



# SIGTARP



OFFICE OF THE SPECIAL  
INSPECTOR GENERAL FOR  
THE TROUBLED ASSET  
RELIEF PROGRAM

QUARTERLY REPORT TO CONGRESS  
APRIL 26, 2018



# SIGTARP

BY THE  
NUMBERS

INVESTIGATIONS



414

Criminally Charged



344

Convicted



246

Sentenced to Prison

Including

88

Homeowner Scammers



73

Bank Borrowers



1

Wall Street Trader



56

Bankers



**\$10 Billion** =

Recovered from Investigations

**35x**

Return on  
Investment



# SIGTARP

BY THE  
NUMBERS

INVESTIGATIONS

SIGTARP investigations have led  
to enforcement actions against

# ELEVEN

institutions.





# SIGTARP

## SIGTARP CONDUCTS OVERSIGHT OF TARP HOUSING PROGRAMS AT RISK OF FRAUD, WASTE, AND ABUSE

### The Hardest Hit Fund (HHF)

helps unemployed Americans pay their mortgages. It also pays to demolish abandoned homes and for down payments for first time homebuyers.

**\$2 billion** available to be spent by December 2021. \$343 million was spent last quarter.

– Recipients include –



19 state agencies



269 cities or counties and 482 local partners



Hundreds of demolition contractors



Homeowners & homebuyers

### The Home Affordable Modification Program (HAMP)

pays mortgage servicers and investors to lower interest rates for homeowners at risk of foreclosure.

Up to **\$9 billion** available to be spent by September 2023. \$407 million was spent last quarter.

– Recipients include –



Bank of America



# LETTER FROM THE SPECIAL INSPECTOR GENERAL

Congress created SIGTARP to protect Americans from fraud, waste, and abuse related to TARP – the unprecedented financial rescue that will continue for years to come. Accountability through criminal and civil prosecutions is the goal of SIGTARP’s law enforcement mission. SIGTARP special agents and investigators work hand-in-hand with federal and state prosecutors.

We employ technology and intelligence through an innovative fraud-detection program we developed that enables us to find crime without waiting for crime tips. There have been 414 defendants charged with crimes, 83% of those (344) were convicted, and others still await trial. While prosecutions take time, 246 defendants have been sentenced to prison. SIGTARP also acts as a watchdog over the \$3-4 billion spent in TARP each year. Identifying and preventing costly fraud, waste, and abuse, is the mission of SIGTARP auditors

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*Protecting taxpayer dollars  
and programs drives  
SIGTARP’s mission*

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#### **SIGTARP: Since March 31, 2017**

- 32 defendants convicted
- 16 defendants arrested/indicted
- 19 defendants referred to DOJ for prosecution
- 5 jury trials
- Multiple searches and seizures executed
- \$90 million recovered by the Federal government
- \$3 million in waste identified
- Risks of anticompetitive practices identified
- Risk of asbestos exposure and other demolition risks identified
- Costly mismanagement identified

*There has been much activity in TARP over the last year, triggering SIGTARP investigations and audits. With \$11 billion still available, we anticipate more oversight in upcoming years.*

**HAMP:** Although Congress authorized TARP in 2008, and the largest banks exited TARP in the following two years, Treasury extended the largest TARP housing program known as HAMP again and again. Treasury’s contracts with more than 90 financial institutions including some of the largest banks that received TARP dollars in the bank bailout (for example, Bank of America, Wells Fargo, JP Morgan Chase, and Citigroup), in addition to non-banks (like Ocwen and Nationstar), now last until September 2023.

Treasury continues to provide billions of TARP dollars to these financial institutions every year and there are nearly one million homeowners in the program today. In the last year (through March 2018), Treasury distributed \$2 billion to these financial institutions. With \$18.8 billion in TARP distributed to more than 100 financial institutions, including some subjects of Justice Department or state attorney general enforcement



actions for wrongful conduct related to their customers, and \$9 billion remaining to be spent, SIGTARP has identified unlawful conduct by banks and other financial institutions in MHA as TARP's top threat.

*Hardest Hit Fund:* Congress extended TARP's Hardest Hit Fund in the 2016 omnibus spending bill and provided an additional \$2 billion – dollars that remain available for spending until December 2021. This program is actively expanding in many states. In calendar year 2017:

- 114,033 people applied to HHF in 2017. To put that in context, 347,417 people have been admitted to the program since 2010
- 19 state housing finance agencies spent \$1.3 billion
- \$72 million came back into the program from the sale of houses with an HHF lien
- Seven state agencies announced new programs
- 7,989 abandoned houses were demolished— about a third all demolitions in the program
- 84 cities/counties only started demolishing blighted houses in 2017
- 1 state and 41 cities/counties have not yet reported starting demolitions

SIGTARP is focused on delivering continued results for the American people, commensurate with the lifecycle of oversight over TARP. We strive to not be a burden to taxpayers, through cost-cutting measures, and investigative recoveries that exceed our budget. I welcome the opportunity to speak with you about SIGTARP's important oversight work.

Respectfully,

CHRISTY GOLDSMITH ROMERO  
Special Inspector General

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SIGTARP IDENTIFIES TOP CHALLENGES  
AND THREATS IN TARP

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## THE MOST SERIOUS MANAGEMENT AND PERFORMANCE CHALLENGES & THREATS OF FRAUD, WASTE, & ABUSE FACING THE GOVERNMENT IN TARP

SIGTARP identifies the most serious management and performance challenges and threats facing the Government in TARP. Our selection is based on the significance and duration of the challenge/threat to the mission of TARP and Government interests; the risk of fraud or other crimes, waste or abuse; the impact on agencies in addition to Treasury; and Treasury's progress in mitigating the challenge/threat.

*SIGTARP prioritizes its oversight to mitigate each of these four challenges/threats.*

### **Risk of Fraud, Waste and Abuse by Large Banks and Others in the Making Home Affordable Program (Until Sept. 2023)**

Unlawful conduct by any of the 130 financial institutions in MHA is the top threat in TARP. Treasury has paid \$18.8 billion and will pay up to an additional \$9 billion. These are not automated payments, but require reporting to Treasury and compliance with the law and Treasury's rules. The largest ten servicers stand to receive \$7.8 billion of that amount, including Ocwen, Wells Fargo, JPMorgan Chase, Bank of America, Nationstar, Select Portfolio Servicing, CitiMortgage, OneWest/CIT, Bayview Loan Servicing, and Ditech Financial.<sup>1</sup> There are nearly one million homeowners in the program. There has been a recent uptick in enforcement actions against MHA institutions. Despite finding wrongdoing by these financial institutions, such as servicers canceling homeowners out of the program for missing three mortgage payments when the servicer erred in applying the payments, Treasury is scaling back its compliance reviews. The risk of fraud, waste, and abuse also jeopardizes the GSEs, FHA, and Veterans Affairs that participate in MHA.

### **Risk of Waste and Misuse of TARP Dollars by State Agencies for Their Own Administrative Expenses in the Hardest Hit Fund (Until 2022)**

Treasury has budgeted \$1.1 billion in TARP dollars for administrative expenses of 19 state agencies to distribute

\$8.7 billion.<sup>2</sup> In 2016 and 2017, SIGTARP identified \$11 million in wasteful and unnecessary spending by state housing agencies, including for example, catered barbecues with Treasury employees, parties, country club events, leasing a Mercedes, cash bonuses, gym memberships, gifts, free parking, and settlements and legal fees in discrimination cases, costs not associated with HHF. In October 2017, SIGTARP opened an audit into travel, conferences, and other administrative expenses. Additionally, in March 2018, SIGTARP issued an audit that found that while Treasury has dedicated \$1.1 billion in HHF funds to operating and administrative expenses, including contracts for lawyers, accountants, auditors, consultants, and providers of equipment, information technology, communications, risk management, training, and marketing, there were no Federal requirements for competition, even though millions of dollars in contracts have been, and will be awarded.<sup>3</sup>

### **Risk of Asbestos Exposure, Contaminated Soil and Illegal Dumping in the Hardest Hit Fund Blight Elimination Program (Until Dec. 2021)**

The U.S. Army Corps of Engineers issued a report on behalf of SIGTARP warning that the standard protections for demolition programs typically present in demolition grant programs are not present in the HHF program. The Corps found that Treasury and state agencies have not applied industry standard safeguards that protect against the risk of asbestos exposure, illegal dumping of debris, and contaminated soil material filling the hole. Treasury has not implemented the SIGTARP/Corps recommendations, even to require basic documentation of proper asbestos abatement, certain inspections, landfill receipts for dumping, and receipts showing the purchase of clean dirt.<sup>4</sup>

### **Risk of Corruption, Antitrust Violations, Price Fixing, and Fraud in the Hardest Hit Fund Blight Elimination Program (Until Dec. 2021)**








This program has expanded exponentially since the first allocation for the city of Detroit to demolish abandoned homes and apartments, and currently 269 municipalities either have or plan to demolish properties under the program, using \$768 million.<sup>5</sup> Although Treasury operates it like a grant, it is not a grant. SIGTARP reported that standard taxpayer protections for grants, like requiring competition, do not apply. The program's heavy reliance on city/county officials often not under contract in the program also creates risk of corruption, collusion, and abuse.<sup>6</sup> In December 2015, SIGTARP reported abuse by city officials in Evansville, Indiana who wanted to expand a university's medical school, to a site of a Ford dealership. City officials evicted people on the proposed new Ford dealership site so the homes would qualify as "abandoned" in TARP, used TARP to pay for the demolitions, and moved the Ford dealership to the demolished lots.<sup>7</sup>

TABLE 1.1

**TREASURY CONTRACTS FOR \$27.8 BILLION TO BE PAID TO HAMP  
 MORTGAGE SERVICERS UNTIL 2023 AS OF 3/31/2018**

**SIGTARP  
 Investigations  
 and Audits**

**Future  
 SIGTARP  
 Investigations  
 and Audits**

\$4.8 Billion <i>TARP dollars paid</i>		\$2.3 Billion <i>TARP Obligated or Committed to be paid</i>
\$3 Billion <i>TARP dollars paid</i>		\$1.4 Billion <i>TARP Obligated or Committed to be paid</i>
\$3 Billion <i>TARP dollars paid</i>		\$993 Million <i>TARP Obligated or Committed to be paid</i>
\$2.1 Billion <i>TARP dollars paid</i>		\$728 Million <i>TARP Obligated or Committed to be paid</i>
\$1.3 Billion <i>TARP dollars paid</i>		\$899 Million <i>TARP Obligated or Committed to be paid</i>
\$1.3 Billion <i>TARP dollars paid</i>		\$878 Million <i>TARP Obligated or Committed to be paid</i>
\$719 Million <i>TARP dollars paid</i>		\$225 Million <i>TARP Obligated or Committed to be paid</i>
\$429 Million <i>TARP dollars paid</i>		\$108 Million <i>TARP Obligated or Committed to be paid</i>
\$330 Million <i>TARP dollars paid</i>		\$199 Million <i>TARP Obligated or Committed to be paid</i>
\$274 Million <i>TARP dollars paid</i>		\$197 Million <i>TARP Obligated or Committed to be paid</i>
\$1.4 Billion <i>TARP dollars paid</i>	Other Servicers (141 Institutions)*	\$1.1 Billion <i>TARP Obligated or Committed to be paid</i>
<b>\$18.8 Billion</b> <i>TARP dollars paid</i>	<b>TOTAL</b>	<b>\$9 Billion</b> <i>TARP Obligated or Committed to be paid</i>

Sources: Treasury, Aggregate Cap Monitoring Report -Mar 2018; SIGTARP analysis of Treasury MHA data.  
 \*A total of 151 institutions have been paid or are eligible to be paid TARP funds through MHA, of which 130 can still receive TARP disbursements subsequent to 3/31/2018.

TABLE 1.2

STATUS OF \$9.8 BILLION IN HHF FUNDS AVAILABLE TO STATE AGENCIES UNTIL 2021		
Spent	State	Unspent
\$73,378,415	Alabama	\$90,316,214
\$257,718,887	Arizona	\$42,651,614
\$2,103,024,525	California	\$334,986,128
\$19,724,440	District of Columbia	\$10,031,004
\$1,047,075,886	Florida	\$105,316,080
\$260,284,630	Georgia	\$115,159,020
\$531,920,117	Illinois	\$210,467,620
\$220,438,277	Indiana	\$66,788,308
\$170,524,349	Kentucky	\$41,411,911
\$533,923,455	Michigan	\$237,201,507
\$100,805,334	Mississippi	\$44,352,334
\$598,152,160	North Carolina	\$130,338,577
\$325,860,849	New Jersey	\$96,607,448
\$123,763,761	Nevada	\$80,649,003
\$594,619,440	Ohio	\$175,164,211
\$270,588,609	Oregon	\$84,824,396
\$90,892,505	Rhode Island	\$26,903,377
\$262,722,325	South Carolina	\$58,526,768
\$228,812,681	Tennessee	\$77,324,518
<b>\$7,814,230,644</b>	<b>Total</b>	<b>\$2,029,020,037</b>

SIGTARP  
Investigations  
and Audits

Future  
SIGTARP  
Investigations  
and Audits

Note: Unspent figures include an additional \$243 million in recycled TARP dollars.  
 Source: Treasury, response to SIGTARP data call 4/6/2018; SIGTARP analysis of HHF Quarterly Financial Reports.

TABLE 1.3

TREASURY CONTRACTS PAYING \$1.1 BILLION IN HARDEST HIT FUND ADMIN EXPENSES UNTIL 2021		
Spent	State	Unspent
\$192.1 Million	 California	\$49.7 Million
\$80.6 Million	 Florida	\$12.1 Million
\$76.4 Million	 North Carolina	\$19.4 Million
\$55.2 Million	 Ohio	\$11.4 Million
\$43.9 Million	 Michigan	\$26.1 Million
\$46.3 Million	 Illinois	\$22 Million
\$42.4 Million	 Oregon	\$15.3 Million
\$38.7 Million	 South Carolina	\$12.6 Million
\$36 Million	 Georgia	\$11.8 Million
\$34.4 Million	 Indiana	\$3.9 Million
\$33.5 Million	 New Jersey	\$11.5 Million
\$26.3 Million	 Arizona	\$13.5 Million
\$23.6 Million	 Tennessee	\$11.9 Million
\$20.3 Million	 Nevada	\$4.9 Million
\$17.3 Million	 Kentucky	\$2.7 Million
\$14.9 Million	 Mississippi	\$6.7 Million
\$12.6 Million	 Alabama	\$14.7 Million
\$11.8 Million	 Rhode Island	\$5.6 Million
\$4 Million	 District of Columbia	\$1.8 Million
<b>\$810.3 Million</b>	<b>Total</b>	<b>\$257.5 Million</b>

Source: Treasury, response to SIGTARP data call 4/6/2018; SIGTARP analysis of HHF Quarterly Financial Reports.

