checks to the Previously Identified SCRA Eligible Servicemembers described in paragraph seventeen exceed the amount of the Settlement Fund, plus accrued interest.
20. In addition to the Settlement Fund established by paragraph seventeen, SCRA Eligible Servicemembers who have been identified pursuant to the foreclosure review described in paragraph sixteen as subject to a non-judicial foreclosure between July 1, 2009 and

December 31, 2010 in violation of Section 533 of the SCRA (“SCRA Eligible Servicemembers To Be Identified”) will receive compensation from Saxon consistent with the levels of compensation provided to Previously Identified SCRA Eligible Servicemembers pursuant to paragraphs 17 and 21 of this Order.

21. Within ten (10) days of notification by the United States that a release(s) has been received from an SCRA Eligible Servicemember,<sup>14</sup> Saxon shall deliver to counsel for the United States a check(s) payable to the SCRA Eligible Servicemember(s) in the amounts determined by the United States.
22. When counsel for the United States has received a check from Saxon payable to an SCRA Eligible Servicemember and a signed release in the form of Exhibit B from him or her, counsel for the United States shall simultaneously deliver the check to the SCRA Eligible Servicemember and the original, signed release to counsel for Saxon. No SCRA Eligible Servicemember shall be paid until he or she has signed and delivered to counsel for the United States a release in the form set forth in Exhibit B.
23. Any funds not distributed from the Settlement Fund, including accrued interest, within two years of the date of the entry of this Order shall be used by Saxon to offset the compensation paid to SCRA Eligible Servicemembers To Be Identified pursuant to paragraph twenty and paid to SCRA Eligible Servicemembers pursuant to paragraph 24. Any remaining undistributed amounts from the Settlement Fund shall be donated to a not-for-profit entity or entities that provide(s) assistance to servicemembers for the

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<sup>14</sup> “SCRA Eligible Servicemember” refers to both the SCRA Eligible Servicemembers To Be Identified from paragraph sixteen and the Previously Identified SCRA Eligible Servicemembers from paragraph seventeen.

purposes of furthering the goals of the SCRA. Saxon will consult with and obtain the non-objection of the United States in selecting recipient(s) of these funds, and the parties shall obtain the Court's approval prior to distribution of the fund.

24. Saxon shall request that all major credit bureaus remove any trade line entries directly resulting from Saxon's foreclosure of the SCRA Eligible Servicemembers' mortgages. Saxon shall not pursue any remaining amounts owed under the SCRA Eligible Servicemembers' mortgages. Saxon shall indemnify SCRA Eligible Servicemembers should a Trustee or third party seek to collect any remaining amounts owed under the SCRA Eligible Servicemembers' mortgages and may use any remaining amounts from the Settlement Fund to compensate the SCRA Eligible Servicemembers for such collections.
25. Throughout the term of this Order, the United States may request any information it believes will assist it in locating SCRA Eligible Servicemembers and determining any damages. Saxon shall, within 30 days or such other time as the parties agree, supply, to the extent that it is within its control, such information as requested.

#### **V. REPORTING AND RECORD-KEEPING REQUIREMENTS**

26. For the duration of this Order, Saxon shall retain all records relating to its obligations hereunder, including its mortgage foreclosure activities in states that allow non-judicial foreclosures, as well as its compliance activities as set forth herein. The United States shall have the right to receive copies of such records upon request, including loan files and electronic data for mortgages foreclosed during the period of this Order.

27. This Order shall be binding on Saxon, including all of its officers and employees, as well as Saxon's agents and representatives when acting under Saxon's direction and control. This Order shall also be binding on affiliated successor entities and independent third party entities to the extent described in this paragraph. In the event that Saxon seeks to transfer or assign all or part of its operations<sup>15</sup> following entry of this Order to an affiliated successor entity, and the affiliated successor entity intends to carry on the same or similar business, Saxon shall, as a condition of the transfer or assignment, obtain the written agreement of the affiliated successor entity to be bound by any obligations remaining under this Order for the remaining term of this Order. In the event that Saxon seeks to transfer or assign all or part of its operations following entry of this Order to an affiliated successor entity or independent third party entity who does not intend to carry on the same or similar business, Saxon shall, as a condition of transfer or assignment, either: (i) require the affiliated successor entity or independent third party entity to be bound by any obligations remaining under this Order with respect to all SCRA Eligible Servicemembers, including those described in paragraphs sixteen and seventeen or (ii) retain all obligations to comply with this Order with respect to all SCRA Eligible Servicemembers, including those described in paragraphs sixteen and seventeen. In the event that Saxon seeks to transfer or assign all or part of its operations following entry of this Order to an independent third party who intends to carry on the same or similar business, Saxon shall, as a condition of the transfer or assignment, either: (i) require the

