

IN THE CIRCUIT COURT FOR ANNE ARUNDEL COUNTY, MARYLAND

MARCELINE WHITE

*On behalf of herself individually and
similarly situated persons.*

Plaintiff

v.

**NEWREZ LLC d/b/a SHELLPOINT
MORTGAGE SERVICING
&
FEDERAL NATIONAL MORTGAGE
ASSOCIATION**

Defendants

Case No. C-02-CV-001060

CLASS ACTION & INDIVIDUAL SETTLEMENT AGREEMENT AND RELEASE

The Parties enter into the following Class Action and Individual Settlement Agreement and Release (“Agreement” or “Settlement Agreement”). The Settlement Agreement is entered into by and amongst Marceline White (the Named Plaintiff in this Class Action), in her individual capacity and also in her representative capacity on behalf of the Class described in this Agreement, and NewRez LLC d/b/a Shellpoint Mortgage Servicing (“Shellpoint”) and Federal National Mortgage Association (“Fannie Mae”)(jointly “Defendants” in this Class Action), who collectively shall be the “Settling Parties,” as more fully defined below. The Settlement Agreement is intended by the Settling Parties to fully, finally and forever resolve, discharge and settle on behalf of the entire Class the Released Claims, and in addition, on behalf of the Named Plaintiff her Individual claims, as defined herein, upon and subject to the terms and conditions herein.

RECITALS

WHEREAS, the Amended Complaint in this action alleges that Shellpoint, on its behalf and on behalf of others including Fannie Mae, improperly charged the Plaintiff and class

members “Convenience Fees” (as defined in paragraph 6 below) when they made required mortgage payments by telephone or by the Internet; and

WHEREAS, the Amended Complaint alleges that Convenience Fees are not authorized under Maryland law or the written contracts governing mortgages of the Plaintiff and class members; and

WHEREAS, the Amended Complaint also alleges these practices were in violation of the Maryland Consumer Debt Collection Practices Act, COM. LAW § 14-201, *et seq.* (“MCDCA”) and the Maryland Consumer Protection Act, COM. LAW, § 13-101, *et seq.* (“MCPA”); and

WHEREAS, the Amended Complaint in this action also alleges individual claims by the Named Plaintiff pursuant to the state law governing her loan; and

WHEREAS, Defendants have denied and continue to deny liability as to all claims asserted in the Amended Complaint; and

WHEREAS, proceeding further in litigation has risks for the Parties and the alleged class, and the complexity of state law claims asserted on behalf of the Class may limit the available recovery to the Class even if liability were found; and

WHEREAS, the Settling Parties have concluded that it is desirable for the Class Action and Individual claims to be settled as between the parties to the Amended Complaint to avoid further inconvenience, delay, and expense and to dispose of potentially burdensome and protracted litigation and to put to rest all claims that have been or might be asserted by Class Members relating to Convenience Fees and by Named Plaintiff on her own behalf; and

WHEREAS, the Settling Parties have engaged in extensive arms-length settlement negotiations, before the Honorable Steven I. Platt (Ret.) (which resolved first the Class Member claims and then the individual claim) and have determined that the terms of the Settlement

Agreement constitute a fair and reasonable compromise of the claims and defenses of all Settling Parties; and

WHEREAS, Named Plaintiff and Class Counsel believe that the claims asserted by the Amended Complaint are meritorious, they also recognize, however, that this action has an uncertain outcome and that pursuing this litigation through trial would involve substantial cost, risk, and inevitable delay that may not increase the benefits to the Class Members each of whom would benefit from relief sooner than after months or years of more litigation. Based on their evaluation of the facts and law, and a weighing of the risks and benefits, the expense and length of continuing proceedings necessary to prosecute the Action against Defendants through trial and any appeals, and the substantial benefits the Settlement confers upon the Class, Class Counsel have determined that the Settlement set forth in this Settlement Agreement is fair, reasonable, adequate, and in the best interest of the Class Members; and

WHEREAS, the Defendants believe that they have meritorious defenses to all of the claims asserted against them and meritorious defenses to certification of any litigation class. Fannie Mae and Shellpoint also recognize, however, that this Action has an uncertain outcome and that pursuing this litigation through trial would involve substantial cost and risk. Based on their evaluation of the facts and law, and a weighing of the risks and benefits, the expense and length of continuing proceedings necessary to defend the Action, as well as other business considerations, Defendants have determined that the Settlement set forth in this Settlement Agreement is in their best interest; and

WHEREAS, in consideration of the foregoing and other good and valuable consideration, it is stipulated and agreed by and between Named Plaintiff and Defendants that the Released Claims, defined below, of the Named Plaintiff and Class Members, and in addition the separate

additional claims of the Named Plaintiff Individually, be and are hereby compromised and settled, subject to the approval of the Court, upon the following terms and conditions.

DEFINITIONS

1. Accessible Contact Information. “Accessible Contact Information” means the names and most current electronic email and mailing addresses of Class Members as currently contained in the records of Shellpoint and using standard address forwarding that may be supplied by the United States Postal Service, if any.