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
 QUARTERLY REPORT TO CONGRESS | APRIL 26, 2018**

<b>TREASURY HOLDINGS IN TARP SECURITIES IN CPP AND CDCI BANKS, AS OF 3/31/2018</b>						
<b>Program</b>	<b>Bank</b>	<b>Outstanding Principal Investment</b>	<b>Warrants Remaining</b>	<b>Missed Dividends</b>	<b>SIGTARP Investigation</b>	
<b>Capital Purchase Program (CPP)</b>	Onefinancial Corporation	\$17,300,000		\$12,322,735	✓	
	One United Bank	\$12,063,000		\$7,358,430		
	Harbor Bankshares Corporation	\$6,800,000		\$3,587,000	✓	
	Pinnacle Bank Holding Company, Inc.	\$4,389,000		\$2,511,840	✓	
	Broadway Financial Corporation	\$3,984,332			✓	
	Synovus Financial Corp.		\$2,215,820		✓	
	First Bancorp (PR)		\$1,285,900			
	Wilmington Trust Corporation / M&T Bank Corporation		\$95,472		✓	
	Porter Bancorp, Inc.(PBI)		\$66,112	\$6,737,500	✓	
	Village Bank And Trust Financial Corp.		\$31,189	\$2,026,475		
	Pacific International Bancorp / BBCN Bancorp, Inc.		\$20,238			
		<b>CPP Total</b>	<b>\$44,536,332</b>	<b>\$3,714,731</b>	<b>\$34,543,980</b>	<b>7</b>
	<b>Community Development Capital Initiative (CDCI)</b>	Carver Bancorp, Inc	\$18,980,000			
First American International Corp.		\$17,000,000				
IBC Bancorp, Inc.		\$8,086,000				
Hope Federal Credit Union		\$4,520,000				
Community Bank of the Bay		\$4,060,000		\$20,300		
Carter Federal Credit Union		\$3,800,000				
Cooperative Center Federal Credit Union		\$2,799,000				
Tri-State Bank of Memphis		\$2,795,000		\$209,625		
Community First Guam Federal Credit Union		\$2,650,000				
Opportunities Credit Union		\$1,091,000				
D.C. Federal Credit Union		\$500,000				
Tulane-Loyola Federal Credit Union		\$424,000				
Northeast Community Federal Credit Union		\$350,000				
North Side Community Federal Credit Union		\$325,000				
Neighborhood Trust Federal Credit Union		\$283,000				
Buffalo Cooperative Federal Credit Union		\$145,000				
Episcopal Community Federal Credit Union		\$100,000				
Union Baptist Church Federal Credit Union		\$10,000				
East End Baptist Tabernacle Federal Credit Union	\$7,000					
	<b>CDCI Total</b>	<b>\$67,925,000</b>		<b>\$229,925</b>	<b>0</b>	
	<b>Grand Total</b>	<b>\$112,461,332</b>	<b>\$3,714,731</b>	<b>\$34,773,905</b>	<b>7</b>	

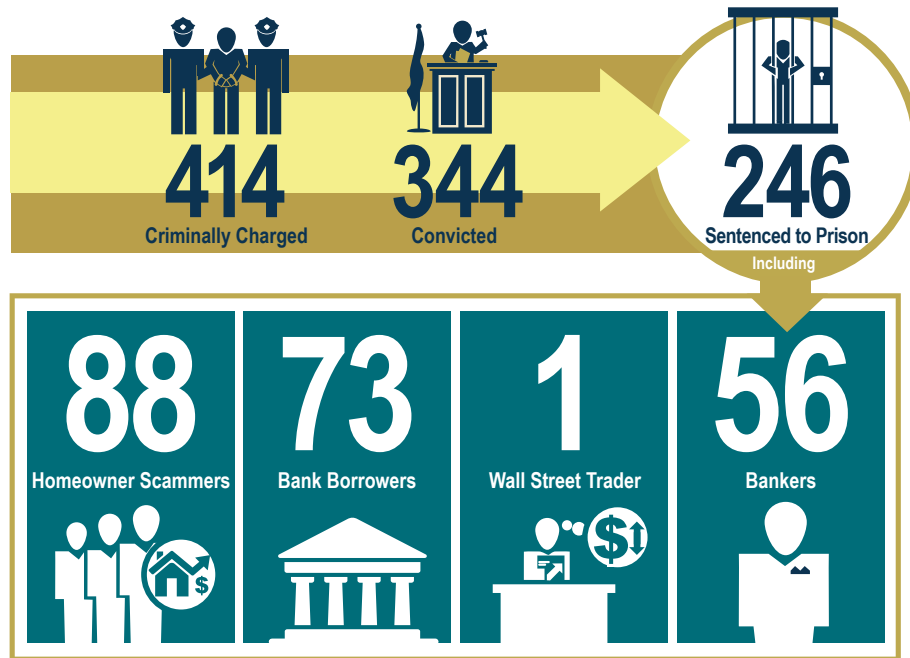
Sources: Treasury, Transactions Report, March 16, 2018; Treasury, response to SIGTARP data call 4/11/2018

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SIGTARP LAW ENFORCEMENT

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## LAW ENFORCEMENT MISSION



As of April 20, 2018 | Convictions include one reversed on appeal and three vacated due to death or cooperation | Prison Sentences include one reversed on appeal | Charges are not evidence of guilt | Many defendants await trial and sentencing

SIGTARP is primarily a federal law enforcement agency protecting the interests of the American people by investigating crime at financial institutions that received TARP funds or other TARP recipients in housing programs. SIGTARP assesses the top threat in TARP today as unlawful conduct by banks and other financial institutions paid by Treasury in TARP's \$27.8 billion Making Home Affordable Program ("MHA"). With \$18.8 billion already paid by Treasury to banks and other financial institutions and \$9 billion committed or obligated by Treasury through 2023.<sup>1</sup> SIGTARP is working to counter this threat.

### Intelligence Driven Law Enforcement

SIGTARP created new tools and capabilities to bring accountability and justice to those who break the law. SIGTARP created an intelligence driven approach that has led to SIGTARP finding crime by insiders at banks that was not reported and went previously undetected. Now, 83 bankers have been convicted resulting from SIGTARP investigations. We actively search for crime using industry, financial, and human intelligence. Every case is different, but we capitalize on similarities to root out crime.

SIGTARP is currently applying its intelligence driven approach to search for crime in TARP housing programs where Treasury continues to spend around \$3 billion a year.<sup>8</sup> TARP recipients include 130 mortgage servicers, headquartered in 37 states, which include large banks in MHA like Wells Fargo, Bank of America, and JPMorgan Chase, as well as blight demolition contractors and sub-contractors and local partners in eight states receiving money from TARP's Hardest Hit Fund ("HHF"). SIGTARP gained expertise in investigating large institutions through our investigations that resulted in significant DOJ enforcement actions against Goldman Sachs, Bank



of America, JPMorgan Chase, Morgan Stanley, Ally Financial, Wilmington Trust, Sun Trust Bank, Fifth Third Bank, Jefferies & Co., and RBS Securities.

## SIGTARP's Return on Investment, Treasury Budget Constraints to Limit SIGTARP's Capabilities



For Fiscal Year 2019 budget, the President's Budget request sent to Congress proposed cutting SIGTARP's budget to \$17.5 million – 57 percent below SIGTARP's Fiscal Year 2018 appropriations.<sup>9</sup> As authorized by Section 6(g)(3) (E) of the Inspector General Act, the Special Inspector General issued a statement in the President's Budget request sent to Congress, stating that the cut substantially inhibits SIGTARP from performing our mission. SIGTARP is also reporting this under the IG Empowerment Act as an attempt by the Treasury Department to interfere with the independence of SIGTARP through budget constraints designed to limit the capabilities of this office.

SIGTARP continues to assess current and future operations to fulfill its mission and reduce spending, while not serving as a burden on taxpayers. SIGTARP's investigations have recovered \$10 billion – a 35-times return on investment.<sup>vii</sup> Already in Fiscal Year 2018, SIGTARP has recovered \$104 million, exceeding SIGTARP's budget request, and more than five times the President's budget request. Fiscal Year 2017 recoveries of \$67 million exceeded SIGTARP's appropriated budget of \$41 million.

## Government Recovery through Property Seizures and Forfeitures

SIGTARP's culture includes maximizing recoveries of losses to the Government. SIGTARP assists in tracing proceeds of the crime, such as land, houses, cars, boats, and artwork. Property already seized or ordered to be forfeited in SIGTARP cases include:

- Nearly 30 businesses and waterfront homes,
- More than 70 bank accounts (including a bank account located in the Cayman Islands),
- Currency including Bitcoin cryptocurrency, bags of silver, U.S. currency, antique and collector coins, NetSpend Visa and CashPass MasterCard debit cards, and Western Union money orders with the "Pay To" line blank,
- Collector and luxury cars such as a 1963 Rolls Royce, a 2012 Aston Martin, a 2010 Aston Martin DBS Volante Convertible, a 2008 Maserati Granturismo Coupe, a 1969 Shelby Mustang, a 1932 Ford Model A, a 1954 Cadillac Eldorado convertible, a 1965 Shelby Cobra, a 2013 Ferrari 458 Italia, a 1948 Pontiac Silver Streak, a 2007 Ferrari, a 2014 Jaguar convertible, a 1997 Dodge Viper, a 1957 Chevrolet Nomad, a 1957 Chevrolet BelAir, a 2011 Mercedes Benz SLS, a 2008 Cadillac Escalade, a 2013 Range Rover, a 2011 Cadillac SRX Performance, a 1957 Cadillac Coup de Ville, and other vehicles.

Seizures and forfeitures bring money back to victims and the Government and ensure that crime does not pay, as defendants are unable to keep the proceeds of their crime.

vii - from SIGTARP's annual appropriated budget. Recoveries include homeowner relief. Return on investment is based on SIGTARP's annual appropriations 2010-2017.

ORDERED FORFEITED AND SEIZED



2013 Ferrari 458 Italia (\$233,509)



2005 54' Hylas yacht "Swept Away"



1948 Pontiac Silver Streak.



2010 Mercedes-Benz GLK 350 4Matic.  
Estimated value in 2013: \$29,000. (Source Kelley Blue Book)



2005 Hummer H2. Estimated value in 2013: \$24,000. (Source Kelley Blue Book)



1958 Mercedes-Benz Cabriolet 220. Estimated value in 2013: \$185,000. (Source Hagerty.com)



Property located in Chesapeake, Virginia. (Photo courtesy of Bill Tiernan, The Virginian-Pilot)



French-style gilt, bronze, and green malachite columnar 16-light torchères with bronze candelabra arms. Estimated appraised value: \$8,000.



1934 Ford Coupe



1957 Cadillac Coupe de Ville



1961 Chevrolet Corvette



Cash seized from safe, \$158,000.





Kubota tractor (\$27,600).



Artwork with a total value of \$71,525, including paintings worth up to \$10,000 each.



19th century English painting of "Royal Family," oil on canvas. Estimated appraised value: \$6,000.



Bitcoin Cryptocurrency (\$362,317)



2008 Maserati Grandturismo (\$39,800)



2014 Jaguar Convertible (\$54,200)



Cash



2013 Range Rover



2008 Cadillac Escalade



2011 Cadillac SRX Performance



1963 Chevrolet Corvette Stingray



1971 Chevrolet Corvette Stingray

## Countering Threats to Public Safety and Government Interests

SIGTARP's law enforcement counters threats to public safety and Government interests by investigating criminal actors and working with the Justice Department to prosecute those criminal actors.<sup>i</sup> SIGTARP has concurrent responsibility with the Federal Bureau of Investigations over criminal activity related to TARP. With 246 people sentenced to prison resulting from a SIGTARP investigation at an average prison sentence of nearly five years, the threat these crimes pose is significant.

SIGTARP current investigations counter threats including:

- Financial Institution Fraud
- Public Corruption
- Antitrust/Unfair Competition
- Contract Fraud/False Claims Act/Theft or Bribery in TARP programs
- Organized Crime

**Financial Institution Fraud:** SIGTARP's highest priority is investigating banks and other financial institutions receiving TARP dollars in the Making Home Affordable Program. Our investigations into TARP banks have already resulted in 100 bankers charged with a crime. Our remaining work in TARP bank areas is to support the Justice Department in prosecuting TARP bankers that we investigated.

**Public Corruption:** The corruption of local officials threatens public safety. State and local officials award contracts under the \$768 million Hardest Hit Fund blight demolition program.<sup>2</sup>

**Antitrust Violations:** Unfair competitive practices in TARP housing programs include contract steering, bid rigging and price fixing, which threaten the quality of work, harm public safety, threaten competition, and result in higher costs.

**Contract Fraud, False Claims/Theft or Bribery in TARP Programs:** Demolition contractors. State agencies. Fraud in any of these risk areas harm Government interests.

**Organized Crime:** Organized crime in the \$768 million blight demolition program or in TARP banks threatens public safety and Government interests.<sup>2</sup>

<sup>i</sup> SIGTARP made 12 referrals for prosecution this period.

## RESULTS OF SIGTARP'S BANK INVESTIGATIONS



### **BANKERS**

100 INDICTED  
84 CONVICTED\*  
57 SENTENCED\*\*  
TO PRISON

### **BANKER'S CO-CONSPIRATORS**

92 INDICTED  
65 CONVICTED  
46 SENTENCED  
TO PRISON

### **BORROWERS DEFRAUDING BANKS**

57 INDICTED  
48 CONVICTED  
35 SENTENCED  
TO PRISON

As of April 20, 2018

\*Includes one reversed on appeal and two vacated due to death or cooperation.

\*\*Includes one reversed on appeal.