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<sup>15</sup> For purposes of this paragraph, the requirements relating to the transfer or assignment of "operations" does not include the transfer or assignment of servicing rights to an independent third party.



independent third party to be bound by any obligations remaining under this Order for the remaining term of this Order; or (ii) retain all obligations to comply with this Order with respect to all SCRA Eligible Servicemembers, including those described in paragraphs sixteen and seventeen, and Section IV of this Order for the remaining term of this Order.

28. During the term of this Order, Saxon shall notify counsel for the United States in writing within 30 days of receipt of any written complaint or any oral complaint captured in call notes maintained by Saxon alleging a violation of rights protected by the SCRA relating to mortgage foreclosure against Saxon or any of Saxon's agents or employees. Saxon shall provide a copy of the complaint with the notification, which shall include the details of the complaint, including the complainant's name, address, and telephone number. Upon request by the United States, Saxon shall also promptly provide the United States all non-privileged information it may request directly relating to any such complaint and shall inform the United States in writing within 30 days of the terms of any resolution of such complaint.

## **VI. ADMINISTRATION**

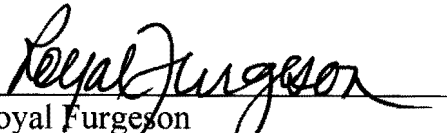
29. This Order shall be in effect for four years, except as specified below. It may be extended further upon motion of the United States to the Court, for good cause shown.
30. Any time limits for performance fixed by this Order may be extended by mutual written agreement of the parties. Other modifications to this Order may be made only upon approval of the Court, upon motion by either party. The parties recognize that there may be changes in relevant and material factual circumstances during the term of this Order which may impede the accomplishment of their goals. The parties agree to work

cooperatively to discuss and attempt to agree upon any proposed modifications to this Order resulting therefrom.

31. In the event that any disputes arise about the interpretation of or compliance with the terms of this Order, the parties shall endeavor in good faith to resolve any such dispute among themselves before bringing it to this Court for resolution. The United States agrees that if it reasonably believes that Saxon has violated any provision of this Order, it will provide Saxon written notice thereof and allow 60 days to resolve the alleged violation before presenting the matter to this Court. In the event of either a failure by Saxon to perform in a timely manner any act required by this Order or an act by Saxon in violation of any provision hereof, the United States may move this Court to impose any remedy authorized by law or equity, including attorneys' fees and costs.
32. Saxon's compliance with the terms of this Order shall fully and finally resolve all claims of the United States relating to Saxon's alleged violations of Section 533(c) the SCRA, as alleged in the Complaint in this action, including all claims for equitable relief and monetary damages. Each party to this Order shall bear its own costs and attorneys' fees associated with this litigation except as provided in paragraph 31, above.
33. The Court shall retain jurisdiction for the duration of this Order to enforce the terms of the Order, after which time the case shall be dismissed with prejudice.

IT IS SO ORDERED.

SIGNED this 26th day of May, 2011

  
Royal Furgeson  
Senior United States District Judge

**EXHIBIT A**

Employee/Agent Acknowledgment

I acknowledge that on \_\_\_\_\_ I was provided training regarding SCRA compliance and provided with copies of the portions of Saxon's SCRA Policies and Procedures applicable to my duties. I have read and understand the SCRA Policies and Procedures and have had my questions about the SCRA and the SCRA Policies and Procedures answered. I understand my legal responsibilities and shall comply with those responsibilities.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Job Title

\_\_\_\_\_  
Date

**EXHIBIT B**

Release

In consideration for the parties' agreement to the terms of the Consent Order entered in United States v. Saxon Mortgage Services, Inc., et al., (N.D. Tex.), and Saxon's payment to me of \$ \_\_\_\_\_, pursuant to the Consent Order, I hereby release and forever discharge all claims arising prior to the entrance of this Order related to the facts at issue in the litigation referenced above and related to the alleged violations of Section 533(c) of the Servicemembers Civil Relief Act, that I may have against Saxon, subsidiaries, and affiliates, and all of its past and present directors, officers, agents, managers, supervisors, shareholders and employees and their heirs, executors, administrators, successors or assigns.

Executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

-  
\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address