2. Action. “Action” means the above-captioned action currently pending in the Circuit Court for Anne Arundel County, Maryland (Case No. C-02-CV-001060).

3. Parties. The “Parties” to this Class Action Settlement Agreement and Release are Marceline White (the Named Plaintiff in this Class Action), on behalf of herself and a Class of persons similarly situated (collectively, “Plaintiffs” or “Class Members”), and Defendants NewRez LLC d/b/a Shellpoint Mortgage Servicing (“Shellpoint”) and Federal National Mortgage Association (“Fannie Mae”) (jointly “Defendants”).

4. Attorney’s Fees. “Attorney’s Fees” means reasonable, contingent attorney’s fees, cost of litigation, and expenses, as approved by the Court.

5. Class Counsel. “Class Counsel” means counsel for the Class Representative and the Class Members: Phillip R. Robinson of the Consumer Law Center LLC, 10125 Colesville Road, Suite 378, Silver Spring, MD 20901 and Thomas J. Minton of Goldman & Minton, P.C., 3600 Clipper Mill Rd., Suite 201, Baltimore, MD 21211.

6. Convenience Fees. “Convenience Fees” means the monetary fees charged by Shellpoint to borrowers to make mortgage payments over the phone or Internet during the period

from October 1, 2018 to September 30, 2020, which are the fees that are the subject of the Class claims at issue in the Action.

7. Class Members. “Class Members” shall mean Persons defined in the following manner:

All individuals in Maryland who from October 1, 2018 to September 30, 2020 (i) paid a “Convenience Fee,” (ii) collected in whole or in part by Shellpoint, (iii) in order to make a payment on a residential mortgage debt, and (iv) where the “convenience fee” charged was not specifically enumerated in the original agreement creating such debt.

Shellpoint shall provide to the Settlement Administrator a Class mailing list with Accessible Contact Information, in an electronic format (*i.e.*, M.S. Excel), within five (5) business days of entry of the Preliminary Approval Order by the Court, or by April 15, 2021, whichever is later. Said list shall be comprised of the Class Members with their last available electronic email and mailing address known to Shellpoint and shall also identify the names of all borrowers associated with each loan account. For the purposes of this Agreement, Shellpoint represents and warrants that it believes the Class includes approximately 20,307 separate and unique mortgage loans (with one or more borrowers); however, if the actual size of the Class is later determined to exceed 20,307 persons by more than two percent (*i.e.*, 406 unique loans), Named Plaintiff and Defendants agree that the Settlement Agreement shall become null and void if, within fifteen (15) days of notice from the Defendants to the Named Plaintiff and Class Counsel of the actual number of the Class members, the Parties are unable to come to a revised agreement to increase the Common Fund to reflect the increased number of Class members.

To the extent that there is more than one borrower on a mortgage loan subject to this Settlement, the co-borrowers shall be deemed to be one settlement Class Member and any settlement payment shall be paid by check payable jointly to the co-borrowers on such loan

8. Class Representative or Named Plaintiff. “Class Representative” or “Named Plaintiff” means Marceline White.

9. Amended Complaint. “Amended Complaint” means the Amended Complaint filed in the Circuit Court for Anne Arundel County, Maryland, Case No. C-02-CV-001060.

10. Court and “Circuit Court”. The “Court” means the Circuit Court for Anne Arundel County, Maryland.

11. Defendants. “Defendants” mean Shellpoint and Fannie Mae.

12. Defendants’ Counsel. “Defendants’ Counsel” means T. Sky Woodward and Andrew Narod, Bradley Arant Boult Cummings LLP, 1615 L Street N.W., Suite 1350 Washington, DC 20036.

13. Effective Date. “Effective Date” means the date when this Class Action Settlement and Release is fully executed by all Parties hereto.

14. Final Approval Date. “Final Approval Date” means the date on which Final Judgment is entered by the Court. If an appeal or review is sought from the Final Judgment, Final Approval Date shall mean the later of (a) the date of the expiration of time for Petition for Review or for Writ of Certiorari from any final affirmance of the Judgment, or if Review or Certiorari is granted, the date of final affirmance following review pursuant to that grant; or (b) the date of final dismissal of any appeal, including denial of or expiration of the time for filing any Petition for Writ of Certiorari, or ultimate final dismissal of any proceeding on review; or, if no appeal or petition for review is filed, the third business day after expiration of the time for taking an appeal or petition for review.