## 57 BANKERS SENTENCED TO PRISON\*



**Edward Woodard**  
23 Years in Prison  
5 Years Supervised Release  
CEO, President  
Bank of the Commonwealth

**Stephen Fields**  
17 Years in Prison  
5 Years Supervised Release  
Executive Vice President, Commercial  
Loan Officer  
Bank of the Commonwealth

**Mark A. Conner**  
12 Years in Prison  
5 Years Supervised Release  
Acting CEO, Chairman, Vice Chairman,  
President, COO  
First City Bank

**Gilbert Lundstrom**  
11 Years in Prison  
2 Years Supervised Release  
CEO, Chairman  
TierOne Bank

**Shawn Leo Portmann**  
10 Years in Prison  
5 Years Supervised Release  
Senior Vice President, Loan Officer  
Pierce Commercial Bank

**Ebrahim Shabudin**  
8 Years and 1 Month in Prison  
3 Years Supervised Release  
Chief Credit Officer, Executive Vice  
President, Chief Operating Officer  
United Commercial Bank (UCBH)



**Troy Brandon Woodard**  
8 Years in Prison  
5 Years Supervised Release  
Vice President  
Bank of the Commonwealth (Subsidiary)

**Catherine Kissick**  
8 Years in Prison  
3 Years Supervised Release  
Senior Vice President  
Colonial Bank

**Clayton A. Coe**  
7 Years and 3 Months in Prison  
5 Years Supervised Release  
Vice President, Senior Commercial Loan  
Officer  
FirstCity Bank

**Gary Patton Hall**  
7 Years in Prison  
3 Years Supervised Release  
CEO, President  
Tifton Bank

**Kirk Marsh**  
6 Years and 6 Months in Prison  
3 Years Supervised Release  
Vice President for Government Contract  
Lending; Vice President  
Virginia Commerce Bank; Fulton Bank

**Jerry J. Williams**  
6 Years in Prison  
3 Years Supervised Release  
CEO, President, Chairman  
Orion Bank



**Adam Teague**  
5 Years and 10 Months in Prison  
5 Years Supervised Release  
Senior Vice President  
Appalachian Community Bank

**Anthony Atkins**  
5 Years and 3 Months in Prison  
5 Years Supervised Release  
President, CEO  
Gulf South Private Bank

**Jeffrey Levine**  
5 Years in Prison  
5 Years Supervised Release  
Executive Vice President  
Omni Bank

**Zulfakir Esmail**  
5 Years in Prison  
CEO, Chairman; President  
Premier Bank; Premier Bancorp

**William R. Beamon, Jr.**  
3 Years and 6 Months in Prison  
5 Years Supervised Release  
Vice President  
Appalachian Community Bank

**Robert E. Maloney, Jr.**  
3 Years and 3 Months in Prison  
3 Years Supervised Release  
In-house Attorney  
FirstCity Bank



**Christopher Tumbaga**  
3 Years in Prison  
4 Years Supervised Release  
Commercial Loan Officer  
Colorado East Bank & Trust

**James A. Laphen**  
2 Years and 10 Months in Prison  
2 Years Supervised Release  
Acting CEO, COO, President  
TierOne Bank

**Melvin Rohs**  
2 years and 9 months in Prison  
5 years Supervised Release  
Senior Vice President, Senior Loan Officer  
Citizens Bank of Northern California

**Jeff H. Bell**  
2 Years and 6 Months in Prison  
3 Years Supervised Release  
President; Head Factoring Division,  
Transportation Alliance Bank; Stearns Bank

**Thomas Hebble**  
2 Years and 6 Months in Prison  
3 Years Supervised Release  
Executive Vice President  
Orion Bank

**Charles Antonucci**  
2 Years and 6 Months in Prison  
2 Years Supervised Release  
CEO, President  
Park Avenue Bank

57 BANKERS SENTENCED TO PRISON (continued)\*



<b>Joseph Tobin</b> 2 Years in Prison 5 Years Supervised Release Vice President, Loan Officer PBI Bank	<b>Reginald Harper</b> 2 Years in Prison 3 Years Supervised Release CEO, President First Community Bank	<b>James Ladio</b> 2 Years in Prison 3 Years Supervised Release CEO, President; Chief Lending Officer MidCoast Community Bank; Artisan's Bank	<b>Angel Guerzon</b> 2 Years in Prison 5 Years Supervised Release Senior Vice President Orion Bank	<b>Karim Lawrence</b> 1 Year and 9 Months in Prison 5 Years Supervised Release Vice President, Loan Officer Omni Bank	<b>Don A. Langford</b> 1 Year and 9 Months in Prison 2 Years Supervised Release Chief Credit Officer, Senior Vice President TierOne Bank	<b>Allen Reichman</b> 1 Year and 9 Months in Prison 2 Years Supervised Release Executive Director of Investments Oppenheimer
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<b>David Weimert*</b> 1 Year and 6 Months in Prison 3 Years Supervised Release Senior Vice President in Lending Administration, President Anchor Bank; Investment Directions, Inc. (Subsidiary) Reversed on Appeal	<b>Poppi Metaxas</b> 1 Year and 6 Months in Prison 3 Years Supervised Release CEO, President Gateway Bank	<b>Paul Ryan</b> 1 Year and 6 Months in Prison 3 Years Supervised Release Loan Officer Broadway Federal Bank	<b>Michael "Sean" Davis</b> 1 Year 3 Months in Prison 3 Years Supervised Release President Premier Community Bank of the Emerald Coast; Bank of America, Beach Community Bank	<b>Brian Hartline</b> 1 Year and 2 Months in Prison 3 Years Supervised Release CEO, President NOVA Bank	<b>Jose Martins</b> 1 Year in Prison 3 Years Supervised Release Loan Officer Wells Fargo	<b>Matthew L. Morris</b> 1 Year in Prison 2 Years Supervised Release Senior Vice President Park Avenue Bank
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<b>Justin T. Brough</b> 11 Months in Prison 5 Years Supervised Release Senior Vice President Bank of America	<b>Barry Bekkedam</b> 11 months in Prison 3 Years Supervised Release Former Chairman NOVA Bank/NOVA Financial Holdings	<b>Jeanette Salsi</b> 7 Months in Prison 3 Years Supervised Release Senior Underwriter Pierce Commercial Bank	<b>Brian W. Harrison</b> 6 Months in Prison 6 Months Supervised Release Vice President, Loan Officer Farmer's Bank	<b>Phillip Alan Owen</b> 6 Months in Prison 5 Years Supervised Release Branch Manager Superior Bank	<b>Samuel Cobb</b> 3 Months in Prison 5 Years Supervised Release Senior Vice President Front Range Bank	<b>Candice White</b> 3 Months in Prison 5 Years Supervised Release Senior Vice President Front Range Bank
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<b>Teresa Kelly</b> 3 Months in Prison 3 Years Supervised Release Operations Supervisor Colonial Bank	<b>Alice Lorraine Barney</b> 2 Months in Prison 3 Years Supervised Release Assistant to Shawn Portmann Pierce Commercial Bank	<b>Rodney Dunn</b> 2 Months in Prison 1 Year Supervised Release Vice President Harbor Bank of Maryland	<b>Sonja Lightfoot</b> 1 Month in Prison 3 Years Supervised Release Senior Vice President of Residential Lending Pierce Commercial Bank	<b>Sam Tuttle</b> 1 Day in Prison 6 Months Home Confinement 3 Years supervised release Vice President, Loan Officer Pierce Commercial Bank	<b>Robert Pennington</b> Time Served 5 Years Supervised Release 8 Months Home Confinement Vice President Citizens First National Bank	<b>Helene DeCillis</b> Time Served 3 Years Supervised Release Chief Operating Officer Lend America, Gateway Bank
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<b>Benjamin Leske</b> Time Served 2 Years Supervised Release 1 Month Home Confinement Loan Officer Pierce Commercial Bank	<b>Ed Rounds</b> Time Served 2 Years Supervised Release Loan Officer Pierce Commercial Bank	<b>Angela Crozier</b> Time Served 1 Year Supervised Release Loan Processor Pierce Commercial Bank	<b>Michael Primeau</b> Time Served 3 Years Supervised Release President Lend America	<b>Craig Meyer</b> Time Served 1 Year Supervised Release Vice President, Principle, Loan Officer Pierce Commercial Bank
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HOME CONFINEMENT

<b>Adam Voelker</b> 2 Months Home Confinement Loan Processor Pierce Commercial Bank	<b>Darryl Woods</b> 1 Year Home Confinement CEO, Chairman, CFO (Mainstreet Bank); Chairman, President (Calvert Financial Corp.) Mainstreet Bank	<b>Jeremy Churchill</b> 1 Year Home Confinement Vice President, Commercial Loan Officer Bank of the Commonwealth	<b>Matthew Daniel Sweet</b> 6 Months Home Confinement Vice President, Controller One Bank and Trust, N.A.
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## 46 BANKER CO-CONSPIRATORS SENTENCED TO PRISON



**Lee Bently Farkas**  
30 Years in Prison  
3 Years Supervised Release  
Chairman, CEO  
Taylor, Bean & Whitaker  
(Colonial Bank Case)



**Mark Anthony McBride**  
14 Years and 2 Months in Prison  
5 Years Supervised Release  
(Omni National Bank Case)



**Delroy Davy**  
14 Years in Prison  
5 Years Supervised Release  
Owner  
Quantum Builders LLC, Jamsen  
Properties LLC, Realty Group LLC,  
DNK Investment Group LLC  
(Omni National Bank Case)



**George Hranowskyj**  
14 Years in Prison  
3 Years Supervised Release  
Owner/Operator  
345 Granby, LLC, Norfolk Property  
Development LLC  
(Bank of the Commonwealth Case)



**Wilbur Anthony Huff**  
12 Years in Prison  
4 Years Supervised Release  
Owner  
O2HR, LLC; Oxygen Unlimited,  
LLC; General Employment  
Enterprises  
(Park Avenue Bank Case)



**Eric Menden**  
11 Years and 6 Months in Prison  
3 Years Supervised Release  
Owner/Operator  
345 Granby, LLC; Norfolk Property  
Development LLC  
(Bank of the Commonwealth Case)



**Daniel Sexton**  
9 Years and 1 Month in Prison  
5 Years Supervised Release  
Operator  
DS Realty, DES Equipment Waste  
Mgmt Solutions, Georgetown  
Mobile Home Sales of Central  
Kentucky  
(PBI Bank Case)



**Lawrence Wright**  
6 Years and 3 Months in Prison  
5 Years Supervised Release  
Bluwater Real Estate  
Investments, LLC  
(GulfSouth Private Bank Case)



**Desiree Brown**  
6 Years in Prison  
3 Years Supervised Release  
Vice President, Treasurer  
Taylor, Bean & Whitaker  
(Colonial Bank Case)



**Francesco Mileto**  
5 Years and 5 Months in Prison  
5 Years Supervised Release  
Owner  
Florida Metro One, LLC, Southeast  
Retail Portfolio, LLC, Trust Member,  
LLC, TMLS Heritage, LLC,  
(Orion Bank Case)



**Richard Pinto (deceased)**  
5 Years in Prison  
5 Years Supervised Release  
Chairman, co-founder  
Oxford Collection Agency  
(Aly Financial, CitiGroup,  
JP Morgan, U.S. Bank, Webster  
Bank, Wells Fargo Case)



**Jonathan Williams**  
5 years in Prison  
5 years Supervised Release  
Accountant, Operator  
DS Realty, DES Equipment Waste  
Mgmt. Solutions, Georgetown  
Mobile Home Sales of Central  
Kentucky  
(PBI Bank Case)



**Paul Chemidlin**  
5 Years in Prison  
3 Years Supervised Release  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Delton DeArmas**  
5 Years in Prison  
3 Years Supervised Release  
CFO  
Taylor, Bean & Whitaker  
(Colonial Bank Case)



**Dwight Etheridge**  
4 Years and 2 Months in Prison  
5 Years Supervised Release  
Owner/Operator  
Tivest Development and  
Construction LLC  
(Bank of the Commonwealth Case)



**Peter Pinto**  
4 Years in Prison  
3 Years Supervised Release  
CEO, President  
Oxford Collection Agency  
(Aly Financial, CitiGroup,  
JP Morgan, U.S. Bank, Webster  
Bank, Wells Fargo Case)



**Leonard Potillo**  
3 Years and 10 Months in Prison  
3 Years Supervised Release  
Owner  
United Credit Recovery LLC  
(Aly Financial, CitiGroup,  
JP Morgan, U.S. Bank, Webster  
Bank, Wells Fargo Case)



**Paul Allen**  
3 Years and 4 Months in Prison  
2 Years Supervised Release  
CEO  
Taylor, Bean & Whitaker  
(Colonial Bank Case)



**Brent Merriell**  
3 Years and 3 Months in Prison  
5 Years Supervised Release  
(Omni National Bank Case)



**Brian Headle**  
3 Years in Prison  
4 Years Supervised Release  
Owner  
Investment One LLC  
(ColoEast Bank and Trust Case)



**Delio Coutinho**  
3 Years in Prison  
3 Years Supervised Release  
Loan Officer  
Ameridream  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**David Odum**  
2 Years and 6 Months in Prison  
3 Years Supervised Release  
President  
Cityscope Productions, LLC  
(Harbor Bank of Maryland)



**Ray Bowman**  
2 Years and 6 Months in Prison  
3 Years Supervised Release  
President  
Taylor, Bean & Whitaker  
(Colonial Bank Case)



**Tommy Arney**  
2 Years and 3 Months in Prison  
3 Years Supervised Release  
Owner/Operator  
Body Shop Go-Go club,  
Bootleggers, Maxwell's Tavern  
(Bank of the Commonwealth Case)



**Carmine Fusco**  
2 Years and 6 Months in Prison  
3 Years Supervised Release  
Appraiser  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Sheila Flynn**  
2 years in Prison  
5 years Supervised Release  
Operator  
DS Realty, DES Equipment Waste  
Mgmt. Solutions, Georgetown  
Mobile Home Sales of Central  
Kentucky  
(PBI Bank Case)



**Kenneth Sweetman**  
2 Years in Prison  
3 Years Supervised Release  
Title Agent  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Luis Fernando Krueger**  
1 Year in Prison  
3 Years Supervised Release  
Director of Business Development  
Blackstone Development Group  
(Saigon National Bank Case)



**Matthew Armento**  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
Owner/Operator  
Residential Real Estate and  
Construction, LLC  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Daryl Wesley Clements**  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
Owner  
Link Resources Partner, LLC  
(Harbor Bank of Maryland Case)



**William Cody**  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
Owner/Operator  
C&C Holdings LLC  
(GulfSouth Private Bank Case)



**Troy A. Fouquet**  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
Owner  
Team Mgmt LLC, TRISA  
(First Community Bank Case)



**Christopher Woods**  
1 Year and 6 Months in Prison  
5 Years Supervised Release  
Owner/Operator  
Champ Construction LLC  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Chester Peggese**  
1 Year in Prison  
5 Years Supervised Release  
Loan Consultant  
(Broadway Federal Bank Case)



**Carlos Peralta**  
1 Year in Prison  
3 Years Supervised Release  
(Park Avenue Bank Case)

## 46 BANKER CO-CONSPIRATORS SENTENCED TO PRISON (continued)



<p><b>Salvatore Leone</b>                  1 Year in Prison                  3 Years Supervised Release                  Project Manager/Partner                  TBC Enterprises, LLC, North                  Dover Holdings, LLC, Shoppes at                  FieldStone Village, LLC                  (Wilmington Trust Case)</p>	<p><b>Derrick Cheung</b>                  1 Year in Prison                  2 Years Supervised Release                  (Saigon National Bank Case)</p>	<p><b>Alberto Solaroli</b>                  1 Year in Prison                  2 Years Supervised Release                  Owner                  CET Racing                  (OneFinancial Corporation Case)</p>	<p><b>Christopher Ju</b>                  10 Months in Prison                  2 Years Probation                  Title Agent                  (Bank of America, CitiGroup,                  PNC Bank, U.S. Bank, Wells                  Fargo Case)</p>	<p><b>Jose Luis Salguero Bedoya</b>                  10 Months in Prison                  3 Years Supervised Release                  Owner                  New Jersey Real Estate Holding,                  New Jersey Property Management                  (Bank of America, CitiGroup,                  PNC Bank, U.S. Bank, Wells                  Fargo Case)</p>	<p><b>Jason Maurice Robinson</b>                  6 Months in Prison                  5 years supervised release                  Used car salesman                  (Superior Bancorp Case)</p>	<p><b>Sean Ragland</b>                  3 Months in Prison                  3 Years Supervised Release                  Senior Financial Analyst                  Taylor, Bean &amp; Whitaker                  (Colonial Bank Case)</p>
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<p><b>Bruce Houle</b>                  1 Day in Prison                  5 Years Supervised Release                  6 Months Home Confinement                  Owner                  Bah Dev, LLC                  (GulfSouth Private Bank Case)</p>	<p><b>Mark W. Shoemaker</b>                  1 Day in Prison                  5 Years Supervised Release                  Burnt Pine Properties, LLC                  (GulfSouth Private Bank Case)</p>	<p><b>Michael Bradley Bowen</b>                  1 Day in Prison                  5 Years Supervised Release                  C-Note Development Company LLC                  (GulfSouth Private Bank Case)</p>	<p><b>Yazmin Soto-Cruz</b>                  Time Served                  8 Months Home Confinement                  3 Years Supervised Release                  (Bank of America, CitiGroup,                  PNC Bank, U.S. Bank,                  Wells Fargo Case)</p>
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## HOME CONFINEMENT

