

DIY-CARP INVESTIGATIVE WEB-DOC SITE

2004-2008 Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling in Conventional Home Mortgage Lending Practices against African Americans by JPMorgan Chase Bank, N.A. and Chase Manhattan Bank USA, N.A., and 2013 Chase/SPS Eleventh-Hour Maneuver to Conceal Existence of Hundreds-Thousands Chase-Originated "TOXIC MORTGAGES" from the Department of Justice during the Discovery Phase of Chase RMBS Trust Securitization Lawsuit.

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling in its Conventional Lending Practices and the 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver during the Discovery Phase of Chase RMBS Trust Certificate Lawsuit.

HMDA-LAR PUBLIC RAW DATA DISCLOSURES OBTAINED FROM THE NATIONAL ARCHIVES:

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Copies of all 1999-2017 HMDA-LAR Public Raw Data Disclosures and other public domain documents referenced in this site, as well as copies of the final versions of spreadsheets, Pivot tables, and data models used to create Excel spreadsheets, tables, charts and graphs contained in this Investigative Web-Doc site are available in online, cloud archives, and links to these electronic documents will be provided upon request via Email to: jhbarnes@diy-carp.com.

SOURCES:

- 1- 1999-2017 HMDA-LAR PUBLIC RAW DATA DISCLOSURES - IS GOVERNMENT'S NATIONAL ARCHIVES.
- 2- DOJ SETTLEMENT DOCUMENTS - NOV. 2013 CHASE RMBS SECURITIZATION LAWSUIT.
- 3- J. P. MORGAN MORTGAGE ACQUISITION TRUST 2007-CRI PROSPECTUS FILED SEC.
- 4- HUD 2001-2005 SURPRISE LEASES AND MANUFACTURED HOME LEADGE LISTS.
- 5- HUD POLA AMERICAN CHASE AND COMPANY FHA CERTIFIED LEADERS SERVICES.
- 6- BLOOMBERG REPORTING SERVICE 2007 TOP-20 SURPRISE AND ALT-A LEADERS.
- 7- BLOOMBERG LIST OF 21 GREAT (WHOLLY) OWNED ASSET VENTURE PARTNERS (AVPS).
- 8- 2009 FINANCIAL CRISIS INQUIRY COMMISSION (FCIC) FINAL REPORT.
- 9- CHASE RMBS SETTLEMENT - CONSUMER RELIEF DISTRIBUTION (LORDSHAW & SMITH MONITOR)
- 10- 2008 TRANSCRIPTS OF THE PUBLIC HEARINGS REGARDING AMERICA BANK ONE MERGER.
- 11- US CENSUS REPORTS - 2000-2010 POPULATION DEMOGRAPHICS.
- 12- SEC PROSPECTUS FOR RMBS CERTIFICATE TRUSTS JPMAC 2007-CRI TRUST JPMAC 2007-CIS.

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Systemic Predatory and Discriminatory Conventional Home Mortgage Lending Practices Against African Americans by JPMorgan Chase Bank, N.A., Chase Manhattan Bank USA, N.A., and Select Portfolio Servicing, Inc.

Executive Summary

STATEMENT OF FACTS: Chase Home Loan Direct® Mortgage Origination Policy, Process, and Chase New-Prime Lending Center

STATEMENT OF FACTS: 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver

Fraudulent Two-Tier Conventional Home Mortgage Origination Scheme

Chase Lending Specificity: "The Immutability of the Asylum"

Lending Practices of Operators of Chase Home Loan Direct® Conventional Home Mortgage Lending Boiler-Room.

Materialization of Chase Manhattan Bank USA, N.A. as a Lending Subprime Mortgage Lender

Role of JPMCBNA's Wholly-Owned Subsidiaries: CDM/CCH

"NO FEAR OF GOVERNMENT OVSIGHT" FROM DOJ, FHIC, OCC, or CFPB

"Footprints in the Sand": HMDA-LAR Public Raw Data Disclosures of National Archives Repository

Chase 2004 to 2007 Racial Disparity Indicators® (RDIs) in Selected Metropolitan Statistical Areas/Metropolitan Divisions (MSAs/MDs)

Chase 2004-2007 RDIs - 384 MSAs/MDs	Chase 2004-2007 RDIs - 20 Urban MSAs/MDs	Chase 2004-2007 RDIs - 7 Inner-City MSAs/MDs	Chase 2004-2007 RDIs - Poverty-Stricken MSAs/MDs - 38060	Chase 2004-2007 RDIs - Detroit MSAs/MD - 12904
Chase 2004-2007 RDIs - Washington, DC MSAs/MD - 47894	Chase 2004-2007 RDIs - Columbus MSAs/MD - 3406	Chase 2004-2007 RDIs - Newark, NJ MSAs/MD - 4726	Chase 2004-2007 RDIs - Memphis - MSAs/MD - 13460	Chase 2004-2007 RDIs - Minneapolis-St. Paul MSAs/MD - 13460

Industry/Supporting Shows, Charts, Graphs, Tables, Demographics, and Lender-Comparisons Analysis.