15. Final Judgment. “Final Judgment” means the Final Judgment provided for in ¶39.

16. Notice. “Notice” means the Notice of Proposed Class Action Settlement in the form attached hereto and incorporated herein as **Exhibit A-1** that is emailed or mailed by the Settlement Administrator to all Class Members either by electronic email, the Settlement Website, and/or by mailing as provided herein. Notice includes the Notice and Settlement Website (including agreed upon FAQs) which will notify Settlement Class Members, among other things, about their rights to opt out and object to the Settlement, the preliminary approval of the Settlement, the scheduling of the Final Approval Hearing, and how to contact Class Counsel to answer any questions. The procedures for ensuring notice to the Class shall be as follows:

- a. Subject to the requirements of the Preliminary Approval Order, the Settlement Administrator shall send Notice via email substantially in the form attached as **Exhibit A-1**, along with a link to the Settlement Website, to all Class Members for whom a valid email address is available in the Class List.
- b. If no valid email address exists for a member in the Class, or in the event that the transmission of any email notice results in a hard “bounce-back,” the Settlement Administrator shall no later than the Notice Date, send short-form Notice via First Class U.S. Mail through a postcard notice substantially in the form attached as **Exhibit A-2**, to each physical address in the Class List. This short-form Notice should direct the Class members to: (i) the Settlement Website where these Class Members may access the Notice, Settlement Agreement, and other relevant records from the Action; and shall explain (ii) how to contact Class Counsel to ask questions. For each mailed short-form Notice the Claims Administrator shall use the National Change of Address database to attempt to

update the mailing address for the intended Class Member and will send a postcard containing the Summary Notice by U.S. first-class mail, postage prepaid, to each such Settlement Class Member for whom it can obtain a valid mailing address from this database.

17. Notice Date. “Notice Date” means the date that Notices described in ¶ 16 are initially sent electronically or by pre-paid U.S. Mail to the Class Members. The Notices should be transmitted or mailed no later than (i) twenty-eight (28) days from the date the Court enters the Preliminary Approval Order, (ii) forty-eight (48) days from March 31, 2021, or (iii) as the Court may otherwise direct, whichever is later.

18. Opt-out Date. “Opt-out Date” or “Exclusion Deadline” means the deadline for requests for exclusion from the Settlement to be received by the Settlement Administrator, Class Counsel, and Defendants’ Counsel. The opt-out date will be fifty-five (55) days from the Notice Date, and requests for exclusion received by the Settlement Administrator, Class Counsel, and Defendants’ Counsel that are postmarked after that date will have no legal effect.

19. Person. “Person” (when used in the singular or plural form) means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, any business or legal entity, and any other recognizable legal entity.

20. Preliminary Approval Order. “Preliminary Approval Order” means the Order preliminarily approving the Settlement Agreement, approving the Notice, and setting the Settlement Hearing date, as provided in ¶38 of the Settlement Agreement, a form of which is attached hereto and incorporated herein as **Exhibit A-3**.

21. Related Parties. “Related Parties” shall mean each of a Party’s past or present insurers, re-insurers, officers, directors, trustees, members, employers, employees, partners, member firms, affiliates, principals, agents, shareholders, attorneys, accountants, auditors, advisors, personal and legal representatives, heirs, beneficiaries, predecessors, successors, parents, subsidiaries, divisions, associates, related or affiliated entities, and any members of their immediate families.

22. Released Claims. “Released Claims” means the claims against and liabilities of the Defendants and Related Parties that are to be released and discharged by this Settlement, as more fully described in ¶35.

23. Settlement. “Settlement” means the terms and conditions set forth in this Agreement, including all Exhibits.

24. Settlement Administration Costs and Expenses. “Settlement Administration Costs and Expenses” means the costs and expenses incurred by the Settlement Administrator with the approval of Class Counsel and as approved by the Court for costs and expenses to facilitate the Settlement, including but not limited to, the costs of printing and mailing the Notice and making the distributions contemplated herein for Class Members. Notice and Settlement Administration costs and expenses must be paid by the Common Fund established herein in ¶30(a) before distribution to Class members. Defendants will have no obligation to contribute to Settlement Administration Costs and Expenses beyond payment of the Common Fund. However, in the event that the Court does not give Final Approval of the Agreement as described in ¶41, Defendants shall be liable to pay the Settlement Administration Costs and Expenses incurred as of that date.

25. Settlement Administrator. “Settlement Administrator” means an entity selected by Class Counsel and approved by the Court that will administer the Settlement on behalf of the parties and includes American Legal Claim Services LLC. The Settlement Administrator has represented that it has sufficient security protocols in place to ensure the confidential information Defendants provide it in the course of the administration is protected. The Settlement Administrator shall provide to Class Counsel and Defendants’ Counsel no later than sixty (60) days after the initial notice emailing/ mailing or twenty-five (25) days before the Final Fairness Hearing, whichever occurs later, a declaration confirming results of the transmissions of the Notices that were emailed and mailed to all Class Members as required by this Settlement Agreement, the number of returned undeliverable Notices (if any), and the number of opt-outs and objections, as well as any additional information Class Counsel deems appropriate to provide to the Court. It is a material term of this agreement that, except as Ordered by the Court, the Settlement Administrator shall keep confidential the personal identifying information, including physical addresses and e-mail addresses of class members, and that the Settlement Administrator shall not share such information with any person, including Class Counsel, except as needed to allow Class Counsel to answer a specific question from a Class Member or to identify objections or exclusion requests to the Court.