<p><b>Randall Silver</b>                  1 Year Home Confinement                  CFO                  Oxford Collection Agency Inc.                  (Oxford Collection Case)</p>	<p><b>Recardo Lewis</b>                  6 Months Home Confinement                  Project Manager                  Tivest Development &amp; Construction,                  LLC                  (Bank of the Commonwealth Case)</p>	<p><b>Patrick Pinto</b>                  6 Months Home Confinement                  Co-owner                  Oxford Collection Agency Inc.                  (Oxford Collection Case)</p>	<p><b>Charles Harris</b>                  6 Months Home Confinement                  Co-owner                  Oxford Collection Agency Inc.                  (Oxford Collection Case)</p>
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## 37 DEFENDANTS WHO FRAUDULED TARP BANKS SENTENCED TO PRISON



<p><b>David McMaster</b>                  15 Years and 8 Months in Prison                  5 Years Supervised Release                  Vice President of Lending                  Operations                  AMS                  (Victim: BNC National Bank)</p>	<p><b>Robert Egan</b>                  11 Years in Prison                  3 Years Supervised Release                  President                  Mount Vernon Money Center                  (Victim: U.S. Bank, Webster Bank,                  Bank of America, NY Community                  Bank Corp)</p>	<p><b>Scott Powers</b>                  8 Years in Prison                  5 Years Supervised Release                  CEO                  AMS                  (Victim: BNC National Bank)</p>	<p><b>Edward Shannon Polen</b>                  5 Years and 11 Months in Prison                  5 Years Supervised Release                  Owner                  Polen's Lawn Care                  (Victim: F&amp;M Bank, U.S. Bank, Fifth                  Third Bank, Summer Bank &amp; Trust,                  Bank of Nashville, First Bank)</p>	<p><b>Chung Yu Yeung</b>                  5 Years and 3 Months in Prison                  5 Years Supervised Release                  Vice President                  ETQ, Eastern Tools and Equipment                  (Victim: United Commercial Bank)</p>	<p><b>Bernard McGarry</b>                  5 Years in Prison                  3 Years Supervised Release                  COO                  Mount Vernon Money Center                  (Victim: U.S. Bank, Webster Bank,                  Bank of America, NY Community                  Bank Corp)</p>	<p><b>Leigh Farrington Fiske</b>                  4 Years and 9 Months in Prison                  5 Years Supervised Release                  (Victim: Wells Fargo Bank,                  U.S. Bank)</p>
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<p><b>Steven Pitchersky</b>                  4 Years and 3 Months in Prison                  5 Years Supervised Release                  Owner/Operator                  Nationwide Mortgage Concepts                  (Victim: Ally Bank)</p>	<p><b>Michael Edward Filmore</b>                  4 Years in Prison                  5 Years Supervised Release                  Operator                  Healthcare Partners Group, LLC                  (Victim: Pulaski Bank)</p>	<p><b>Winston Shillingford</b>                  4 Years in Prison                  5 Years Supervised Release                  Co-owner                  Waikale Properties Corp                  (Victim: Goldman Sachs, Wells                  Fargo, JP Morgan, Deutsche Bank)</p>	<p><b>Selim Zherka</b>                  3 Years and 1 Month in Prison                  5 Years Supervised Release                  Owner, Publisher                  Cheateh's Gentleman's Club, V.I.P                  Club, The Westchester Guardian                  (Victim: Capital One, Signature                  Bank, Sovereign Bank)</p>	<p><b>Cheri Fu</b>                  3 Years in Prison                  5 Years Supervised Release                  Co-owner                  Galleria USA                  (Victim: Bank of America, United                  Commercial Bank (UCBH), Cathay                  Bank, City National Bank, East                  National Bank, DBS Bank, United                  Overseas Bank)</p>	<p><b>Marleen Shillingford</b>                  3 Years in Prison                  5 Years Supervised Release                  Co-owner                  Waikale Properties Corp                  (Victim: Goldman Sachs, Wells                  Fargo, JP Morgan, Deutsche Bank)</p>	<p><b>Clint Dukes</b>                  2 Years in Prison                  5 Years Supervised Release                  Owner                  Dukes Auto Repair                  (Victim: First Community Bank,                  U.S. Bank)</p>
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## 37 DEFENDANTS WHO FRAUDULENTLY OBTAINED TARP BANKS SENTENCED TO PRISON (continued)



**Joseph D. Wheliss, Jr.**  
 2 Years in Prison  
 5 Years Supervised Release  
 Owner  
 National Embroidery Works, Inc.  
 (Victim: Pinnacle National Bank)

**Margaret Connolly**  
 2 Years in Prison  
 3 Years Supervised Release  
 Attorney  
 (Victim: JP Morgan)

**Thomas Fu**  
 1 Year and 9 Months in Prison  
 5 Years Supervised Release  
 CFO, Secretary, Treasurer  
 Galleria USA  
 (Victim: Bank of America, United Commercial Bank (UCBHI), Cathay Bank, City National Bank, East National Bank, DBS Bank, United Overseas Bank)

**Steven Moorhouse**  
 1 Year and 9 Months in Prison  
 5 Years Supervised Release  
 President  
 Jefscro Manufacturing Co., Inc.  
 (aka Fanplastic Molding Company)  
 (Victim: Old Second National Bank)

**Joseph L. Capano**  
 1 Year and 9 Months in Prison  
 5 Years Supervised Release  
 Managing Member  
 Riverbend Community LLC  
 (Victim: Cecil Bank)

**Robert Ilunga**  
 1 Year and 6 Months in Prison  
 5 Years Supervised Release  
 Operator  
 Waikale Properties Corp  
 (Victim: Goldman Sachs, Wells Fargo, JP Morgan, Deutsche Bank)

**Mahendra Prasad**  
 1 Year and 3 Months in Prison  
 5 Year Supervised Release  
 (Victim: JPMorgan Chase, Bank of America)



**Gregory Yates**  
 1 year in Prison  
 3 years Supervised Release  
 CEO, President Quality  
 Concepts LLC; Owner Champion  
 Development, LLC; Owner QC  
 Manufacturing, LLC  
 (Victim: Country Bank of Aledo, IL)

**Harpreet Singh**  
 6 Months in Prison  
 5 Years Probation  
 Real Estate Agent  
 (Victim: Bank of America, Wells Fargo)

**John Cheng**  
 6 Months in Prison  
 4 Years Supervised Release  
 Loan Broker, Owner SinoWest  
 Financial Services, Inc.  
 (Victim: BNB Financial Services Corp.)

**Shaima Hadayat**  
 6 Months in Prison  
 3 Years Probation  
 Real Estate Broker  
 (Victim: Wells Fargo, Bank of America)

**Ronald Onorato**  
 6 Months in Prison  
 2 Year Supervised Release  
 CEO  
 Northpoint Group, Inc.  
 (Victim: Integra Bank)

**Raj Maruvada**  
 6 Months in Prison  
 1 Year Supervised Release  
 CPA, Raj Maruvada & Associates  
 P.C.  
 (Victim: TARP Bank)

**Tariq Khan**  
 1 Day in Prison  
 1 Year Home Confinement  
 5 Years Supervised Release  
 Owner  
 Urban Motors Corporation  
 (Victim: Old Second National Bank)



**Terrance Yates**  
 1 day in Prison  
 1 Year Home Confinement  
 3 years Supervised Release  
 CFO Quality Concepts, LLC; CFO  
 & VP of Operations Champion  
 Development, LLC  
 (Victim: Country Bank of Aledo, IL)

**Hyacinth Bellerose**  
 Time Served  
 1 Year Home Confinement  
 1 Year Supervised Release  
 Attorney  
 (Victim: JPMorgan, Bank of America, First Horizon Corp.)

**Dahianara Moran**  
 Time Served  
 1 Year Home Confinement  
 1 Year Supervised Release  
 Former Director of Human  
 Resources of The Psychological  
 Center Inc.  
 (Victim: JPMorgan, Bank of America, First Horizon Corp.)

**James Crews**  
 Time Served  
 5 Years Supervised Release  
 (Victim: Excel Bank)

**Michael Hilbert**  
 Time Served  
 5 Years Supervised Release  
 (Victim: Excel Bank)

**Pasquale Scarpa**  
 Time Served  
 5 Years Supervised Release  
 (Victim: Capital One, Signature Bank, Sovereign Bank)

**Mark A Pagani**  
 Time Served  
 5 Year Supervised Release  
 Attorney  
 (Victim: Capital One, Signature Bank, Sovereign Bank)

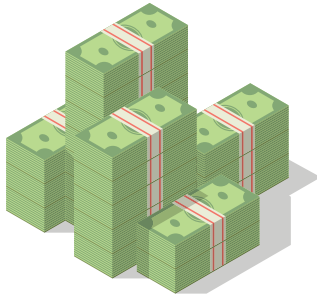


**Falgun Dharja**  
 Time Served  
 3 Years Supervised Release  
 Owner Mantiff Management Corp.  
 (Victim: PNC Bank)

**Genaro Morales**  
 Time Served  
 2 Years Supervised Release  
 (Victim: Capital One, Signature Bank, Sovereign Bank)

**Results of SIGTARP's Securities Fraud Investigations:** SIGTARP also investigates crime related to mortgage-backed securities related to TARP. SIGTARP investigated the first of a line of securities fraud cases against a Wall Street trader for increasing the firm's profit by defrauding clients. Jesse Litvak of Jefferies & Co was sentenced to 2 years in prison for defrauding clients including portfolio managers of TARP funds. Mr. Litvak's defense was that this was a standard industry practice. Four additional traders have also been convicted resulting from a SIGTARP investigation and others have been indicted, two in fiscal year 2017.

## DEFENDANTS WHO SCAMMED TARP OR USED TARP TO SCAM INVESTORS SENTENCED TO PRISON



### SCAMS USING TARP

# 14

### SENTENCED TO PRISON

**Julius Blackwelder**  
3 years and 10 months  
**John Farahi**  
10 years  
**Gordon Grigg**  
10 years

**Xue Heu**  
5 years and 3 months  
**Abraham Kirschenbaum**  
1 year and 6 months  
**Carla Lee Miller**  
8 months

**Jesus Fernando Montes**  
1 year and 6 months  
**Thomas Dickey Price**  
1 year and 6 months  
**Michael Ramdat**  
1 year and 9 months

**Eduardo Garcia Sabag**  
3 months  
**Marvin Solis**  
2 years and 3 months  
**David Tamman**  
7 years

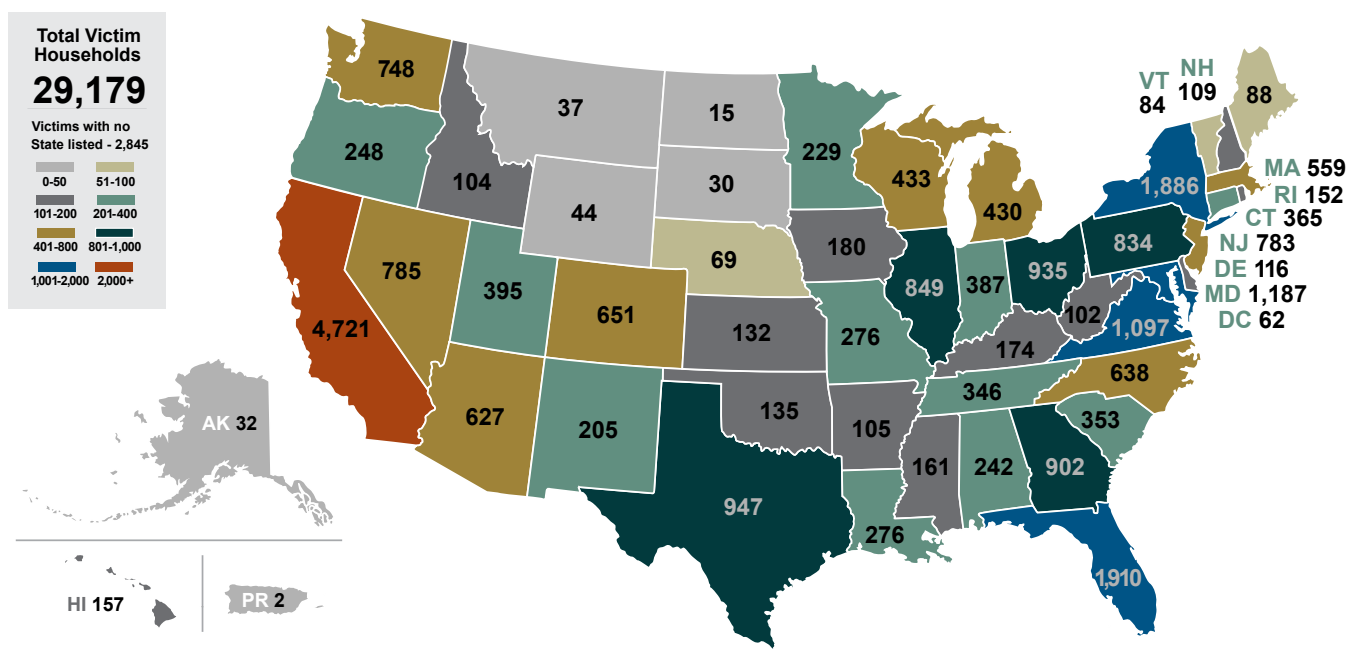
**Mark Steven Thompson**  
1 year and 6 months  
**Robert Wertheim**  
1 year and 6 months

**Results of SIGTARP's Mortgage Fraud Investigations and SIGTARP's Investigations of Mortgage Servicers:** SIGTARP is currently investigating banks and other financial institutions in MHA. With the expiration of the HAMP application period, we have ended investigations into con artists that stole from homeowners seeking admission into the program after 114 defendants were convicted for these crimes. One victim testified that after her servicer lost her application, she fell prey to a scam promising admission into the program. Her home and thousands of dollars were lost. Her story underscores the harm caused when mortgage servicers do not follow HAMP's rules. With an uptick in enforcement actions against financial institutions in MHA, SIGTARP is working to counter the unlawful conduct of those mortgage servicers in MHA—the largest open TARP program.

