

EXHIBIT D

I, Melissa Witte, declare as follows:

1. I am over 21 years of age and employed with Defendant Carrington Mortgage Services, LLC (“Carrington”) as Vice President, Escrow Operations. My responsibilities include overseeing areas related to loan servicing, escrow accounts, and lender-placed insurance (“LPI”) issues and processes for Carrington’s mortgage loan servicing portfolio. The statements set forth in this Declaration are based on upon my personal knowledge, or upon a personal review of business records or other documents of Carrington. Through my employment, and through my review of the documents referenced in the preceding sentence, I am familiar with Carrington’s practices, policies, and procedures related to LPI issues. Accordingly, I have personal knowledge of the facts stated herein and, if asked to do so, I could and would competently testify thereto.

Carrington and Its Lender-Placed Insurance Practices

2. Among other things, Carrington is a mortgage servicing company that services mortgage loans in New Jersey and other states on behalf of the lenders or owners of such loans.

3. In its servicer capacity, Carrington had in the past contracted with Defendant American Security Insurance Company (“ASIC”) to provide LPI-related services for the mortgage loans (and their respective properties) in Carrington’s mortgage loan portfolio. Pursuant to that agreement, ASIC monitored Carrington’s mortgage loans for adequate insurance, notified borrowers on Carrington’s behalf when their voluntary insurance coverage had lapsed, and procured LPI for borrowers’ properties if they failed to obtain their own voluntary insurance.

4. If a borrower allowed his or her insurance to lapse, and as a result ASIC issued an LPI policy for the uninsured property, Carrington paid ASIC for the LPI policy and charged the borrower the exact cost charged by ASIC for the LPI premium. Specifically, Carrington charged

the borrower's escrow account for the LPI premium or, if no escrow account exists, established an escrow account and charged that account.

Carrington's Record-Keeping Practices and the Difficulty of Determining on a Systematic Basis Which Borrowers Were Charged for LPI, Whether They Paid, and How Much, If Anything, They Still Owe for LPI

5. Absent a comprehensive loan-level review of each borrower's account, there is no way to determine how much money, if any, particular borrowers within Carrington's loan servicing portfolio of hundreds of thousands of properties may have paid Carrington for LPI charges, whether they still owe charges for LPI, and the amount of any outstanding charges. This is true for the following reasons:

a. It is not unusual for certain borrowers to have had LPI issued for their uninsured properties multiple times over the span of several years. In these instances, a borrower's escrow account reflecting the negative balances for the advances made by Carrington must be recalculated multiple times. Each time LPI is placed, Carrington must undertake a set of calculations to establish the amount owed for each LPI advance. Moreover, those calculations must be redone if or when the LPI policy is later cancelled and the charges refunded (*i.e.*, to reflect the reduced premium charges due to the reduced period of time in which the LPI is in place).

b. Borrowers' escrow accounts, which reflect the advances Carrington made for LPI premiums on their behalves, often also reflect Carrington's advances for borrower payments related to other items or charges. For example, borrowers who allow their voluntary insurance to lapse may also fail to pay real estate taxes. In those instances, Carrington would advance payment of real estate taxes to protect the loan owner's security interest or lien position on the borrowers' properties. Those real estate tax advances by Carrington are reflected in those borrowers' escrow accounts. As another example, if a particular borrower has an escrow account

for payment of his or her voluntary insurance, such insurance payments are also reflected in that borrower's escrow account. The result is that the payment records in these escrow accounts are often extremely complex. This complexity is increased by the fact that many Carrington borrowers have defaulted on their mortgage loans in other ways (including not paying their monthly mortgage payment), and owe Carrington for those unpaid amounts as well.

c. There also are other variables that result in borrowers being charged for LPI by Carrington but never actually paying for it and in some cases no longer owing such charges. For example, a number of borrowers may have had their debt, including LPI charges, extinguished through bankruptcy, loan modification, forbearance agreement, refinance, short sale, deed in lieu of foreclosure, foreclosure sale, or some other type of agreement that waived, released, or otherwise compromised any claims the parties had against each other related to unpaid sums due, including LPI charges. With foreclosures, short sales, and deeds in lieu of foreclosure, Carrington may post LPI charges to a borrower's account but the borrower never actually pays the charges because Carrington either internalized the costs or sought to recover it from a source other than the borrower. Similarly, for loan modifications, LPI charges may be added to the balance of the loan and then the loan is re-amortized. In these instances, LPI charges may not show as negative balances in the escrow account, but those charges still would not have been paid. As such, just because an escrow account ceased to have a deficiency after an LPI charge is posted does not necessarily mean the borrower actually paid, or still owes, the charge to Carrington.


d. Carrington has used another LPI-service provider since its relationship with Defendant ASIC ended. Borrowers who had LPI originally issued through ASIC may then have had their LPI renewed through another LPI provider. Accordingly, in addition to the

complexities discussed above, it also could be complicated to determine which portion of LPI charges are attributed to LPI procured by ASIC versus another LPI provider, and if the LPI charges were waived, reduced, or re-amortized, how to apportion and attribute such changes among LPI charges from different LPI providers.

6. Based on the foregoing, there is no readily available, systematic method for Carrington to determine the universe of borrowers who were charged for LPI, paid for the LPI, still owe Carrington for the LPI charges and, if so, the amount of the outstanding charges. Instead, determining such issues would require a time-intensive, manual, borrower-by-borrower review of the account records for each borrower's loan from the first time LPI was placed until the present. In addition, the outstanding balance in any individual borrower's escrow account changes often, even daily.

In accordance with 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 2nd day of August, 2017.


Melissa Witte