26. Settlement Amount for the Class and Settlement Amount for the Individual Claim. “Settlement amount for the Class” means the amount of Four Hundred Twenty Five Thousand Dollars (\$425,000) paid on behalf of Defendants for distribution to Class Members and payment of Settlement Administration Costs and Expenses and other distributions in accordance with the terms of this Settlement Agreement. “Settlement Amount for the Individual Claim” means the amount of Ten Thousand Dollars (\$10,000) paid directly by the Defendants to

Named Plaintiff individually for her individual claim in Count II of the Amended Complaint and for all other claims set forth by Named Plaintiff, in her individual capacity, against Defendants.¹ The settlement of Plaintiff's Convenience Fee claims is part and parcel of, and contingent upon Court approval of, the settlement of the claims of the Class by the Final Approval Date, but the settlement of Named Plaintiff's other separate and additional individual claims is in no way contingent on the Court's approval of the Settlement of the Class claims, and Plaintiff's separate and additional individual claims shall remain settled regardless of whether the Settlement of Class claims is approved

27. Settlement Hearing. "Settlement Hearing" means the hearing to determine whether the Settlement of the Class Action should be given Final Approval, whether the proposed Plan of Allocation should be approved, and whether the applications of Class Counsel for Attorney's Fees, costs, and expenses should be approved.

28. Settlement Website. "Settlement Website" means the website to be created, launched, and maintained by the Settlement Administrator, and which allows for the electronic access to relevant case documents including Class Notice, Amended Complaint, Answer, this Agreement, the Preliminary Approval Order, and other relevant documents.

29. Settling Parties. "Settling Parties" means Named Plaintiff Marceline White, the Class Members and Defendants Shellpoint and Fannie Mae, including Related Parties.

PLAN OF ALLOCATION

30. Relief to Class Members. The Defendants agree as part of this Settlement:

¹ The Parties agree and acknowledge that the Named Plaintiff has agreed to forgo any right to a further incentive payment from the common fund for her service to the class members in this action by among others things: attending the mediation conference, participating in discovery including her own deposition, and preparing to serve the Class through trial by maintaining on-going and active communication with Class Counsel.

- (a) Defendants, on their behalf and on behalf of their Related Parties, will deposit into the Qualified Settlement Fund of the Settlement Administrator the Settlement amount for the Class in the amount of Four Hundred Twenty Five Thousand Dollars (\$425,000), which represents the “Common Fund” of the Settlement Agreement for Class Members (with a confirmation of the deposit provided contemporaneously to all Counsel). The contribution of \$425,000 into the Qualified Settlement Fund of the Settlement Administrator for the Common Fund will be made within ten (10) business days of entry of the Preliminary Approval Order. ALL PARTIES EXPRESSLY AGREE THAT THE SUMS DEPOSITED TO THE TRUST ACCOUNT OF THE SETTLEMENT ADMINISTRATOR ARE FOR THE BENEFIT AND PURPOSE DESCRIBED IN THIS AGREEMENT FOR THE CLASS MEMBERS AND SHALL BE HELD BY THE SETTLEMENT ADMINISTRATOR FOR THIS PURPOSE ONLY AND MAY NOT BE WITHDRAWN BY ANY PERSON OR FOR ANY PURPOSE OTHER THAN IN COMPLIANCE WITH THE COURT’S ORDER(S) AND THIS AGREEMENT.
- (b) That the Common Fund shall be distributed as follows:
- i. Within thirty (30) days of the Final Approval Date, payment from the Common Fund of the Attorney’s Fees and costs awarded by the Court to Class Counsel;

- ii. Within 15 (15) business days of the Preliminary Approval Order, payment from the Common Fund of Settlement Administration Costs and Expenses to the Settlement Administrator;
- iii. Within forty-five (45) days of the Final Approval Date, pro-rata payments to each Class Member of the remaining sum available in the Common Fund in a check form which shall be valid for no more than a 60-day period (if a Class member has more than one borrower, the payment shall be made payable to all borrowers jointly). Payment shall be made to each Class Member by distributing a proportionate share of the remaining available sum in the Common Fund based upon each Class Member's convenience fees paid to Shellpoint in comparison to the entire amount of convenience fees paid by all Class Members to Shellpoint. Any residual funds, including any check not cashed by any of the Class Members within sixty (60) days of the issuance of the pro-rata funds, shall revert to the Common Fund and be dispersed to the *cy pres* recipients identified in ¶41(h) below and in the formula described therein. If any checks are required to be reissued, the reissued check shall expire on the original stale date or thirty (30) days whichever is later.
- iv. Defendants will take all appropriate steps to effectuate the relief for Class Members identified in ¶30 by the dates identified.
- v. In the event of an appeal by any party, the Settlement Administrator shall maintain the amounts deposited into its Qualified Settlement

Fund during the pendency of the appeal until the appeal is resolved and the Final Judgment is affirmed.

(c) That the Settlement Amount for the Individual Claim shall be paid by the Defendant to the Plaintiff, via check made payable to Plaintiff and delivered to her attorneys, within thirty (30) days of the Final Approval Date.

31. Attorney's Fees, Notice Costs and Related Matters. As part of the benefits described above, Class Counsel, subject to Court approval, will be paid reasonable Attorney's Fees and costs related to this action, including reasonable time for handling communications from Class Members. This payment shall be made solely from the Common Fund and only at the time specified in Paragraph 30(b)(i) above, and is subject to Court approval.