## 88 DEFENDANTS WHO DEFRAUDED HOMEOWNERS SENTENCED TO PRISON

- |   |  |   |   |  |   |
|---|--|---|---|--|---|
| <b>Ped Abghari</b><br>2 years and 6 months                      | <b>Ruby Theresa Encina</b><br>1 year                             | <b>Jason Green</b><br>Time served, 5 years supervised release and 6 months home confinement | <b>Ray Kornfeld</b><br>5 years  | <b>Dominic A. Nolan</b><br>6 months                          | <b>Jason Sant</b><br>6 years                                      |
| <b>Thomas J. Adams</b><br>364 days (suspended)                  | <b>Nicholas Estilow</b><br>6 years and 8 months                  | <b>Philip Haas</b><br>Time served, 3 years supervised release                               | <b>Niket Narayan Kulkarni</b><br>5 years (suspended) 3 years probation      | <b>Lynn Nunes</b><br>1 year                                  | <b>Scott Schreiber</b><br>Time served, 3 years supervised release |
| <b>Sammy Araya</b><br>20 years                                  | <b>Mark Farhood</b><br>11 years                                  | <b>Walter Bruce Harrell</b><br>1 year and 6 months  | <b>Damian Kutzner</b><br>5 years and 10 months                              | <b>Yadira Padilla</b><br>4 years                             | <b>Jen Seko</b><br>7 years  |
| <b>Ziad Nabil Mohammed Al Saffar</b><br>1 year and 9 months     | <b>Dennis Fischer</b><br>7 years                                 | <b>Michael Henderson</b><br>12 years  | <b>Harold E. Larson</b><br>2 years and 6 months                             | <b>Michael Lewis Parker</b><br>6 years and 8 months          | <b>Hamid Reza Shalviri</b><br>3 months                            |
| <b>Kristen Ayala</b><br>11 years and 3 months                   | <b>Dionysius Fiumano</b><br>16 years                             | <b>Jonathan L. Herbert</b><br>11 years and 8 months   | <b>Michelle Lefaoseu</b><br>1 year  | <b>Iris Pelayo</b><br>4 years                                | <b>Daniel Shiau</b><br>4 years and 10 months                      |
| <b>Michael Bates</b><br>1 year                                  | <b>Gregory Flahive</b><br>1 year                                 | <b>Mindy Holt</b><br>1 year and 6 months  | <b>John Linderman</b><br>2 years  | <b>Isaac Joshua Perez</b><br>10 years and 10 months          | <b>Howard Shmuckler</b><br>13 years and 9 months                  |
| <b>Anthony Blackwell</b><br>1 year                              | <b>Christopher George</b><br>20 years                            | <b>Najia Jalan</b><br>5 years and 10 months   | <b>Jonathan Lyons</b><br>1 year   | <b>Andrew M. Phalen</b><br>1 year                            | <b>John D. Silva</b><br>8 months                                  |
| <b>Crystal Buck</b><br>5 years                                  | <b>Chad Gettel</b><br>7 years                                    | <b>Joshua David Johnson</b><br>10 years and 1 month   | <b>Lori Macakanja</b><br>6 years  | <b>Sabrina Rafo</b><br>5 years                               | <b>Alan Tikal</b><br>24 years                                     |
| <b>Vernell Burris, Jr.</b><br>1 year                            | <b>Serj Geutssoyan</b><br>4 years and 4 months                   | <b>Roger Jones</b><br>2 years and 9 months  | <b>Christine Maharaj</b><br>3 months  | <b>Andrea Ramirez</b><br>18 years                            | <b>Tamara Teresa Tikal</b><br>3 years and 9 months                |
| <b>David Cassuto</b><br>Time served, 2 years supervised release | <b>Frederic Gladle</b><br>5 years and 1 month                    | <b>Brian M. Kelly</b><br>1 year   | <b>Aria Maleki</b><br>9 years and 4 months                                  | <b>Kevin Rasher</b><br>8 years and 1 month                   | <b>Michael Trap</b><br>2 years and 6 months                       |
| <b>Jaime Cassuto</b><br>Time served, 2 years supervised release | <b>Christopher S. Godfrey</b><br>7 years                         | <b>Darrell Keys</b><br>Time served, 3 years supervised release                              | <b>Jefferson Maniscan</b><br>10 years                                       | <b>James Reese</b><br>364 days (suspended) 3 years probation | <b>Roscoe Ortega Umali</b><br>18 years and 4 months               |
| <b>Jacob J. Cunningham</b><br>8 months                          | <b>Angel Gonzalez</b><br>Time served, 3 years supervised release | <b>Isaak Khafizov</b><br>9 years  | <b>John McCall</b><br>1 year  | <b>Robyn Reese</b><br>364 days (suspended) 3 years probation | <b>John Vescera</b><br>1 year                                     |
| <b>Raymund Oquendo Dacanay</b><br>5 years                       | <b>David Gotterup</b><br>15 years                                | <b>Cuong Huy King</b><br>1 year and 6 months  | <b>Mehdi Moarefian</b><br>4 years and 4 months                              | <b>Justin Romano</b><br>2 years                              | <b>Glen Alan Ward</b><br>11 years                                 |
| <b>Catalina Deleon</b><br>2 years and 6 months                  | <b>David Green</b><br>Time served, 3 years supervised release    | <b>Justin D. Koelle</b><br>9 months   | <b>Christopher William Nelson</b><br>10 years (suspended) 5 years probation | <b>Glenn Steven Rosofsky</b><br>5 years and 3 months         | <b>Patthaya Wattanachinda</b><br>4 months                         |
| <b>Alberto DiRoberto</b><br>5 years                             |  |   | <b>Duy K. Nguyen</b><br>1 year  | <b>Joshua Sanchez</b><br>12 years and 7 months               | <b>Kowit Yuktanon</b><br>1 year and 6 months                      |

## VICTIMS OF MORTGAGE MODIFICATION SCHEMES BY STATE WHERE SIGTARP INVESTIGATIONS LED TO CONVICTIONS



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# SIGTARP AUDITS AND RECOMMENDATIONS

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COST

# SIGTARP

## SIGTARP AUDITS IDENTIFY FRAUD, WASTE AND ABUSE, AND DETER FUTURE WRONGDOING

### RECENT FINDINGS



Nevada's Hardest Hit Fund wasted \$8.2 million while all but stopping admitting new homeowners



Georgia mismanaged the state's Hardest Hit Fund, failing to meet the urgent needs of Georgian homeowners and wasting \$18.6 million



\$3 million in Hardest Hit Fund administrative expenses were squandered by state housing agencies



Blight demolition program faces asbestos exposure, illegal dumping and contaminated soil risks



Mortgage servicers have wrongfully terminated homeowners out of the Home Affordable Modification Program



Most of the Hardest Hit Fund has no federal competition requirements for contract awards



The average cost of demolitions in Michigan and Ohio have skyrocketed in the last few years

### OPEN AUDITS



Hardest Hit Fund travel and conference expenses



Blight demolition activities in South Carolina



Blight demolition greening and maintenance activities



*“SIGTARP identifies wasteful spending to help the Government recover taxpayer funds. We identify abuse and vulnerabilities that put Federal dollars at risk and jeopardizes the mission of TARP programs.”*

*Special Inspector General Goldsmith Romero*

SIGTARP only conducts audits over TARP housing programs, much at the request of members of Congress. In Fiscal Year 2017, Treasury spent \$4 billion on TARP housing programs.<sup>10</sup> Treasury did not set up these contracts as grants or cooperative agreements, but Treasury treats them as if they were. Managers in the Federal Government face ongoing challenges in grants and cooperative agreements to provide flexibility to recipients, while fulfilling the Federal Government’s responsibility of ensuring that the Agency receives fair value for its money and that recipients spend federal taxpayer dollars appropriately to accomplish stated goals. This responsibility exists in all Federal agencies, and is not unique to TARP. The fact that these contracts are not grants or cooperative agreements increases risk to taxpayers because the normal Federal standards and regulations do not apply to protect the Government or taxpayers.

SIGTARP seeks to assist Treasury in these efforts by auditing and evaluating individual contracts to determine whether the Government is receiving fair value for its money and that recipients are spending TARP funds appropriately. We support Treasury’s strategic goal to wind down sun-setting programs responsibly, maximizing the financial benefits to taxpayers.

SIGTARP primarily conducts forensic audits that follow the money, digging deep, analyzing general ledgers, credit card statements, invoices, and receipts. SIGTARP uncovered waste in the Hardest Hit Fund. In September 2016, we found that a state agency contractor in Nevada wasted \$8.2 million on parties, employee gifts, country club lunches, paying for a lease for a CEO to drive a Mercedes-Benz, and cleaning up messes like legal fees for discrimination lawsuits. In August 2017, we found \$3 million squandered by state agencies for large catered barbecues (including with Treasury employees), parties, seafood lunches, cash bonuses, gifts, avoidable storage costs, gym memberships, free parking, employee perks, and rent/operating expenses unrelated to TARP. In October 2017 we found that the Georgia agency mismanaged the Hardest Hit Fund, wasting \$18.6 million. SIGTARP makes recommendations to Treasury, to save money, recover wasteful spending and prevent fraud, waste, and abuse.<sup>3</sup>

**Completed Audit:  
March 2018 - Most of the \$9.6 Billion Hardest Hit Fund Has No Federal  
Competition Requirements for Contract Awards**

In March 2018, SIGTARP released an audit that found that the contractor running Nevada’s HHF program recently awarded six figure contracts without request for proposals—a violation of the contractor’s own policies. Further analysis found that Treasury has no competition requirements for contracts awarded with HHF dollars, except for a recently added one-sentence guidance applicable solely to the blight subprogram.<sup>11</sup> The Federal government has a long history of protecting Federal taxpayers that fund grants administered by state agencies. With \$2.03 billion available for spending by 19 state agencies until December 2021, Treasury should apply these same taxpayer protections—Federal procurement standards—to the Hardest Hit Fund, just as it applied the cost standards for grants.<sup>2</sup> Studies show that competition can save 20%.<sup>12</sup>

Treasury operates the program like a grant program, but it is not a grant, because that would not fit within TARP law. Federal procurement standards that require competition for grants (contained in 2 CFR 200, Subpart D) do not apply and SIGTARP recommended that Treasury apply them.

Treasury responded that it has distributed nearly all of the money to state agencies and therefore it would not make changes. Before Treasury increased its distributions to states in 2017, the money sat safe from fraud, waste, and abuse in the U.S. Treasury. Now that the millions of dollars are available to be spent is when competition is needed the most. Treasury’s goal to maximize financial benefit to taxpayers requires Treasury applying competition standards to HHF.<sup>12</sup>

## UNIMPLEMENTED PRIORITY RECOMMENDATIONS

*In order to prevent fraud, waste, abuse, and ensure that taxpayers achieve the protection of full and open competition, including obtaining the best value and cost savings, Treasury should apply the uniform procurement standards (contained in 2 CFR 200, Subpart D) to the Hardest Hit Fund just as it has already applied Subpart E.*

## KEY UNIMPLEMENTED RECOMMENDATIONS FROM PRIOR SIGTARP AUDITS AND EVALUATIONS

### **SIGTARP found risk of asbestos exposure, illegal dumping and contaminated soil in HHF's Blight Elimination Program – December 2017**

#### Completed Audit

*On behalf of SIGTARP, the U.S. Army Corps of Engineers (the Corps) conducted July 2017 field inspections of multiple properties in various stages of demolition and a document review of one completed demolition in Flint, Michigan, under the Hardest Hit Fund. In December 2017, SIGTARP released an evaluation identifying the risk of asbestos exposure, illegal dumping and contaminated soil in HHF's Blight Elimination Program.*

On behalf of SIGTARP, the U.S. Army Corps of Engineers (the Corps) conducted field inspections in July 2017 of multiple houses in Flint, Michigan, that were in various stages of demolition under the Hardest Hit Fund and reviewed program documents for the entire state of Michigan. The Corps found that industry standards, common sense safeguards, were not required, and that state oversight was not required. The Corps identified environmental and safety risks and failures to follow industry best practices that could put residents of Flint and other cities at risk of exposure to hazardous materials and other harm. The Corps identified three high-risk areas: 1) proper removal and storage of asbestos and other hazardous material; 2) proper dumping of all debris and waste in appropriate landfills or recycling facilities; and 3) filling in the demolition hole with only clean soil. These high-risk areas threaten HHF's goal of neighborhood stabilization, and carry a high risk of fraud, waste, abuse and environmental crimes.<sup>4</sup>

#### UNIMPLEMENTED PRIORITY RECOMMENDATIONS

*Treasury and state agencies should preclude from participation all contractors charged/fined for violations of environmental or safety requirements.*

*Treasury should require state agencies to install industry-standard, common sense safeguards that protect against risk of asbestos exposure, illegal dumping of debris, and contaminated material filling the demolition hole.*

*Treasury should require state agencies to conduct oversight over asbestos removal including not paying TARP dollars until after confirming that inspection documentation and other documents show appropriate removal of asbestos and other hazardous materials.*

*Treasury should require state agencies to determine approved sources of fill dirt, and not pay TARP dollars until after confirming that an inspection of the open hole showed that all debris was removed, and that the hole is only filled with clean material from an approved source.*

*Treasury should require state agencies to determine a list of approved waste facilities, and not pay TARP dollars until after confirming that all debris was disposed of at an appropriate waste or recycling facilities, as documented by landfill receipts, waste manifests, and truck weight tickets.*

## SIGTARP found nearly \$3 million in waste and unnecessary spending in the Hardest Hit Fund - August 2017

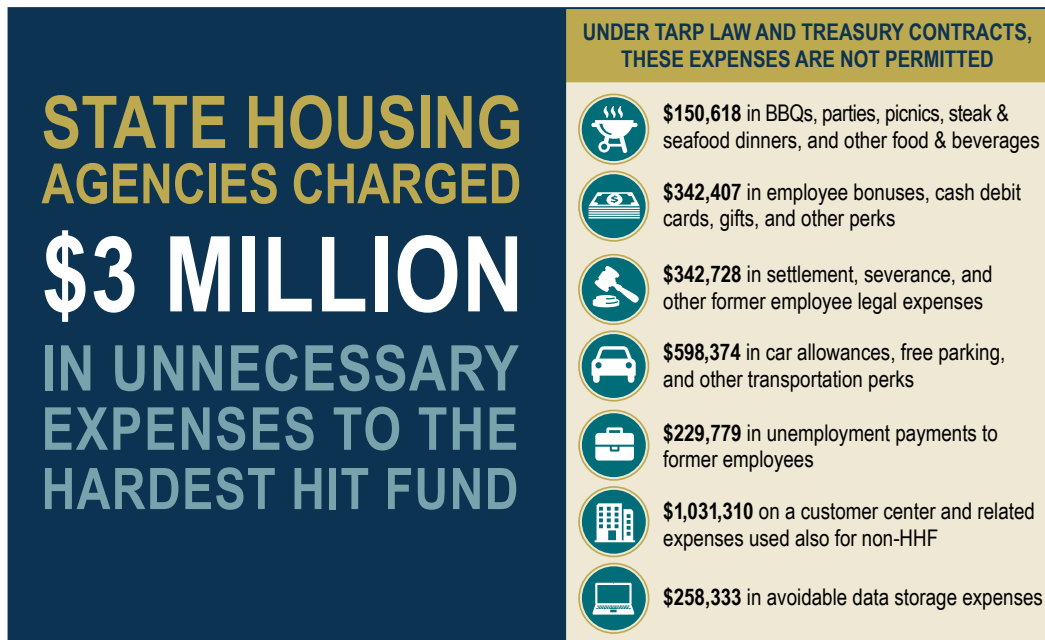
### Completed Audit

Based on a request by Senator Chuck Grassley, SIGTARP audited state agency TARP spending for administrative expenses in the Hardest Hit Fund. We released an audit in August 2017, finding nearly \$3 million in squandered TARP dollars.



SIGTARP found that state housing agencies squandered nearly \$3 million in waste and unnecessary spending. Some of the unnecessary expenses SIGTARP identified are large: Rhode Island charged TARP hundreds of thousands of dollars for the full cost of construction of a customer center despite it being also used for non-HHF purposes—after previously billing TARP for the build-out of an office in 2010. TARP dollars were also squandered on VISA gift cards for employees, catered barbecues, parties, picnics, flowers, gym memberships, balloons—even a piñata. See Figure 3.1. All these unnecessary expenses violate TARP law and Treasury’s contracts. Every taxpayer dollar wasted is one less dollar for homeowners.<sup>13</sup>

FIGURE 3.1 UNNECESSARY EXPENSES CHARGED TO HHF



State agency squandered TARP dollars on:

***North Carolina state agency: \$107,821***

\$2,830 spent on four catered barbeques and other food with Treasury employees, one served 90 people, another 60 people, and two more served 50 people; \$8,219 on parties, picnics, celebrations, and outings, including, for example, a Valentine's day party with décor and food, steak and seafood dinners, regular employee meals, and balloons, candles, cakes and cupcakes to celebrate the milestone of the number of homeowners helped; \$18,091 on employee cash bonuses; \$1,965 on VISA gift cards and other gifts including \$1,113 on customized Lands' End shirts and a \$50 CVS gift card to recognize new HHF Funding in 2016; \$8,880 on gym memberships, \$14,124 for employee breakfasts, lunches and dinner sometimes with external parties; and \$53,712 for food and other costs at events with housing counselors, including a 'celebration' of counselors that included \$400 in virgin cocktails, \$200 in mini cupcakes and a \$770 gratuity.