JPMCBNA Long-Term "Systemic" Racial, Discriminatory, Conventional Lending Practices in "Hardest-Hit", Inner-City MSAs/MDs

Repetition of FICO/Audit Violations during the Conventional Home Mortgage Loan Application Creation Process

Chase Home Conventional Lending, Broker-Score Origination Practices in High-Poverty, Inner-City MSAs/MDs

1999-2008 Chase ELAVAS/RHS Home Mortgage Lending Practices

"Nation-wide African American Housing Crisis": 1999-2017 HMDA/LAR Home Mortgage Lending Trends for Conventional Refinancing, Conventional Purchase, and ELAVAS/RHS Racial Disparity Indicators® (RDIs)/EEO-Affirmative HMDA/LAR Public Disclosure Records)

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling Practices and the 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver during the Discovery Phase of Chase RMBS Trust Certificate Lawsuit.

EXECUTIVE SUMMARY OF CLAIMS ONE AND TWO:

- CLAIM ONE: 2004-2008 PREDATORY LENDING, MORTGAGE LOAN FRAUD, AND RACIAL DISCRIMINATION/RACIAL PROFILING PRACTICES OF JPMORGAN CHASE AND COMPANY AFFILIATES.
- CLAIM TWO: 2013 CHASE/SPS ELEVENTH-HOUR OUTSOURCING MANEUVER TO CONCEAL CHASE-ORIGINATED "TOXIC MORTGAGES" FROM DOJ INVESTIGATORS.

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling Practices and the 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver during the Discovery Phase of Chase RMBS Trust Certificate Lawsuit.

STATEMENT OF FACTS: 2004-2008 PREDATORY LENDING, MORTGAGE LOAN FRAUD, AND RACIAL DISCRIMINATION/RACIAL PROFILING PRACTICES OF JPMORGAN CHASE AND COMPANY AFFILIATES.

TWO-TIER CONVENTIONAL HOME MORTGAGE ORIGINATION SCHEME: Between 2004 and 2008 Chase Lending Specialists employed by Chase Home Loan Direct® created 412,872 conventional loan applications which resulted in the origination of 175,697 subprime home mortgage loans which were sold to JPMORGAN Chase Bank, National Association (JPMCBNA). The process of selling non-conforming home mortgage loans to an affiliate during the same year in which they were originated, cleansed these home mortgage loans of all non-conforming characteristics; thus, JPMCBNA was able to securitize these "now conforming" home mortgage loans into RMBS Trust Certificates such as JPMAC 2007-CHI, which along with others became, the genesis of the DOJ's \$13-Billion Chase RMBS Trust Certificate Lawsuit against JPMorgan Chase and Company. On November 19, 2013, the Department of Justice (DOJ) announced its settlement of the Thirteen-Billion Dollar Chase RMBS Securitization Lawsuit against JPMorgan Chase and Company (JPMorgan). This settlement provided immunity to JPMorgan against all future CIVIL CLAIMS related to the creation, packaging, and sale of fraudulent Chase RMBS Certificates issued before 2008. However, this settlement explicitly excluded immunity for civil claims against "employees" of JPMorgan or more importantly, "critical charges" against JPMorgan or its employees". Below are two relevant caveats from Chase RMBS Trust Certificate Settlement:

- "The agreement does not release individuals from civil charges, nor does it release JPMorgan or any individuals from potential criminal proceedings. In addition, as part of the settlement, JPMorgan has pledged to fully cooperate in investigations related to the conduct covered by the agreement."
- "Without a doubt, the conduct uncovered in this investigation helped pave the way for the mortgage meltdown," said Attorney General Eric Holder. "JPMorgan was not the only financial institution during this period to knowingly bundle toxic loans and sell them to unsuspecting investors, but that is no excuse for the firm's behavior. The size and scope of this resolution should send a clear signal that the Justice Department's financial fraud investigations are far from over. No firm, no matter how profitable, is above the law, and the passage of time is no shield from accountability. I want to personally thank the RMBS Working Group for its tireless work not only in this case, but also in the investigations that remain ongoing."

HMDA-LAR Public Disclosures provides indisputable, unimpeachable evidence that from 2004 to 2008 Chase Lending Specialists employed by Chase Home Loan Direct® a subprime origination boiler-room located in Fort Washington, Pennsylvania, committed multiple criminal offenses while creating 412,872 mortgage loan applications which resulted in the origination of 175,697 non-conforming, subprime and ALT-A home mortgage loans. These "Toxic Mortgages" were immediately sold to JPMCBNA, who then securitized them into fraudulent RMBS Trust Certificates. Many, if not most, of these "Toxic Mortgages" were originated to economically-distressed consumers residing in poverty-stricken Census tracts within seven inner-city MSAs/MDs. Although HMDA-LAR Public Disclosures show that all JPMCBNA affiliates were guilty of some form of racial discrimination, the African Americans residing in targeted inner-city MSAs/MDs were specifically targeted by Chase Lending Specialists, and between 2004 and 2007, it became an annual ritual for the "Toxic Mortgages" originated for these consumers to be refinanced at even higher predations. The genesis of the Chase two-tier home mortgage loan origination scheme is that it eradicated the non-conforming terms and conditions of Chase Manhattan Bank USA, N.A. with conforming terms and conditions of the tier-two purchaser, JPMorgan Chase Bank, N.A.

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STATEMENT OF FACTS: 2013 CHASE/SPS ELEVENTH-HOUR OUTSOURCING MANEUVER TO CONCEAL CHASE-ORIGINATED "TOXIC MORTGAGES" FROM DOJ INVESTIGATORS.