32. Class Notice. The Settlement Administrator shall send the Notice at the time provided in ¶38(b).

33. Class Members' Right of Exclusion. Any Class Member may seek to be excluded (*i.e.*, "opt out") from this Settlement Agreement within the time and in the manner provided in ¶40 of this Agreement, as approved by the Court. Any Class Member so excluded shall not be bound by the terms of this Settlement Agreement and shall not be entitled to any share of the Common Fund.

34. The Settling Parties agree that the Settlement Amount is sufficient to satisfy each Settling Party's obligations to every other Settling Party with regard to the Released Claims.

RELEASED CLAIMS

35. Claims are released as follows:

A. Provided the Final Approval Date is reached, Named Plaintiff, and each Class Member not timely opting out, as of the Effective Date of the Settlement Agreement, does

hereby release and forever discharge Defendants and their Related Parties (“Released Parties”) of and from all causes of action, suits, claims, demands for compensatory or exemplary damages and statutory damages (including specifically but not limited to any statutory damages available under the Federal Fair Debt Collection Practices Act for violations of 15 U.S.C., § 1692f related to convenience fees), expenses, costs, and counsel fees arising out of the claims asserted or that could have been asserted in the Action that relate to or arise out of the Defendants’ imposition of Convenience Fees for the making of mortgage payments by telephone or over the Internet between October 1, 2018 and September 30, 2020. The Plaintiff and each Class Member acknowledge that the scope of the Released Claims in this paragraph is intended pursuant to MD. RULE 2-231 to fully release any claims related to whether Shellpoint or Fannie Mae was permitted to receive, collect or attempt to receive or collect Convenience Fees for accepting payments by telephone or over the Internet, but does not release claims regarding any other fees or charges imposed or collected by Shellpoint or Fannie Mae, or any other actions or causes of action relating to the Class Members’ mortgages. This Release is conditioned upon the Final Approval of the Settlement Agreement by the Court, the Final Approval Date being reached, and the Defendants’ meeting all of their obligations therein.

B. In addition to the release set forth above, Named Plaintiff also does hereby immediately release and forever discharge the Defendants and their Related Parties (the Released Parties), from and against any and all past and present claims, counterclaims, actions, defenses, affirmative defenses, suits, rights, causes of action, lawsuits, set-offs, costs, losses, controversies, agreements, promises and demands, or liabilities, of whatever kind or character, direct or indirect, whether known or unknown or capable of being known, arising at law or in equity, by right of action or otherwise, including, but not limited to, suits, debts, accounts, bills, damages,

judgments, executions, warranties, attorneys' fees, costs of litigation, expenses, claims and demands whatsoever that Named Plaintiff may have individually against the Released Parties, for, upon, or by reason of any matter, cause or thing, whatsoever, in law or equity, through the Effective Date of this Settlement Agreement. It is the intention and effect of this specific release to discharge all claims that Named Plaintiff might have individually against the Released Parties (other than the Convenience Fee claims set forth in 35.A immediately above), whether known or unknown, up until and including the Effective Date of this Settlement Agreement. The release of the Named Plaintiff's separate and additional individual claims is not contingent on Court approval of the Settlement of Class claims.

36. The Settling Parties understand and agree that the provisions of ¶35 shall be construed to exclude, and shall not impair, any right or cause of action arising from the breach of this Settlement Agreement, including, but not limited to, any future claims that may arise with regard to the implementation of the Settlement Agreement.

PRELIMINARY APPROVAL ORDER AND SETTLEMENT HEARING

37. Preliminary Approval Motion. In accordance with the procedures and time schedules below, Class Counsel shall take such actions, and prepare and file, subject to the prior approval of all other Settling Parties, all appropriate notices, motions, and proposed Order forms, as reasonably necessary to obtain both Preliminary and Final Approval of the Settlement Agreement from the Court. All Settling Parties shall cooperate, and as appropriate, shall join with Class Counsel in seeking to accomplish the following:

- a. Within seven (7) days after this Agreement is fully executed, Class Counsel shall move for Preliminary Approval of this Agreement, including a request that the Court approve transmitting of the Notice as

described in ¶ 16. All Settling Parties shall join in that motion and shall support any Order approving this Agreement through any appeal, if necessary. Class Counsel may file memoranda in support of the Preliminary (and Final) Approval of this Settlement Agreement, with approval of Defendants; and

- b. The Preliminary Approval Order shall require, and the Notice shall set out, that any objections to this Settlement Agreement must be made in writing, filed with the Court, and served upon Class Counsel and Defendants' Counsel as more fully described in ¶39 below. The Notice shall provide that any objection that is not received within the time set by the Court is deemed waived. The Settlement Administrator shall maintain a telephone number or numbers or email addresses that may be utilized by Class Members who may have questions regarding the Settlement Agreement. If the Settlement Administrator is unable to adequately respond to a question from a Class Member, the Settlement Administrator shall contact Class Counsel to respond to the class member's inquiry. No such communications shall be disclosed to counsel for the Defendant. In the event a Class Member requests to speak with Class Counsel, the Settlement Administrator may then provide Class Counsel with the contact information of such Class Member. Class Counsel shall maintain the confidentiality of such contact information, shall not share it with anyone else, and shall not use it for any purposes other than for purposes of administering and effectuating this Settlement.