***Rhode Island state agency: \$1,238,228***

\$1,031,310 spent for the full cost -- despite the centers use for non-HHF programs -- to build out a new customer center with a new kitchen and furniture, backdated 'storage' costs in the agency's own building while HHF was closed; \$114,596 on a monthly \$105 payment to each employee to defray parking and transportation costs; \$14,994 on severance to former employees; \$75,703 on unemployment payments to former employees; and \$1,625 on food and beverages, including at meetings with lenders and trainings with counselors.

***Nevada Affordable Housing Assistance Corporation: \$240,677***

\$194,294 spent on private investigators, settlement payments for discrimination, and severance payments to former employees; \$43,497 spent on bonuses, of which nearly all went to the CEO who was later terminated; and \$2,886 on two employee picnics and other celebrations and food.

***Florida state agency: \$107,864***

\$106,774 spent on bonuses approved by the now terminated executive director; \$636 on gift certificates to employees; and \$454 for a barbecue, an all employee lunch, and a lunch with Bank of America.

***District of Columbia's state agency: \$259,017***

\$258,333 spent to prepay for five years of avoidable online storage access and data two years after the HHF program was closed to homeowner applications; \$202 for a continental breakfast with Treasury employees; and \$482 on breakfast and snacks during a training.

***Illinois Housing state agency: \$114,408***

\$14 spent on Treasury employee breakfast; \$98,305 spent on employee cash awards; and \$16,089 supplies, parties, celebrations, food and beverages, (including for a contractor to deliver coffee and water), lunch at a pizza restaurant to "to celebrate getting new HHF funds and an employee's upcoming wedding," and an employee retirement party.

***Michigan state agency: \$337,349***

\$77 spent on refreshments and meals for Treasury employees; \$330,575 spent to provide free parking to employees; \$6,642 in parties, celebrations or other food and beverages, including cupcakes, ice cream sandwiches, balloons, and pizza; and \$55 on employee gifts from Bed, Bath & Beyond.

***Alabama state agency: \$705***

\$341 spent on meals and other food for Treasury employees, including a barbeque; \$198 in other food, including meals with Bank of America staff; and \$166 on Visa gift cards and fruit baskets.

***Kentucky state agency: \$49,150***

\$159 spent on catered lunches with Treasury employees; \$46,811 spent on severance payments for three employees; \$654 spent on gift certificates and cash bonuses, and \$1,526 spent on food and beverages, including a picnic with food trucks, an employee gelato outing.

***Ohio state agency: \$204,522***

\$127,932 spent on cars and a \$90-110 monthly payment to employees for transportation; \$63,432 on unemployment payments to former employees; and \$13,158 on events with housing counselors, including paid admission at one zoo and breakfast and lunch at three other zoos.

***South Carolina state agency: \$49,402***

\$20,627 spent on an executive's use of a car for more than three years; \$12,735 for food and beverages at annual meetings with legislative staff and at training events; and \$16,040 on employee bonuses.

***Oregon state agency: \$165,995***

\$430 on restaurant lunches with Treasury employees, including coffee, pastries and desserts, and twice for lunch for their staff to celebrate after Treasury's audit; \$84,256 spent to settle a former employee's wrongful termination litigation and the legal claims of two other terminated employees; \$79,742 spent on unemployment payments to former employees and \$1,567 on food and beverages, including lunch at Newport Seafood Grill with Bank of America staff.

***Tennessee state agency: \$5,985***

\$5,558 spent on unemployment benefits; and \$427 on food and beverages during a training.

***Georgia state agency: \$6,813***

\$6,813 spent on a contractor to deliver breakroom beverages, including water, coffee, tea and hot cocoa.

***Indiana state agency: \$46,658***

\$45,100 spent on employee bonuses; and \$1,558 on water for employees.

***Mississippi state agency: \$8,111***

\$369 spent on restaurant lunch for 30 people, including Treasury employees; \$5,343 spent on unemployment benefits; and \$2,399 on training lunches with counselors.

*California state agency: \$7,017*

\$4,644 spent on contractor parking; and \$2,373 to a contractor's laid-off employee to avoid the cost of litigation.

*Arizona state agency: \$2,244*

\$2,244 spent on an employee bonus.

*New Jersey state agency: \$1,585*

\$1,585 spent on food and beverages, including \$472 at Land & Sea Restaurant and \$1,113 at Italian Peoples Bakery.

## 30 UNIMPLEMENTED PRIORITY RECOMMENDATIONS

*Reflecting recoveries and cost savings of \$4,378,914*

*Treasury should recover squandered TARP dollars from state agencies.*

*Treasury should perform more rigorous oversight of the state agency spending.*

### **SIGTARP found \$8.2 million in waste and abuse in the Hardest Hit Fund in Nevada – September 2016**

## 28 UNIMPLEMENTED PRIORITY RECOMMENDATIONS

*Reflecting cost savings and recoveries of \$62.2 million*

*Treasury should recover \$8.1 million in waste from Nevada contractor.*

*Treasury should remove contractor NAHAC that wasted TARP dollars.*

Treasury only recovered 1% of the waste SIGTARP identified -- \$82,000. After the report, Senator Chuck Grassley sent a letter to Treasury expressing concerns about Treasury's oversight to prevent waste. After receiving Treasury's response, Senator Grassley issued the following comment on Treasury's response:

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*"The Treasury Department tiptoes around its responsibility to ensure that \$9.6 billion in taxpayer funding is used effectively to help vulnerable homeowners stay in their homes. Treasury writes the checks and relies on states to spend the money. If states don't pay attention to whether the money is spent properly, abuse can and does occur, as we saw in Nevada. This is unacceptable for both homeowners who were supposed to be helped by this program and the taxpayers. SIGTARP and the Government Accountability Office are right to conduct oversight and fill the void left by the Treasury Department."*

*Senator Chuck Grassley*

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## Ongoing Audit

*Based on a request by Senator Chuck Grassley in October 2017, SIGTARP opened an audit to review travel, conference and other spending by state agencies in the Hardest Hit Fund.*



## Congressional Letter Supporting Recommendations

*Senator Catherine Cortez Masto of Nevada, wrote a letter to the Nevada Affordable Housing Assistance Corporation providing suggestions to improve the Hardest Hit Fund in Nevada and better serve Nevadans.*



## Ongoing Audit

*Based on concerns raised by Representative Dina Titus of Nevada, in October 2016, SIGTARP initiated a second audit into the Hardest Hit Fund in Nevada.*



## **SIGTARP Identified TARP Demolition Program at Significant Risk of Overcharging, Fraud, and Unfair Competitive Practices That Could Drive Up Costs – June 2016**

### **18 UNIMPLEMENTED PRIORITY RECOMMENDATIONS**

*Reflecting Cost Savings of \$161 million*

*Treasury should require state agencies to implement standard Federal contract requirements that ensure full & open competition for blight demolition beyond the one sentence Treasury added on competition.*

*State agencies should establish an independent determination of demolition costs that are necessary and reasonable for each city (using independent experts, third party fair market value quotes and current/historical costs).*

*State agencies should benchmark claims against the state agencies' independent determination of which costs are necessary and reasonable.<sup>6</sup>*



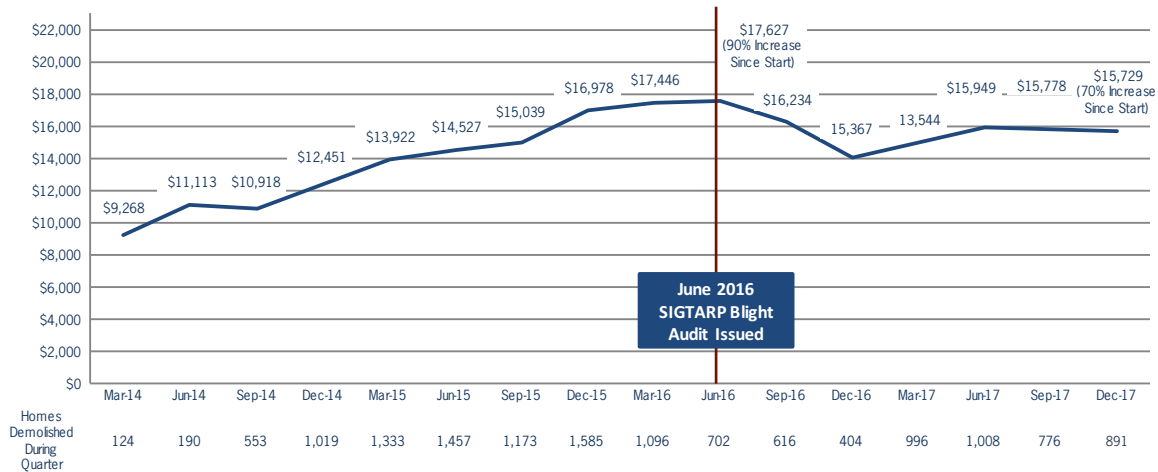
### **CONGRESSIONAL LETTER SUPPORTING RECOMMENDATIONS**

*The Chairman and certain members of the House Committee on Oversight and Government Reform wrote the Treasury Secretary asking for a timeline to implement SIGTARP's recommendations in this audit.*

### Implementing SIGTARP’s recommendations is critical given that demolition costs continue to rise

In April, 2017, SIGTARP found that all demolition-related costs paid for with TARP dollars rose significantly in Ohio and Michigan. Demolition costs rose 90% in Michigan, which accounts for nearly half of all TARP-funded demolitions. The costs decreased after SIGTARP’s June 2016 audit, but then rose. The average per house demolition-related cost paid for with TARP has risen 70%. See Figure 3.2.

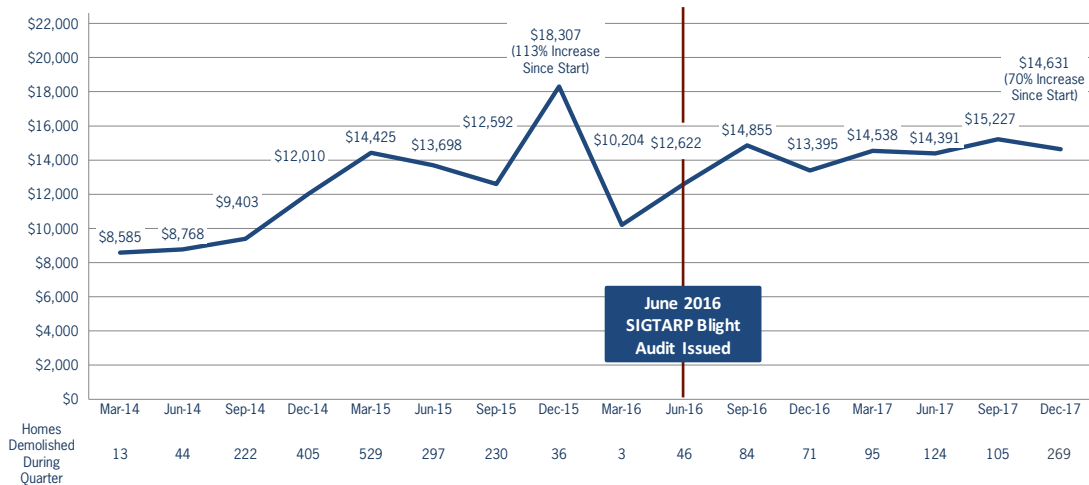
Figure 3.2  
 MICHIGAN AVERAGE HHF DEMOLITION-RELATED COSTS



Source: SIGTARP analysis of data from Michigan Housing Finance Agency

In Flint, Michigan, the average per house demolition cost rose 70% since the start of the program in March, 2014. See Figure 3.3.

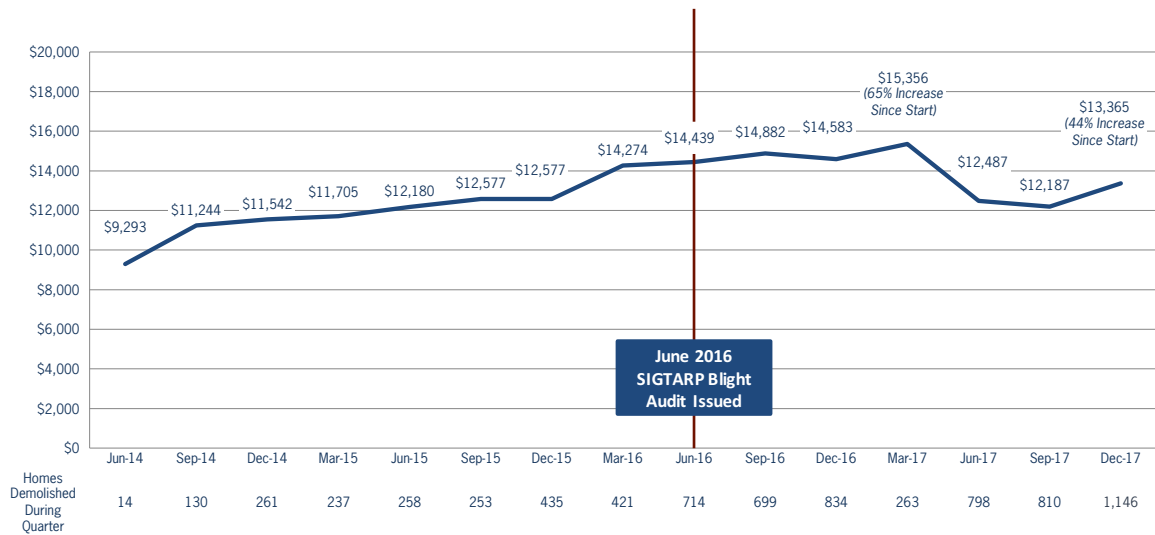
Figure 3.3  
 FLINT, MICHIGAN AVERAGE HHF DEMOLITION-RELATED COSTS



Source: SIGTARP analysis of data from Michigan Housing Finance Agency

In Ohio, the peak average per house demolition cost paid for with TARP rose 65%. After a slight decrease, average costs have recently resumed rising. See Figure 3.4.