In 2013, after numerous federal and state civil claims arising from the sale of Residential Mortgage-Backed Securities (RMBS) by JPMorgan, Bear Stearns and Washington Mutual prior to Jan. 1, 2009, the Department of Justice (DOJ) filed a landmark lawsuit against JPMorgan Chase and Company for illegal activities related to the packaging, marketing, sale and issuance of RMBS Trust Certificates. On October 16, 2013, just three weeks before the DOJ announced its settlement of the Chase RMBS Lawsuit, Susie and James Barnes received a letter from Chase notifying them that their mortgage was being outsourced to Select Portfolio Servicing, Inc. and when they called Chase they were told that they did not have anything to worry about because the mortgage was in good standing and only the servicing rights for their being outsourced. Mr. Barnes was told that Chase would still be responsible for all mortgage loan related issues including their "open, unresolved" Racial Discrimination Claim filed by Mr. Barnes with Rodney K. Renschler, Vice President of the Chase Legal and Compliance Department in both 2010 and 2011. (See copy of attached "Good-bye and Good-Riddance" letter). The letter to Chase mortgage holders on October 16, 2013, announcing this servicing mortgage agreement explicitly stated that only the servicing rights were being outsourced, and JPMCBNA would still own the mortgages and would be accountable for any problems resulting from the origination and servicing of these "Toxic Mortgages" prior to November 1, 2013. The DOJ's settlement of the Chase RMBS Trust Lawsuit was announced on November 19, 2013, and \$4-Billion of the fee assessed to JPMorgan was designated as Consumer Relief Restored:

- "JPMorgan will pay out the remaining \$4 billion in the form of relief to aid consumers harmed by the unlawful conduct of JPMorgan, Bear Stearns and Washington Mutual."
- "JPMorgan Chase and Company, the defendant in this lawsuit, was named the 'sole administrator' (without any Oversight or Monitoring from the CFPB, HUD, or the Housing and Enforcement Section of the DOJ) of the \$4-billion Consumer Relief Distribution Settlement. It is unlikely that this unprecedented action would not have occurred, had the DOJ been aware of the role of JPMorgan affiliates: JPMorgan Chase Bank, N.A., Chase Manhattan Bank USA, N.A. and Chase Home Loan Direct® in originating more than one-hundred-and-seventy-five thousand "Toxic Mortgages" included in the Chase RMBS Trust lawsuit."

The final report from the Chase-Paid Consumer Relief Monitor, Joseph A. Smith, Jr., shows that 123,737 home mortgage loans received some form of relief (Restitution) from the \$4-Billion Consumer Relief Provision of the settlement of Chase RMBS Trust Lawsuit. This restitution included: a) Loan Modifications, b) Principal Reductions, and last but not least, c) Principal Forgiveness. The September 30, 2015 Consumer Relief report for the Chase RMBS Settlement included the following caveat:

"Chase receives feedback for certain relief conducted in the first year, in the hardest-hit areas and on loans held for investment as opposed to loans serviced by others."

When the above caveat is viewed in the context of the timing of the 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver, it leads to the conclusion that the "serviced by others" phraseology was specifically used to exclude the tens of thousands of chase-originated "Toxic Mortgages" which were outsourced to SPS less than three weeks before the Chase RMBS Settlement Agreement was announced.

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling Practices and the 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver during the Disciplinary Phase of Chase RBMS Trust Certificate Lawsuit.

SUMMARY OF CRIMINAL VIOLATIONS BY PRINCIPAL OPERATORS OF THE CHASE HOME LOAN DIRECT® HOME MORTGAGE ORIENTATION BOILER-ROOM, AND THE 2013 ILLEGAL OUTSOURCING MANEUVER BY JPMORGAN CHASE BANK AND SELECT PORTFOLIO SERVICING, INC.

1. VIOLATION OF FRB REGULATION W - SECTION 23A AND 23B. - CHASE MANHATTAN BANK USA, N.A. SOLD 171,201 LOW-QUALITY, "TOXIC MORTGAGES" TO AFFILIATE BANK: JPMORGAN CHASE BANK, N.A.
2. FALSE AND MISLEADING ADVERTISEMENT VIOLATIONS OF TELEPHONE CONSUMER PROTECTION ACT (TCPA) OF 1991 BY CHASE LENDING SPECIALISTS EMPLOYED BY CHASE MANHATTAN BANK USA, N.A.
3. THREE JPMORGAN CHASE AND COMPANY AFFILIATES OPERATED AN UNSAUNDED SUPRIME HOME MORTGAGE ORIENTATION BOILER-ROOM AT CMMC BRANCH OFFICE IN FORT WASHINGTON, PA FROM 2004 TO 2008.
4. CHASE BANK OFFICER CERTIFIED ILLEGAL LAR SUBMISSIONS FROM BOTH CHASE MANHATTAN BANK USA, N.A. AND JPMORGAN CHASE BANK, N.A. TO PREVENT DETECTION OF CHASE TWO-TIER MORTGAGE ORIENTATION SCHEME.
5. CHASE NURTURED ITS "CLEAN HANDS PERSONA" DURING THE CHASE RBMS TRUST LAWSUIT INVESTIGATION BY "SERENDIPITOUSLY" OUTSOURCING THE NON-COMPLIANT, "TOXIC MORTGAGES" ORIGINATED BY CHASE LENDING SPECIALISTS EMPLOYED AT THE CHASE HOME LOAN DIRECT® MORTGAGE ORIENTATION BOILER-ROOM.
6. DENIAL OF CONSUMER RELIEF TO AFRICAN AMERICAN CONSUMERS IN HARDEST HIT INNER-CITY MSAs/MDs DAMAGED BY THE PREDATORY LENDING AND MORTGAGE LOAN FRAUD CRIMES OF JPMORGAN AFFILIATES.
7. CHASE LENDING SPECIALISTS TARGETED TENS-OF-THOUSANDS OF AFRICAN AMERICANS RESIDING IN SEVEN INNER-CITY MSAs/MDs FOR CHASE SYSTEMIC RACIAL DISCRIMINATORY PRACTICES.