- c. The Settling Parties shall jointly request a Settlement Hearing date which is approximately one hundred twenty (120) days after the date of entry of the Preliminary Approval Order (as determined by the Court).

38. Preliminary Approval Order. The Preliminary Approval Order entered by the Court shall be substantially in the same form as Exhibit A-3, hereto, but as a condition subsequent of this Settlement Agreement it shall at a minimum contain the following provisions:

- a. Preliminary approval of the Settlement Agreement set forth herein, and subject to any objections that may be presented to the Court before the Settlement Hearing, a finding that the Settlement Agreement is fair, adequate, reasonable, and in the best interests of the Class Members; and
- b. Approval of the form of a Notice of Settlement that includes the general terms of the settlement set forth in the Settlement Agreement (substantially in the forms of Exhibit A-1 and Exhibit A-2 attached hereto and incorporated herein) and procedures for objections and opt-outs described below, and directing the Settlement Administrator to mail or cause to be emailed or mailed by first-class mail the Notice to all Class Members at their respective Accessible Contact Information as set forth herein and in ¶16; and
- c. A finding that the mailing of the Notice by electronic email or regular first-class mail to all Class Members whose address has been identified constitutes valid, due and sufficient notice to the Class Members and their Related Parties, and constitutes the best notice practicable under the circumstances, complying fully with the requirements of MD. RULE 2-231

of the Maryland Rules, the Maryland Constitution and Declaration of Rights, the Constitution of the United States, and any other applicable law, and that no further notice to the Class Members or their Related Parties is required.

- d. For the electronic emailing or mailing of the Notice of Settlement to the Class Members, Defendants and Class Counsel have agreed to permit the Settlement Administrator to administer the transmissions of the Notice to Class Members as described herein.

39. Objections. Any Class Member who objects to the Settlement contemplated by this Agreement shall have a right to appear and be heard at the Settlement Hearing provided that such Class Member files with the Court and delivers to the Settlement Administrator, Class Counsel and Defendants' Counsel a written notice of objection together with the statement of reasons for the objection no later than sixty (60) days after the Notice Date. All Objections must be personally signed by the person(s) making the objection, or a court-appointed legal guardian authorized to act on their behalf. Objections must also include the objector's full name and current address, and if different, the address of the property which secured their mortgage loan. If the person on whose behalf the objection is filed, or an attorney or court-appointed legal guardian authorized to act on their behalf, intends to appear at the Final Settlement Hearing, the Objection must so state. Class Counsel and Defendant's Counsel may, but are not required to, respond to the objections, if any, by means of a Memorandum of Law not to exceed fifteen (15) pages, filed and served no later than fifteen (15) days before the Settlement Hearing. The manner in which a notice of objection should be prepared, filed, and delivered, shall be stated in detail in the Notice. Only Class Members who have filed and delivered valid and timely written

notices of objection will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise. Any Class Member who does not make his or her objection in the manner provided shall be deemed to have consented to the Court's exercise of personal jurisdiction in this matter and to have waived any and all objections to the Settlement, and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the Settlement or the award of Attorney's Fees to Class Counsel, or the Released Claims.

40. Exclusion from the Class. Any Class Member may seek to be excluded from the Settlement. Any Class Member so excluded shall not be bound by the Settlement and shall not be entitled to any of its benefits. To be timely, a request for exclusion must be received by the Settlement Administrator, Class Counsel and Defendants' Counsel no later than the Opt-Out Date. To be effective, the request for exclusion must make clear that exclusion is sought by stating: "I WANT TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN *WHITE v. SHELLPOINT*" or words to that effect. Requests for Exclusion must be personally signed by the person requesting exclusion from the Class and any co-borrower(s) on their mortgage loan, and must include the requestor's full name and current address, the full name and current address of any co-borrower(s) on their mortgage loan, and if different, the address of the property which secured their mortgage loan. For any loan that is subject to this Settlement for which there is more than one borrower, any request for exclusion must be signed by each borrower or it will not be sufficient to remove that loan or any of its co-borrowers from the Class.