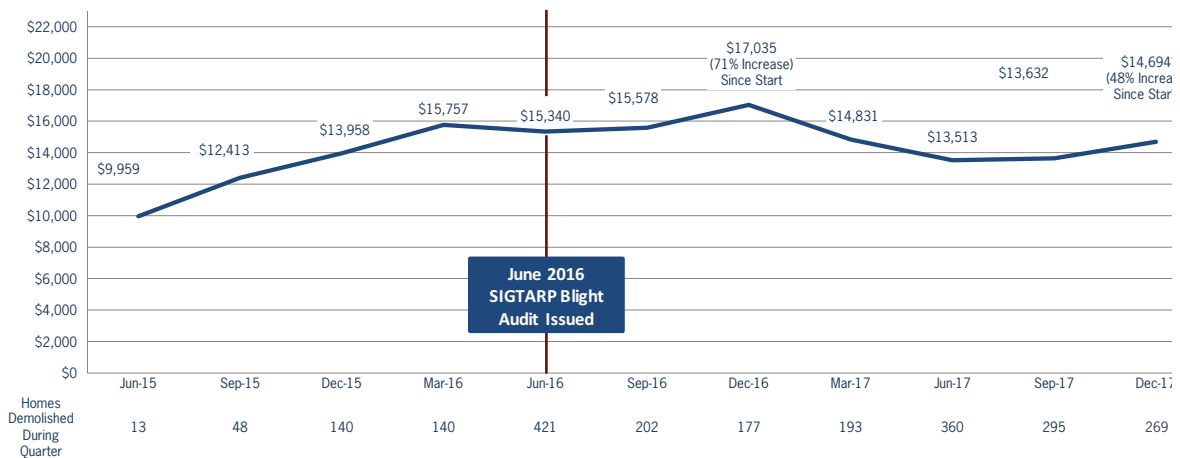
Figure 3.4  
 OHIO AVERAGE HHF DEMOLITION-RELATED COSTS



Source: SIGTARP analysis of data from Ohio Housing Finance Agency

Similarly, in Indiana, the peak average per house demolition cost paid for with TARP rose 71%. After a slight decrease, costs have recently resumed rising.

Figure 3.5  
 INDIANA AVERAGE HHF DEMOLITION-RELATED COSTS



Source: SIGTARP analysis of data from Indiana Housing Finance Agency

## **SIGTARP Found Mismanagement by the Georgia Department of Community Affairs in the Hardest Hit Fund – October 2017**

### **PRIORITY RECOMMENDATIONS**

*Mismanagement Cost Taxpayers \$18.6 million*

*Georgia agency should remove impediments to Georgia homeowners receiving Hardest Hit Funds such as overly strict criteria and unnecessary red tape.*

*Georgia agency should fix a broken and confusing online application system.*

*Georgia agency should conduct outreach to assist homeowners in applying counties.<sup>14</sup>*

As a result of SIGTARP's audit, the Georgia agency made several changes to its HHF program, partially implementing SIGTARP's recommendations.

## **SIGTARP Identified Servicer Wrongdoing in HAMP – Multiple Reports in 2015, 2016, 2017**

### **UNIMPLEMENTED PRIORITY RECOMMENDATIONS**

*Treasury should take action to curb people canceling out of HAMP.*

*Treasury should determine extent of servicer misconduct in homeowners canceled.*

*Treasury should ensure servicers properly transfer HAMP contract with transferred mortgage.*

*Treasury should suspend and/or claw back Federal dollars when servicers violate Treasury's contract.*

## **SIGTARP Identified Abuse: Indiana Hardest Hit Fund Used TARP Funds to Demolish Occupied Homes Rather Than Abandoned Houses - December 2015**

### **UNIMPLEMENTED PRIORITY RECOMMENDATIONS**

*Treasury should recover from the Indiana state agency the \$246,490 in TARP spent evicting people out of houses so houses could qualify for TARP funded demolition.<sup>7</sup>*

## **SIGTARP Identified Inefficiencies and Poor Record Keeping in the Hardest Hit Fund - January 2017**

### **UNIMPLEMENTED PRIORITY RECOMMENDATIONS**

*State agencies should eliminate unnecessary criteria that may preclude lower-income homeowners from HHF.*

*State agencies should maintain detailed records of why each person was denied for HHF.*

*State agencies should allow homeowners facing upcoming layoffs to be eligible for HHF before becoming past-due on their mortgage.<sup>15</sup>*

### **CONGRESSIONAL LETTER SUPPORTING RECOMMENDATIONS**

*Representative Michael Turner of Ohio wrote a letter to the Treasury Secretary asking about implementation of SIGTARP's recommendations related to homeowners being denied for HHF.*



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# SIGTARP'S OVERSIGHT BY TARP PROGRAM

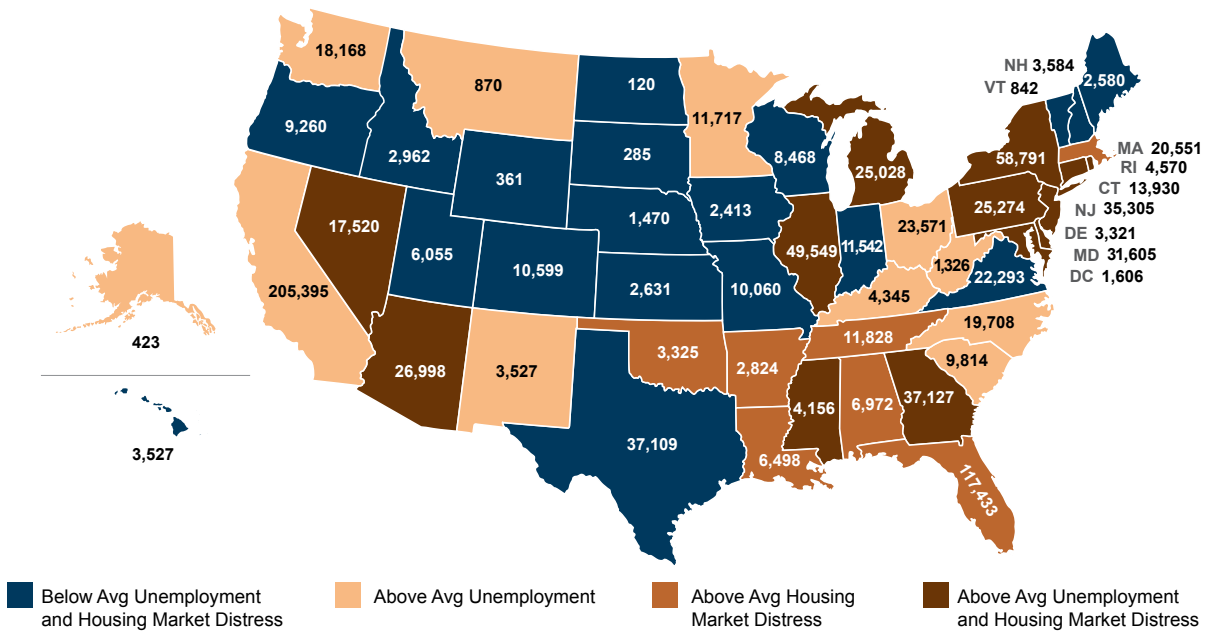
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## SIGTARP’S OVERSIGHT OF THE MAKING HOME AFFORDABLE PROGRAM

The Making Home Affordable program (“MHA”) is not in wind down, with TARP paying \$9 billion until September 2023. MHA pays 130 banks and other financial institutions to act in ways that mitigate foreclosures and the resulting losses.<sup>1</sup>

There have consistently been about one million homeowners in MHA in FY 2015, FY 2016, and FY 2017. TARP payments are not automatic because they are not earned but require continuous reporting to Treasury and compliance with the law and Treasury rules. There are homeowners in MHA and its signature program, the Home Affordable Modification Program (“HAMP”), in every state.<sup>16</sup> Significant oversight is required because of the risk of waste, fraud, and abuse, due to the poor track record of these large banks and non-bank servicers. Some servicers have been the subject of law enforcement action, including investigations by SIGTARP. SIGTARP has also reported that some servicers have repeatedly broken Treasury’s rules in HAMP.

### 943,839 Homeowners Currently in HAMP



Sources: Treasury HAMP data as of 2/28/2018;

Bureau of Labor Statistics, STATE EMPLOYMENT AND UNEMPLOYMENT — February 2018, <https://www.bls.gov/news.release/pdf/laus.pdf>, accessed 4/18/2018; CoreLogic housing market data as of 12/31/2017.

Note 1: There are 4,474 active HAMP modifications in Puerto Rico, 14 in the US Virgin Islands, and 14 in Guam, these figures are included in the total cited above.

Note 2: National unemployment rate of 4.4% (not seasonally adjusted), as of February 2018, used as the “average”.

Note 3: Housing market distress based on the following factors, weighted equally in relation to the number of mortgages outstanding (based on CoreLogic data): 1) completed foreclosure sales within the past 12 months, 2) delinquent mortgages, and 3) properties in negative equity.

### SIGTARP Investigations Related to HAMP

SIGTARP’s highest investigation priority is fraud by mortgage servicers being paid with TARP dollars.

SIGTARP’s investigations related to HAMP have: (1) shut down scams, bringing justice to 114 convicted scammers stealing homeowners’ money on a false promise that they can get a homeowner into HAMP, and



then do little or nothing; and (2) led to DOJ actions against financial institutions related to misconduct and false representations to Treasury and/or homeowners.

## Investigations of MHA Mortgage Servicers

SIGTARP's ongoing investigations of financial institutions participating in MHA is the top investigative priority. SIGTARP's investigations have already resulted in three DOJ actions against SunTrust Bank, JPMorgan Chase and Bank of America.



***Criminal conduct by SunTrust Bank:*** SIGTARP's investigation uncovered criminal conduct by SunTrust. SunTrust made misrepresentations to homeowners seeking help from HAMP. SunTrust failed to process HAMP applications timely, instead piling so many unopened FedEx packages of HAMP applications and homeowner documents in a room that the floor eventually buckled. SunTrust mass denied homeowners for HAMP, and then lied to Treasury about the reason why those homeowners were denied. The U.S. Attorney for the Western District of Virginia entered into a non-prosecution agreement of charges of mail fraud, wire fraud, and false statements to Treasury with SunTrust Bank who paid \$225 million in restitution to victims and made significant corporate changes to prevent fraud.<sup>17</sup>

***Investigation into JPMorgan Chase's Misconduct in HAMP:*** DOJ brought an enforcement action against JPMorgan Chase for its failure to engage in adequate loss mitigation efforts (HAMP) for past due homeowners. Of this \$6.2 million was attributed to SIGTARP's investigation.

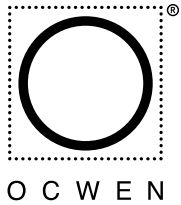
***Investigation into Bank of America's Misconduct in HAMP:*** DOJ brought an enforcement action against Bank of America for defrauding HAMP. Of this amount, \$6.5 million was attributed to SIGTARP's investigation.

## SIGTARP Oversight Over MHA

In addition to identifying servicer mismanagement and abuse of homeowners applying to HAMP, SIGTARP has identified the following servicer mismanagement and abuse by servicers of homeowners already in HAMP:

- Wrongfully terminating people out of HAMP even though homeowners made timely payments
- Lost paperwork
- Misapplying mortgage payments made in HAMP which causes delinquency that incur late fees
- Transferring the mortgage without transferring the HAMP paperwork. The new servicer does not know the person is in HAMP so only sees underpayment, or fails to honor the HAMP lowered interest rate
- Failing to notify homeowners, as Treasury requires, when their interest rate and monthly payment is going to rise after 5 years
- Failing to notify homeowners, as Treasury requires, that after 6 years in HAMP they can lower their mortgage payment by re-amortizing the mortgage
- Overcharging Treasury for extinguishing second liens when those liens were not extinguished
- Failing to reduce principal on mortgages despite being paid by Treasury to do so
- Charging Treasury for mortgages that are not eligible for HAMP

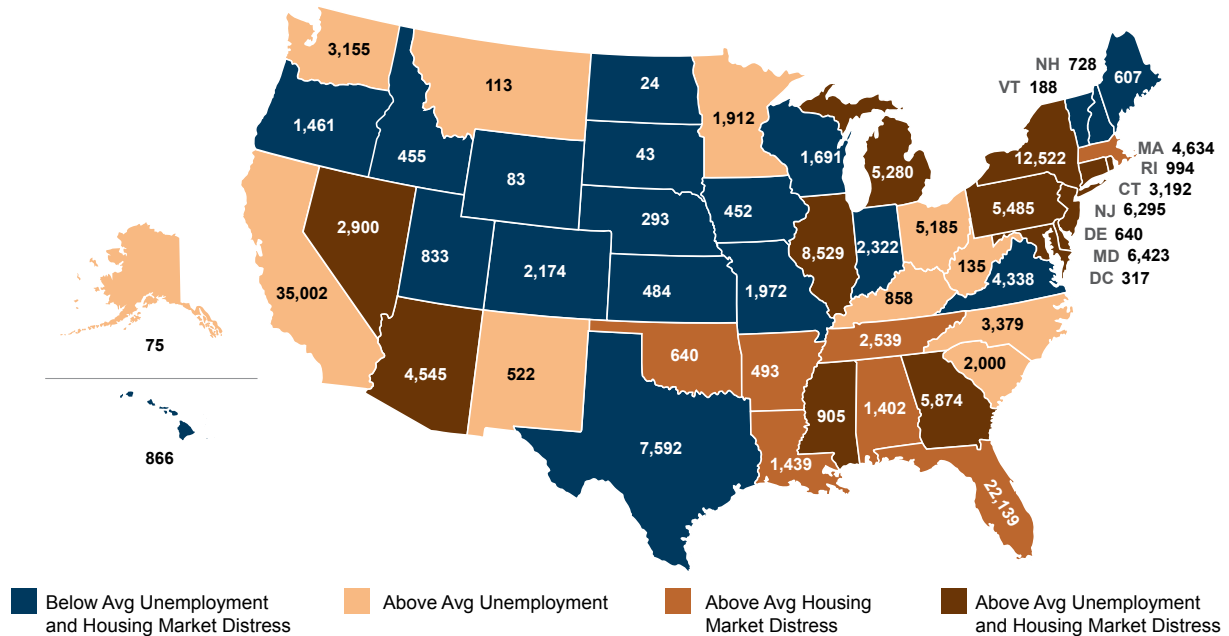
## Servicer Track Records in the Making Home Affordable Program



- **\$4.8 Billion** TARP Dollars received in MHA
- Will receive up to **\$2.3 Billion** additional TARP dollars
- **176,174** customers now in MHA

Source: SIGTARP analysis of Treasury HAMP data.

### Ocwen's Active HAMP Modifications



Source: SIGTARP analysis of Treasury HAMP data.

Note 1: National unemployment rate of 4.4% (not seasonally adjusted), as of February 2018, used as the "average".

Note 2: Housing market distress based on the following factors, weighted equally in relation to the number of mortgages outstanding (based on CoreLogic data): 1) completed foreclosure sales within the past 12 months, 2) delinquent mortgages, and 3) properties in negative equity.

Ocwen is the largest MHA institution, but has one of the worst track records in foreclosure mitigation. During the last two years, Treasury has found that Ocwen wrongfully denied homeowners help from HAMP and wrongfully canceled homeowners out of HAMP. Ocwen had an enforcement action in December 2013 for significant and systemic "deception and shortcuts in mortgage servicing", which included improperly denying homeowners a mortgage modification and failing to properly apply a homeowner's payment. Ocwen had another major enforcement action in April of 2017 for "Failing Borrowers Throughout the Mortgage Servicing Process" which included (among other issues): servicing loans using error riddled information;

illegally foreclosing on homeowners; failing to credit borrower payments; mishandling escrow information and payments; and mishandling servicing transfers – all of which can have dire implications for homeowners in HAMP whose modifications are handled by Ocwen.<sup>18,19</sup>

- ***Wrongfully canceling homeowners out of HAMP:*** Treasury continued to find in recent years that Ocwen has wrongfully canceled homeowners out of HAMP. Ocwen's wrongful cancellation of people out of HAMP is similar to the conduct in Ocwen's enforcement action. Ocwen cancelled homeowners out of HAMP on the basis that they had missed three payments, when in reality homeowners made the payments. Ocwen held mortgage payments in suspense, improperly reversed and later reapplied mortgage payments, and did not timely post payments made to an Ocwen lockbox. More than 147,077 homeowners who were in HAMP with Ocwen have fallen out of the program. Treasury paid Ocwen in excess of \$1.04 billion in TARP dollars for these cancelled homeowners, and over 34,485 of these homeowners went into foreclosure or otherwise lost their home.