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling Practices and the 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver during the Disciplinary Phase of Chase RBMS Trust Certificate Lawsuit.

SUMMARY OF CRIMINAL VIOLATIONS BY PRINCIPAL OPERATORS OF THE CHASE HOME LOAN DIRECT® HOME MORTGAGE ORIENTATION BOILER-ROOM, AND THE 2013 ILLEGAL OUTSOURCING MANEUVER BY JPMORGAN CHASE BANK AND SELECT PORTFOLIO SERVICING, INC.

1. VIOLATION OF FRB REGULATION W - SECTION 23A AND 23B. - CHASE MANHATTAN BANK USA, N.A. SOLD 171,201 LOW-QUALITY, NON-CONFORMING, "TOXIC MORTGAGES" TO AFFILIATE BANK: JPMORGAN CHASE BANK, N.A.

Beginning on March 4, 2004, and continuing until May 23, 2008, JPMorgan Chase Bank, N.A. (JPM/CBNA), Chase Manhattan Bank USA, N.A., and JPM/CB wholly-owned subsidiaries: Chase Manhattan Mortgage Corporation (CMMC) and Chase Home Finance, LLC, used an illegal, two-tier mortgage origination scheme to conceal the origination of non-conforming home mortgage loans from regulatory authorities. HMDA-LAR Public Disclosures show that 171,201 of these non-conforming loans were originated by Chase Lending Specialists employed by Chase Home Loan Direct®. This illegal multi-tier home mortgage origination scheme was in direct violation of Federal Reserve Regulation W - Section 23A and 23B, which restricts the sale of certain transactions between affiliates. Other leading National Banks attempted to buy a share of the subprime lending industry, such as Bank of America. National Association's 2008 attempt to acquire subprime market leader Countrywide, however, JPM/CBNA already had a subprime lending subsidiary: CMMC, and a National Bank (Chase Manhattan Bank USA, N.A., who was already a subprime market leader, as proven by the fact that it was one of only three National Banks listed on the HUD 1999-2005 Subprime LENDER LIST. It was a simple process for teams of quasi-independent mortgage brokers, known as Chase Lending Specialists, to originate 171,201 conventional subprime and Alt-A home mortgage loans, submit them to FFIEC and OCC using Chase Manhattan Bank USA, N.A.'s Respondent ID: 0000023160-1. The LAR submission records show that these loans were immediately sold by Chase Manhattan Bank USA, N.A. to JPM/CBNA, as conforming home mortgage loans; in essence, from the HMDA Disclosure process, the Chase two-tier origination scheme converted "Toxic Mortgages" of marginal value originated at one affiliate into "Conforming Mortgages" that could be securitized by a second affiliate into RBMS Trust Certificates containing thousands of other conforming mortgages. Additionally, because the toxicity of the 171,201 home mortgage loans originated by Chase Manhattan Bank USA, N.A. and purchased by JPM/CBNA was not eradicated when these loans were re-disclosed to HMDA using Respondent ID: 000000008-1. If the ownership of these quality of these low-quality, "Toxic Mortgages" had been reported correctly, it may have changed the Community Re-investment Act (CRA) satisfactory rating of JPM/CBNA. *—[Redacted]*

Regulation W was published in 2002, to consolidate rulemaking under Sections 23A and 23B of the Federal Reserve Act. Its main purposes were to protect banks from financial risk resulting from transactions with their affiliates and to limit the banks' ability to use the U.S. deposit insurance system to cover their losses from such transactions. (In general, a member bank may not purchase a low-quality asset from an affiliate unless, pursuant to an independent credit evaluation, the member bank had committed itself to purchase the asset before the time the asset was acquired by the affiliate.)

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling Practices and the 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver during the Disciplinary Phase of Chase RBMS Trust Certificate Lawsuit.

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2. FALSE AND MISLEADING ADVERTISEMENT VIOLATIONS OF TELEPHONE CONSUMER PROTECTION ACT (TCPA) OF 1991 BY CHASE LENDING SPECIALISTS EMPLOYED BY CHASE MANHATTAN BANK USA, N.A.