FINAL JUDGMENT

41. The Final Judgment entered after the Settlement Hearing by the Court shall be substantially in the same form mutually agreed to by the Parties and jointly presented to the Court at least fifteen (15) days prior to the Settlement Hearing date. But as a condition

subsequent of this Settlement, the Final Judgment shall, at a minimum, include the following provisions:

- a. A finding that the distribution of the Notice fully and accurately informed all Class Members and Related Parties entitled to notice of the material elements of this Settlement, constituted the best notice practicable under the circumstances, constituted a valid, due and sufficient notice, and complied fully with MD. RULE 2-231 of the Maryland Rules, Maryland Constitution and Declaration of Rights, the United States Constitution, and any other applicable law;
- b. A finding that after proper notice to the Class Members and after sufficient opportunity to object, no timely objections to this Settlement Agreement have been made, or that all timely objections have been considered and denied;
- c. Approval of the Settlement, as set forth in the Settlement Agreement, as fair, reasonable, adequate, and in the best interest of the Class Members under MD. RULE 2-231 of the Maryland Rules; a finding that the Settlement is in good faith; and, an Order directing the Parties to perform the Settlement in accordance with the terms of the Settlement Agreement;
- d. A finding that neither the Final Judgment nor the Settlement Agreement shall constitute an admission of liability of the Settling Parties of any liability or wrongdoing; and subject to reservation of jurisdiction for matters discussed in subparagraph (g) below, dismisses with prejudice the Action;

- e. A finding that there is no just reason for delay, and orders the entry of a Final Judgment;
- f. A finding that all Class Members and their Related Parties, shall, as of the entry of the Final Judgment, conclusively be deemed to have released and forever discharged the Defendants from all Released Claims; and,
- g. A reservation of exclusive and continuing jurisdiction over the Action and the Settling Parties for the purposes of, among other things: (i) supervising the implementation, enforcement, construction, and interpretation of the Settlement Agreement, the Preliminary Approval Order, and the Final Judgment; and, (ii) supervising the administration and distribution of the relief to the Class Members and resolving any disputes that may arise with regard to any of the foregoing; and,
- h. The appointment of the Housing Initiative Partnership, Inc. (“HIP”) based in Hyattsville, Maryland, a 501(c)(3) non-profit, to provide training to housing counseling services to Maryland borrowers related to loss mitigation, foreclosure, and other mortgage servicing issues, as the *cy pres* recipient of the residual sum (*i.e.*, the available balance, if any, remaining in the Common Fund after payments described in ¶30(b)(iv) are made from the Common Fund). This provision does not create any rights on behalf of HIP, including but not limited to as a third-party beneficiary.

**CONDITIONS OF SETTLEMENT, EFFECT OF
DISAPPROVAL, RESCISSION OR TERMINATION**

42. Except for the individual settlement of the Named Plaintiff's separate and additional individual claims, and subject to the terms of any Release Agreement pertaining solely to those individual claims, this Settlement Agreement, including the releases herein, shall be null and void, if:

- a. Defendant does not pay the sums required for the Common Fund into the Settlement Administrator's Trust Account as described in ¶30; or
- b. A Preliminary Approval Order, in a form as described in ¶38 above and attached as **Exhibit A-3**, is not entered by the Court; or
- c. More than 1% of the Class Members file complete and valid requests for exclusion by the Opt-Out Date, unless Defendants elect, at their option, within fifteen (15) days of the Opt-Out Date, to proceed with the settlement set forth in this Settlement Agreement even if more than 1% of the Settlement Class files complete and valid requests for exclusion by the Opt-Out Date; or
- d. A Final Judgment, in a form as described in ¶41 above, is not entered by the Court and affirmed on appeal (if any party appeals); or
- e. Subject to the reservation of jurisdiction for matters described in ¶41(g), the Action is not, for any reason, dismissed with prejudice.

43. In the event that this Settlement Agreement is rejected at the final Settlement Hearing, or in the event a Final Judgment is not entered, or does not become final, or in the event that the Settlement Agreement is rejected by an appellate court, then the terms of this Agreement (other than the Settlement of the Named Plaintiff's separate and additional individual claims, and

subject to the terms of any Release Agreement pertaining solely to those claims) shall be null and void; and

- a. The terms of this Agreement shall have no further force and effect with respect to the Settling Parties except that the Defendants shall be solely liable for the costs incurred for notice to the Class by the Settlement Administrator;
- b. The Agreement shall not be used in this litigation for any purpose other than to enforce the Settlement of the Named Plaintiff's separate and additional individual claims; provided, however, that this Agreement may be used for bringing an action for failure of a Settling Party to take the steps required by this Agreement or required by such Party's position as a fiduciary to secure judicial approval of this Agreement;
- c. As to claims asserted on behalf of the Class, the Settling Parties shall be restored to their respective positions in the litigation as of the date of this Settlement Agreement; and,
- d. Any judgment or orders entered by the Court in accordance with the Settlement Agreement shall be deemed vacated.

MISCELLANEOUS PROVISIONS

44. Agreement to Cooperate. The Parties: (a) acknowledge that it is their intent to execute the Agreement; and, (b) agree to cooperate to the extent necessary to effectuate and implement all terms and conditions of the Agreement and to exercise their best efforts to accomplish the foregoing terms and conditions of the Agreement.

45. Good Faith Settlement and Advice of Counsel. The Parties agree that the terms of this Settlement reflect a good faith settlement of the Named Plaintiff's separate and additional individual claims, and Class Representative's and the Class Members' claims in the Action and was reached voluntarily after consultation with experienced legal counsel. They further agree that settlement of the Class Representative's individual claim was agreed to only after agreement was reached on the terms of the settlement of the Class Members' claims.