Chase Lending Specialist employed by Chase Home Loan Direct® created deceptive, misleading "bait rate" mortgage lending advertisements that were broadcasted on a nation-wide via spam-mail, robofax, and robocalling conducted by notorious, FCC-censured spammer: Fax.com. Illegal home mortgage applicant leads generated by these banned processes were purchased from fax.com by Chase Lending Specialists. FCC initially initiated enforcement actions against fax.com in 2002, and between 2002 and 2004, both FCC and the State of California levied fines against fax.com for TCPA and consumer fraud violations. All illegal TCPA referrals purchased by Chase Lending Specialists from fax.com should be declared void, and defrauded consumers trapped in this web of deceit should be offered relief/restoration or other compensation. When Chase Lending Specialists retained fax.com to conduct the robo-fax, "bait and switch" advertisement shown here, this notorious spammer had already been fined and censured multiple times by the FCC, which subsequently forced this firm to shut-down on November 1, 2004.

Advertising False and Misleading Home Mortgages.

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling Practices and the 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver during the Disciplinary Phase of Chase RBMS Trust Certificate Lawsuit.

SUMMARY OF CRIMINAL VIOLATIONS BY PRINCIPAL OPERATORS OF THE CHASE HOME LOAN DIRECT® HOME MORTGAGE ORIENTATION BOILER-ROOM, AND THE 2013 ILLEGAL OUTSOURCING MANEUVER BY JPMORGAN CHASE BANK AND SELECT PORTFOLIO SERVICING, INC. (Continued)

3. THREE JPMORGAN CHASE AND COMPANY AFFILIATES OPERATED AN UNSAUNDED SUPRIME HOME MORTGAGE ORIENTATION BOILER-ROOM AT CMMC BRANCH OFFICE IN FORT WASHINGTON, PA FROM 2004 TO 2008.

From 2004 to 2008, 171,201 conventional subprime and Alt-A home mortgage loans were originated at the Chase Home Loan Direct® Mortgage Origination Boiler-Room. The three operators of this nation-wide, direct-marketing center, located in a Chase Manhattan Mortgage Corporation (CMMC) branch office in Fort Washington, PA 19034, were Chase Manhattan Bank USA, N.A., JPMorgan Chase Bank, N.A., and Chase Manhattan Mortgage Corporation (CMMC). Documents obtained via the HUD Freedom of Information (FOIA) Office show that at no time during its four-plus years of operation was Chase Home Direct®, aka Chase Non-Prime Lending Center, certified as an FHA-Approved Lender or Servicer. The primary role of this direct marketing boiler-room was to create non-conforming home mortgage loans for one of its principal operators: Chase Manhattan Bank USA, N.A.; who would then illegally-submit these "non-conforming conventional mortgage loans" to HMDA-LAR using Respondent ID: 0000023160-1. Chase Manhattan Bank USA, N.A. would then sell these non-conforming home mortgage loans to its affiliate, JPMorgan Chase Bank, N.A.; who would immediately re-submit them as "purchased loans" to the HMDA-LAR using Respondent ID: 000000008-1. Although the process of re-submitting loan applications to HMDA in the same year in which they were created, using a different Respondent ID, is not prohibited by Regulation C, the fact that it was done to change these loans from non-conforming to conforming is, at a minimum, unethical.

The term "Loss (or Lack) of Institutional Control" was coined during the last decade by the NCAA to describe the failure of one of its institutions to maintain control of its athletic department; however, this term optimizes the 2004 to 2008 Chase Home Loan Direct® subprime origination center (aka Chase Non-Prime Lending Center). Conversely, the term "The Innates are Running the Asylum" could (and should) be used to describe the teams quasi-independent Chase Lending Specialists who were empowered to use "any means at their disposal" to originate non-conforming, subprime and Alt-A home mortgage loans. HMDA-LAR Public Raw Data Disclosures show that predatory lending and mortgage loan fraud schemes were frequently used to create the more than four-hundred-thousand conventional home mortgage loan applications created by Chase Lending Specialists during the four-plus years of operation of this center. The pivotal role played by mortgage loan brokers such as Chase Lending Specialists in the near-collapse of the home mortgage lending industry is chronicled in the 2009 Financial Crisis Inquiry Commission Report (FCIC) in which Jamie Dimon, CEO and Chairman of JPMorgan Chase and Company testified. One of the major conclusions of the FCIC was:

"We conclude there was a systemic breakdown in accountability and ethics... If it looks like a duck, walks like a duck, and quacks like a duck, it's probably a duck!"

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4. CHASE BANK OFFICER CERTIFIED ILLEGAL LAR SUBMISSIONS FROM BOTH CHASE MANHATTAN BANK USA, N.A. AND JPMORGAN CHASE BANK, N.A. TO PREVENT DETECTION OF CHASE TWO-TIER MORTGAGE ORIENTATION SCHEME.

Annual LARs submitted by Chase Manhattan Chase Bank USA, N.A. from 2005 to 2008 included submitting LARs with the wrong bank name, and thus detecting the illegal Chase Two-Tier Home Mortgage Origination Scheme. The Chase Bank Officer responsible for certifying LARs also "certified" that all application contained in submitted LARs were correct and error-free when in fact, these LARs were error-riddled, and in many cases, the applications contained in these LARs contained 100% edit and validity failure errors and should have been rejected by both FFIEC and OCC. (LARs with a 10% or higher edit failure rate must be corrected by the Respondent institution). Additionally, between 2004-2008, ALL HMDA-LAR Disclosures were submitted under the name Chase Manhattan Bank USA, N.A. and the 412,878 applications contained in these submissions were from 384 MSAs/MDs across forty-four states. The Respondent ID used in these submissions was 0000023160-1, which had been assigned to Chase Manhattan Bank USA, N.A. since 1999, and was only authorize to submit disclosures from the Wilmington, Newark, DE-ND MSA/MD-08864 assigned to Chase Manhattan Bank USA, N.A. 2004-2008. The results of this error are beyond comprehension because from 2004 to 2008 the HMDA Disclosure Raw Data shows that all 151,373 loans, with an approximate valuation of \$17.3-Billion, were originated for the 383 MSAs/MDs supported Chase Home Loan Direct, but 2004-2008 HMDA Disclosures reports show that all loans were originated in a single MSA/MD: 08864, OCC, the Supervisory Agency for all Chase affiliates, could (and should) have levied substantial monetary fines, and cease and desist orders against both National Banks for repeated violations of HMDA/Regulation C Disclosure Act.

LOAN APPLICATION REGISTER

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling Practices and the 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver during the Disciplinary Phase of Chase RBMS Trust Certificate Lawsuit.

SUMMARY OF CRIMINAL VIOLATIONS BY PRINCIPAL OPERATORS OF THE CHASE HOME LOAN DIRECT® HOME MORTGAGE ORIENTATION BOILER-ROOM, AND THE 2013 ILLEGAL OUTSOURCING MANEUVER BY JPMORGAN CHASE BANK AND SELECT PORTFOLIO SERVICING, INC. (Continued)

5. CHASE NURTURED ITS "CLEAN HANDS PERSONA" DURING THE CHASE RBMS TRUST LAWSUIT INVESTIGATION BY "SERENDIPITOUSLY" OUTSOURCING THE NON-COMPLIANT, "TOXIC MORTGAGES" ORIGINATED BY CHASE LENDING SPECIALISTS EMPLOYED AT THE CHASE HOME LOAN DIRECT® MORTGAGE ORIENTATION BOILER-ROOM.

The 2013 Eleventh-Hour Outsourcing Maneuver by JPMorgan Chase Bank, N.A. and Select Portfolio Servicing, Inc. (SPS) not only concealed all traces of the 412,372 Conventional Home Mortgage Applications created by Chase Lending Specialists but also concealed the existence of 171,201 non-conforming "Toxic Mortgages" originated at Chase Home Loan Direct® boiler-room and sold to JPMorgan Chase Bank, N.A. (JPM/CBNA) between March 1, 2004, and May 2008. This illegal outsourcing maneuver deprived tens of thousands of the economically-distressed African American mortgagors of these outsourced "Toxic Mortgages" of the much-needed relief and/or restitution awarded in settlement of the Chase RBMS Trust Lawsuit. The November 19, 2013 Settlement Agreement of this landmark lawsuit, specifically name RBMS Certificate: JPMAC 2007-CH1 through JPMAC 2007-CH5 as being among the Trust Certificates included in the settlement, and on multiple occasions, both JPM/CBNA and SPS have identified these Trust Certificate as being among those outsourced to SPS on November 1, 2013; nineteen-days before the Chase RBMS Trust Lawsuit Settlement was announced. JPM/CB and Chase Manhattan Bank USA, N.A. used an illegal, two-tier, inverted-pyramid mortgage origination scheme that concealed the actual home mortgage originator 171,201 non-conforming, subprime, and Alt-A home mortgage loans from regulatory authorities.

DOJ for the crimes committed during the perpetration of the Chase RBMS Trust Certificate Scheme, no employees or executive of JPMorgan were charged with any crime, and JPMorgan was granted immunity from future claims. Furthermore, in an unprecedented move, DOJ named JPMorgan Chase and Company as the sole administrator (without federal government oversight) of the \$4-Billion Consumer Relief Provision of the \$13-Billion Chase RBMS Trust Lawsuit Settlement. Clearly, these generous settlement terms would not have been offered to JPMorgan had the DOJ known about, as the 171,201 non-conforming, "Toxic Mortgages" originated at Chase Home Loan Direct®, b) then disclosed to FFIEC and OCC using Respondent ID: 0000023160-1, c) immediately sold to JPM/CBNA during the same calendar year in which they were originated; and d.) re-submitted to FFIEC and OCC as conforming home mortgage loans by JPM/CB using Respondent ID: 000000008-1. The net results of this two-tier origination are that it made JPMorgan appear to have "Clean Hands" as relates to knowing to defraud purchaser of the fraudulent RBMS Trust Certificates, which included these and other "Toxic Mortgages".

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling Practices and the 2013 ChaseSPS Eleventh-Hour Outsourcing Maneuver during the Discovery Phase of Chase RBMS Trust Certificate Lawsuit. Page 13

SUMMARY OF CRIMINAL VIOLATIONS BY PRINCIPAL OPERATORS OF THE CHASE HOME LOAN DIRECT® HOME MORTGAGE ORIGINATOR BOILER-ROOM, AND THE 2013 ILLEGAL OUTSOURCING MANEUVER BY JPMORGAN CHASE BANK AND SELECT PORTFOLIO SERVICING, INC. (Continued)

7. DENIAL OF CONSUMER RELIEF TO AFRICAN AMERICAN CONSUMERS IN HARDEST HIT INNER-CITY MSAs/MDs DAMAGED BY THE PREDATORY LENDING AND MORTGAGE LOAN FRAUD CRIMES OF JPMORGAN AFFILIATES.