46. Incorporation. All of the Exhibits to the Agreement are material and integral parts of the Settlement and are fully incorporated herein by this reference.

47. No Waiver. The waiver of one party of any breach of this Settlement Agreement by any other party shall not be deemed a waiver of any other prior or subsequent breach of the Settlement Agreement; nor shall such a waiver be deemed a waiver by any other party of that breach or a waiver by that party of any other party's breach.

48. Modification. The Agreement may be amended or modified only by a written instrument signed by or on behalf of all Parties or their successors-in-interest.

49. Headings. The headings of the paragraphs herein are for convenience only and do not define, limit, or construe the contents of this Agreement.

50. Entire Agreement. Except as provided herein, the Agreement and the Exhibits attached hereto constitute the entire Agreement among the parties, and no representations, warranties, or inducements have been made to any Party concerning the Agreement or its Exhibits other than the representations, warranties, and the inducements contained and memorialized in the Agreement and the Exhibits thereto.

51. Authority to Settle. The Parties mutually warrant that they are expressly authorized to take all appropriate action to effectuate the terms and conditions of the Settlement

and also are expressly authorized to enter into any modifications of, or amendments to, the Agreement which they deem appropriate.

52. Authority to Execute. Each counsel or other person executing the Agreement or any of its Exhibits on behalf of any Party hereto hereby warrants that he or she has the full authority to do so.

53. Counterparts. The Agreement may be executed in one or more counterparts, each of which shall be deemed to be one and the same instrument. Counsel for the Parties shall exchange among themselves signed counterparts, and a complete set of executed counterparts shall be filed with the Court.

54. Binding Effect. The Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto. All Settling Parties waive the right to appeal or collaterally attack the Final Judgment entered under this Settlement Agreement.

55. Exclusive Jurisdiction and Venue for Enforcement. Any dispute concerning this Agreement and/or Final Judgment may be resolved in the Circuit Court for Anne Arundel County, Maryland, which Court shall retain jurisdiction and venue with respect to the consummation, implementation, enforcement, construction, interpretation, performance, and administration of the Agreement and/or Judgment. The Parties agree to submit to the exclusive jurisdiction and venue of the Circuit Court for Anne Arundel County, Maryland for the purposes described above.

55. Choice of Law. The Agreement and any document executed in furtherance of the Settlement shall be governed by, subject to, and construed in accordance with, the laws of the State of Maryland, without regard to conflicts-of-laws principles.

55. Costs and Expenses. Except as otherwise provided herein, each Party shall bear its own costs and expenses.

56. Interpretation. All Settling Parties have participated in the drafting of this Settlement Agreement, and, accordingly, any claimed ambiguity should not be presumptively construed for or against any of the Parties.

57. No Admission of Liability. This Agreement and the parties' settlement contained herein, whether or not granted final approval and whether or not a final judgment is entered, and any and all negotiations, documents, and discussions associated with it, shall not be deemed or construed to be an admission or evidence of any violation of any statute or law, or of any liability or wrongdoing by Defendants, or of the truth of any of the claims or allegations made in the Action. This provision will survive termination of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused the Agreement to be executed.

FOR THE PLAINTIFFS:

4-9-2021

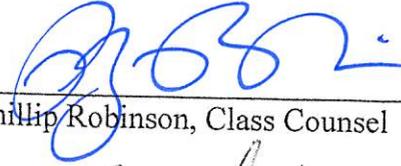
Date



Marceline White, Named Plaintiff

4-9-2021

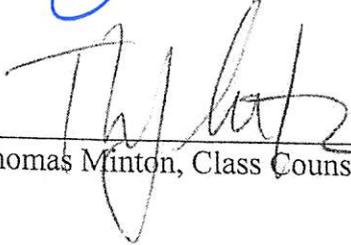
Date



Phillip Robinson, Class Counsel

4/7/2021

Date



Thomas Minton, Class Counsel

FOR THE DEFENDANTS:

4/12/2021
Date


NewRez LLC d/b/a Shellpoint Mortgage Servicing
By: Justin Bradley,
Authorized Corporate Officer

Date

Federal National Mortgage Association
By: _____,
Authorized Corporate Officer

Date

T. Sky Woodward, Counsel for Defendants

Date

Andrew Narod, Counsel for Defendants

FOR THE DEFENDANTS:

Date

Date 4/28/2021

Date

Date

NewRez LLC d/b/a Shellpoint Mortgage Servicing
By: _____,
Authorized Corporate Officer

Federal National Mortgage Association
By: Erich Ludwig,
Authorized Corporate Officer

T. Sky Woodward, Counsel for Defendants

Andrew Narod, Counsel for Defendants

FOR THE DEFENDANTS:

Date

NewRez LLC d/b/a Shellpoint Mortgage Servicing
By: _____,
Authorized Corporate Officer

Date

Federal National Mortgage Association
By: _____,
Authorized Corporate Officer

4/28/2021
Date

/s/ T. Sky Woodward (with permission)
T. Sky Woodward, Counsel for Defendants

4/28/2021
Date

/s/ Andrew Narod (with permission)
Andrew Narod, Counsel for Defendants