This merger was the first in a chain of events that would culminate in outsourcing all Chase-Originated "Toxic Mortgages" to Select Portfolio Servicing, Inc. on November 1, 2013. Co-incidentally, this outsourcing of Chase-originated-mortgages thirty-five days before the DOJ Settlement of the Chase RBMS Trust Certificate Lawsuit, "so-called Good-Bye Letters" sent to the consumers to which these mortgages were originated during the month of October 2013. One of the possible reasons that this outsourcing maneuver was instigated was the impending settlement of the landmark \$13-Billion Chase RBMS Trust Certificate Lawsuit by the DOJ against JPMorgan Chase and Company. One of the stipulations of the settlement of this lawsuit was that it would include a \$4-billion Consumer Relief provisions that would be used to provide "relief" to consumers adversely affected by JPMorgan. The May 30, 2015, Consumer Relief Status Report from Joseph A. Smith, Jr., monitor of the Consumer Relief Provisions of the settlement, indicated that home Mortgages "held for investment" by JPMCB might have received "relief" from the \$4-Billion Consumer Relief Settlement, while none of the home mortgage loans assigned to SPS during the Eleventh-Hour Outsourcing Maneuver received restitution. As this travesty injustice shows, the primary purpose of this outsourcing maneuver was to enable JPMCB to deny relief to mortgages of Chase-Originated Home Mortgage Loans assigned to SPS. In an ironic twist of fate, many of the African Americans residing in inner-city communities would ultimately lose their homes via foreclosures, short-sales, and abandonment.

"The Key Admonishment" to JPMorgan in settlement of the Chase RBMS Trust Certificate Lawsuit was:
 "JPMorgan will pay out the remaining \$4 billion in the form of relief to all consumers harmed by the unlawful conduct of JPMorgan, Bear Stearns, and Washington Mutual... and, requiring JPMorgan both to pay the largest FIRREA penalty in history and provide needed consumer relief to areas hardest hit by the financial crisis, we recify some of that harm today." It is reprehensible and unethical that, 1) there was no public accounting of how, and to whom, this \$4-Billion "restitution" was dispensed, and 2) No DOJ or GSA audit of the dispersal of \$4-Billion of American taxpayer funds. Clearly, the irrefutable harm done to African Americans residing in inner-city MSAs/MDs such as Atlanta, Baltimore, Detroit, Memphis, Richmond, Virginia Beach, and Washington, DC, qualifies these six cities as being among the "hardest hit" by the financial crisis. However, there is nothing in the final report of the so-called independent monitor of consumer relief-restitution that identifies the geographical area or the racial demographics of the 123,737 consumers who received restitution from this "Greatest Consumer Fraud Settlement in American History."

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling Practices and the 2013 ChaseSPS Eleventh-Hour Outsourcing Maneuver during the Discovery Phase of Chase RBMS Trust Certificate Lawsuit. Page 14

SUMMARY OF CRIMINAL VIOLATIONS BY PRINCIPAL OPERATORS OF THE CHASE HOME LOAN DIRECT® HOME MORTGAGE ORIGINATOR BOILER-ROOM, AND THE 2013 ILLEGAL OUTSOURCING MANEUVER BY JPMORGAN CHASE BANK AND SELECT PORTFOLIO SERVICING, INC. (Continued)

7. CHASE LENDING SPECIALISTS TARGETED TENS-OF-THOUSANDS OF AFRICAN AMERICANS RESIDING IN SEVEN INNER-CITY MSAs/MDs FOR CHASE SYSTEMIC RACIAL DISCRIMINATORY PRACTICES.

Teams of Chase Lending Specialists manning Chase Home Loan Direct® explicitly-selected/profiled economically-distressed-consumers residing in inner-city MSAs/MDs for its Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling practices. These quasi-independent mortgage brokers were awarded Yield Spread Premium (YSP) bonuses based upon the mortgage loan Interest Rate, Mortgage Discount Points, and ancillary fees that were assessed to borrowers; thus, their quasi-independent mortgage brokers were motivated to originate loans with the highest allowable interest rates and largest mortgage discount percentage; knowing, that the mortgage applicants would never see these mortgage terms and conditions until the actual mortgage loan closing; and these economically-distressed applicants would be forced to accept these terms and conditions. Conventional home mortgage loans originated by Chase Lending Specialists with little, or no, the participation of mortgage loan applicants are easily identifiable because of the near-total absence of applicants in the negotiation of mortgage terms and conditions before submitting these applications to Chase underwriters. Chase Lending specialists have the best of both worlds: mortgage applicants that are in such dire financial condition that they will not refuse any mortgage loan term and conditions regardless of their predation, and a Chase Two-Tier mortgage origination scheme that originates "Toxic Mortgages" irrespective of the credit-worthiness of the applicants.

Ironically, Chase Lending Specialists received YSP bonuses proportionally to the subprime mortgage rate, mortgage discount points, and ancillary fees assessed to the conventional mortgage; thus, the higher these three items, the larger the YSP bonuses received after the mortgage closed. Appallingly, many of these defrauded applicants were African American consumers residing in these inner-city MSAs/MDs, and few, if any, had any experience in the conventional home purchasing market. HMDA-LAR Public disclosures from 2009 to 2017, show that after the real estate collapse of 2009, African Americans left the conventional home purchasing market, and many of the once flourishing inner-city neighborhoods never returned to their pre-2004 prominence.

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling Practices and the 2013 ChaseSPS Eleventh-Hour Outsourcing Maneuver during the Discovery Phase of Chase RBMS Trust Certificate Lawsuit. Page 15

TWO-TIER MORTGAGE ORIGINATION SCHEME.

TIER ONE: From 2004 to 2008, Chase Lending Specialists employed at the clandestine Chase Home Loan Direct® Mortgage Origination Boiler-Room (aka: Chase Non-Prime Lending Center) created 491,898 mortgage loan applications for consumers residing in 364 MSAs.

- 79,036 of the home mortgage loan applications were from the loan for Respondent ID: 08864 assigned to Chase Manhattan Bank USA, National Association. (This was the only MSA/MD from which this bank was "CERTIFIED" to submit HMDA-LAR Disclosures.
- 412,872 loan applications were created for consumers residing 383 MSAs/MDs. 175,697 of these home mortgage loan applications were originated as non-conforming, subprime, and Alt-A home mortgage loans, and were then submitted to FFIEC by Chase Manhattan Bank USA, N.A., using Respondent ID: 0000021160. Simultaneously, while these 175,697 home mortgage loans were being submitted to HMDA, they were sold to JPMorgan Chase Bank, N.A. (JPMCB)
- JPMorgan Chase Bank, N.A.'s wholly-owned subsidiaries: Chase Manhattan Mortgage Corporation/Chase Home Finance, LLC, also submitted more than three-hundred-thousand non-conforming home mortgage applications to Chase Manhattan Bank USA, N.A.

TIER TWO: The purpose of Tier-Two in the Chase Origination scheme was for JPMCB to purchase and resubmit, non-compliant home mortgage loans via the HMDA-LAR Public Disclosures, thereby changing them of all non-conforming characteristics; and thus, converting them to GSE-compliant conforming home mortgage loans. HMDA-LAR disclosures show that from 2004 to 2008, JPMCB purchased 175,697 non-conforming home mortgage loans purchased from Chase Manhattan Bank USA, N.A.; and immediately, resubmitted them to FFIEC as conforming home mortgage loans using HMDA Respondent ID: 000000061. These non-conforming mortgage loans, along with 1,272,262 conforming mortgage loans originated by JPMCB, constitute the 1,447,959 conforming mortgage loans originated and purchased by JPMCB from 2004-2007.

JPMCB sold non-conforming home mortgage loans from other affiliates, and subprime market-leaders WMC Mortgage Corporation and Countrywide Financial.

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2004-2008 Chase Predatory Lending, Mortgage Loan Fraud, and Racial Discrimination/Racial Profiling Practices and the 2013 ChaseSPS Eleventh-Hour Outsourcing Maneuver during the Discovery Phase of Chase RBMS Trust Certificate Lawsuit. Page 16

ROLE OF CHASE HOME LOAN DIRECT® BOILER-ROOM'S TWO-TIER ORIGINATION SCHEME IN CHASE RBMS TRUST LAWSUIT.

- Chase Lending Specialists manning Chase Home Loan Direct® specifically targeted Economically Distressed homeowners, in the hardest-hit urban MSAs/MDs, many of which were of African American descent.
- Chase Lending Specialists purchased illegal mortgage applicant leads from FTC-indicted spammer: Fax.com. (Fax.com was forced out of business by FTC in 2006).
- Operators of Chase Home Loan Direct® provided Chase Lending Specialists with rejected and/or denied home mortgage applications that were previously submitted to FFIEC by other JPMorgan Chase and Company affiliates.
- HMDA Disclosures obtained from the National Archives show that between 2004 and 2008, the clandestine Chase Home Loan Direct® Mortgage Origination Boiler-Room originated 191,088 non-conforming conventional mortgage loans, and 175,697 of these originated loans were sold to JPMorgan Chase Bank, National Association.
- Chase Home Loan Direct® was not an FHA-licensed lender, and all loan applications were submitted to FFIEC using Respondent ID: 0000023160-1, violated the Regulation CHMDA. The JPMCB Bank Officer who signed annual LAR certificates may have committed multiple federal perjury crimes by "CERTIFYING" the correctness and authenticity of 2004-2008 LAR Transmittal Sheets (TSs).
- The 175,697 home mortgage loans originated by Chase Home Loan Direct® were scrubbed of all non-conforming attributes, and sold to JPMorgan Chase Bank, N.A.
- Tier-Two of the Chase "Two-Tier" Origination Scheme worked because of an apparent law which allows loans originated by one HMDA respondent to be sold to an affiliate HMDA respondent during the same year in which they are originated.
- JPMorgan Chase Bank, N.A. purchased non-conforming home mortgage loans from known subprime home mortgage lenders such as WMC Mortgage Corp., Countrywide Mortgage, and Greenpoint Mortgage.
- JPMCB sold more than 550k non-conforming mortgage loans, that were not certified and sold) to GSEs, banks, SAs, CUs, Ins. Cos, and Others.
- Sources: SEC Prosecutions, Government Databases, FOIA Documents, and other Public Domain Information Sources used to create this Investigative Web-Doc site.

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