Treasury does not know how many homeowners Ocwen has wrongfully canceled out of HAMP. Treasury's findings on a sample basis should be viewed in light of the December 2013 enforcement action that found, in part that Ocwen failed "to timely and accurately apply payments made by borrowers and failing to maintain accurate account statements."

**SIGTARP Recommends:** In order to determine the full extent of mismanagement, Treasury should require Ocwen to conduct an independent review (paid for by Ocwen) and report on all people wrongfully canceled out of MHA, while also requiring additional controls to ensure that Ocwen timely and accurately posts homeowner payments.

- ***Risk of Waste — Overcharging Treasury:*** Recently, Treasury found Ocwen made misrepresentations to and overcharged Treasury for payments to investors. Treasury has found several errors in Ocwen's reporting to Treasury. These errors could have resulted in millions of dollars overcharged.
- ***Wrongfully denying homeowners admission to HAMP:*** Ocwen denied 68% of homeowners who applied for HAMP, some that Treasury determined should have been admitted. The 2017 enforcement action against Ocwen found that Ocwen "improperly denied mortgage modifications." This included: failing to provide accurate information about mortgage modifications and other loss mitigation services; failing to properly process borrowers' applications and calculate their eligibility for mortgage modifications; providing false or misleading reasons for denying mortgage modifications; failing to honor previously agreed upon trial modifications with prior servicers; and deceptively seeking to collect payments under the mortgage's original unmodified terms after the consumer had already begun a mortgage modification with the prior servicer.
- ***Failure to notify homeowners in their 6th year of HAMP that they can lower their monthly payment:*** Ocwen has failed to provide timely and accurate notices to homeowners who had successfully made their mortgage payments in HAMP for six years that the homeowners could lower their mortgage payment by re-amortizing (recasting).

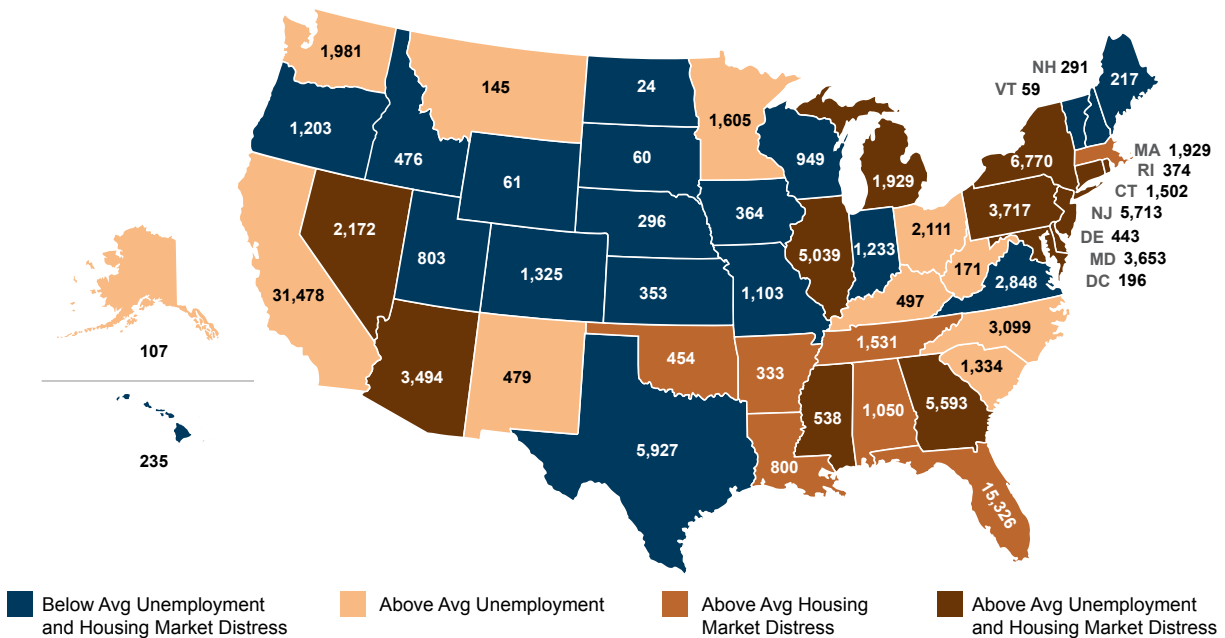
With Treasury obligated to pay up to \$2.3 billion to Ocwen, continued oversight remains critical.



- **\$3 Billion** TARP Dollars received in MHA
- Will receive up to **\$1.4 Billion** additional TARP dollars
- **123,472** customers now in MHA

Source: SIGTARP analysis of Treasury HAMP data.

### Wells Fargo's Active HAMP Modifications



Source: SIGTARP analysis of Treasury HAMP data.

Note 1: National unemployment rate of 4.4% (not seasonally adjusted), as of February 2018, used as the "average".

Note 2: Housing market distress based on the following factors, weighted equally in relation to the number of mortgages outstanding (based on CoreLogic data): 1) completed foreclosure sales within the past 12 months, 2) delinquent mortgages, and 3) properties in negative equity.

Wells Fargo is the second largest MHA institution. In 2015, the Justice Department brought an enforcement action against Wells Fargo for unlawful foreclosures on members of the armed services. Wells Fargo has broken HAMP's rules by canceling people out of HAMP who made their payments on time, and by failing to notify homeowners in HAMP, as Treasury requires, on a timely basis that their mortgage payment was going to increase.<sup>18,20</sup>

- **Wrongfully canceling homeowners out of HAMP:** Treasury found that Wells Fargo wrongfully canceled people out of HAMP by not timely and accurately applying homeowners' payments. More than 79,275 homeowners in HAMP with Wells Fargo have canceled out of HAMP costing taxpayers \$338 million. Of those homeowners, 23,492 went into foreclosure or otherwise lost their home.

**SIGTARP Recommends:** In order to determine the full extent of mismanagement, Treasury should require Wells Fargo to conduct an independent review (paid for by Wells Fargo) and report on other people wrongfully canceled out of HAMP, to ensure that Wells Fargo timely and accurately posts homeowner payments.

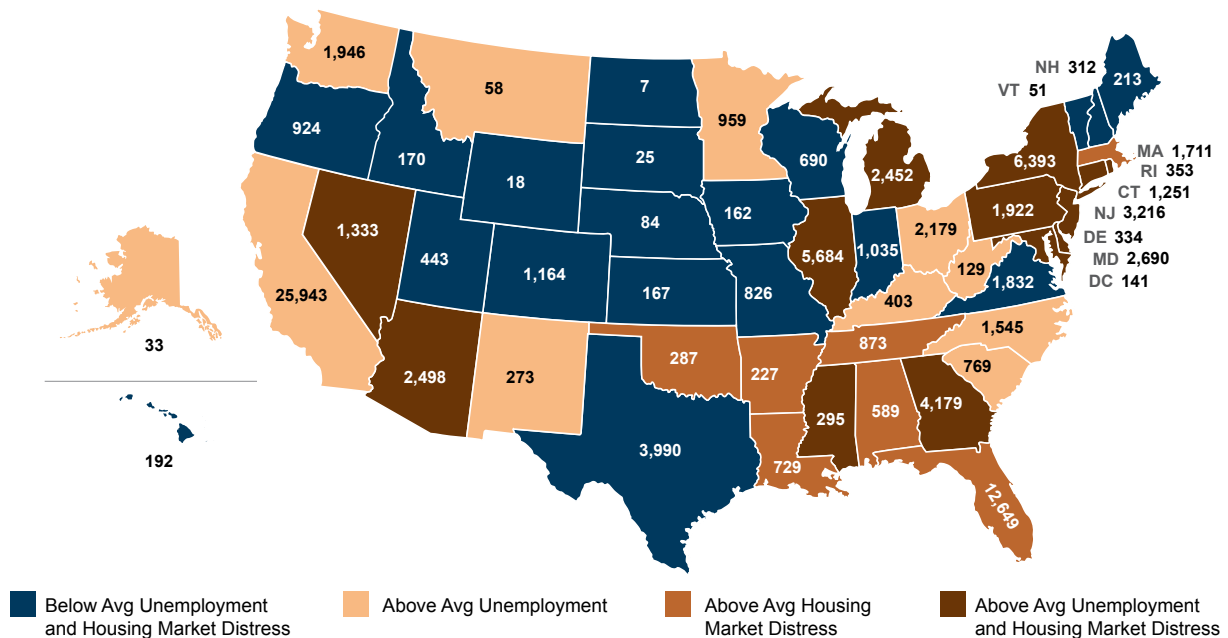
- ***Failure to consider homeowners for other programs:*** Treasury found that Wells Fargo failed to follow MHA rules to help homeowners falling out of HAMP avoid foreclosure by considering them for other MHA programs.
- ***Failing to notify homeowners timely that their mortgage was increasing:*** Wells Fargo failed to notify homeowners of upcoming increases to their mortgage payments in accordance with MHA rules.
- ***Failure to notify homeowners in their sixth year of HAMP that they can lower their mortgage payment:*** Wells Fargo failed to properly notify on a timely basis homeowners that had successfully made their HAMP mortgage payment for six years that the homeowner could lower their mortgage payment by re-amortizing (recasting), resulting in homeowners paying more than was necessary.

# JPMORGAN CHASE & CO.

- **\$3 Billion** TARP Dollars received in MHA
- Will receive up to **\$993 Million** additional TARP dollars
- **96,349** customers now in MHA

Source: SIGTARP analysis of Treasury HAMP data.

## JPMorgan Chase's Active HAMP Modifications



Source: SIGTARP analysis of Treasury HAMP data.

Note 1: National unemployment rate of 4.4% (not seasonally adjusted), as of February 2018, used as the "average".

Note 2: Housing market distress based on the following factors, weighted equally in relation to the number of mortgages outstanding (based on CoreLogic data): 1) completed foreclosure sales within the past 12 months, 2) delinquent mortgages, and 3) properties in negative equity.

JPMorgan Chase denied nearly 1 million people for HAMP—85% of all who applied. In 2015, the Justice Department brought an enforcement action against JPMorgan Chase for unlawful foreclosures on members of the armed services.<sup>18,20</sup>

Treasury has recently found on several occasions that JPMorgan Chase failed to notify homeowners that successfully made their mortgage payments in HAMP for six years that they were eligible to re-amortize their mortgage and lower their payment, or made errors when it sent notices. As a result, homeowners who properly paid in HAMP may have paid a higher payment than was necessary.

With Treasury obligated to pay JPMorgan Chase up to \$993 million, continued oversight remains critical. However, Treasury did not conduct a compliance review of JPMorgan Chase this quarter.



- ***Risk of waste—Failing to reduce principal despite being paid by Treasury to do so:*** Bank of America failed to reduce the principal balance of mortgages despite being paid by Treasury about \$4,500 on average to do so. Bank of America did not reduce these homeowners' underwater balances until after a Treasury inquiry.
- ***Wrongfully denying homeowners admission into HAMP:*** Bank of America denied 81% of all who applied for HAMP. Bank of America has repeatedly wrongfully denied homeowners for HAMP.
- ***Miscalculation of income:*** Bank of America repeatedly miscalculated homeowner income, which can lead to denying a qualified homeowner for HAMP or a higher mortgage payment.
- ***Mishandling of HAMP's 6th year payment reduction:*** Treasury has found that Bank of America has mishandled homeowners' sixth year payments and recast, resulting in homeowners paying more than was necessary.

**SIGTARP Recommends:** Treasury should require Bank of America to conduct an in-depth investigation and self-report on all mishandling of homeowners' payments in the sixth year of HAMP and any recast at that time.

With Treasury obligated to pay Bank of America up to \$728 million, continued oversight remains critical. However, Treasury did not conduct a compliance review of Bank of America this quarter.

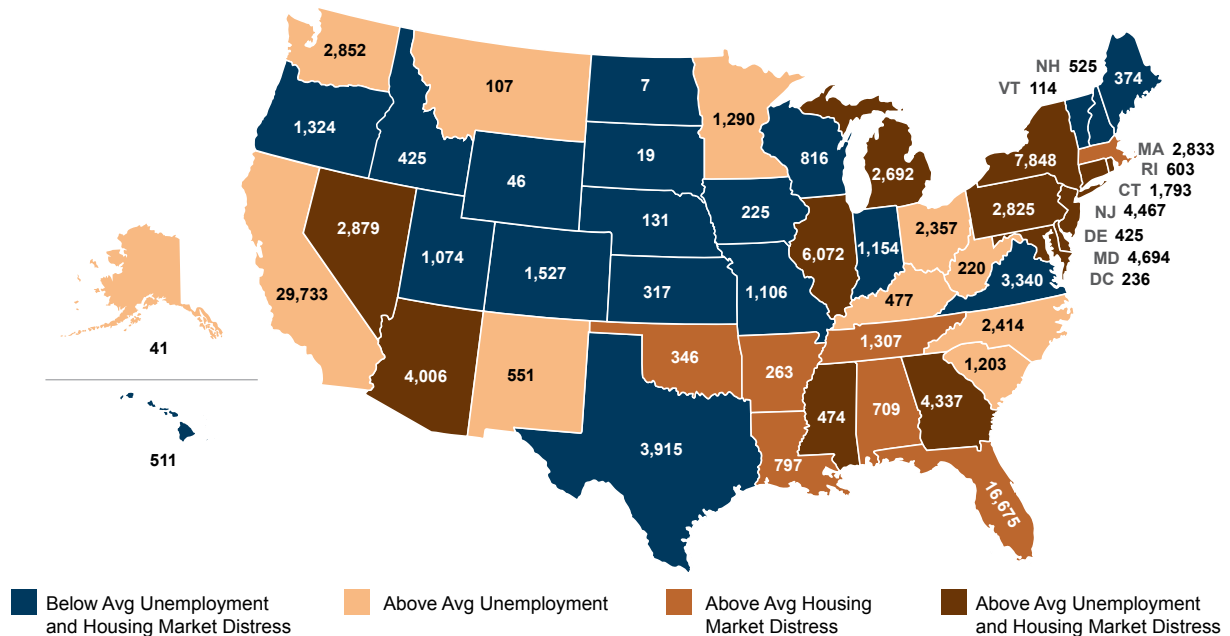




- **\$1.3 Billion** TARP Dollars received in MHA
- Will receive up to **\$899 Million** additional TARP dollars
- **124,498** customers now in MHA

Source: SIGTARP analysis of Treasury HAMP data.

### Nationstar's Active HAMP Modifications



Source: SIGTARP analysis of Treasury HAMP data.

Note 1: National unemployment rate of 4.4% (not seasonally adjusted), as of February 2018, used as the "average".

Note 2: Housing market distress based on the following factors, weighted equally in relation to the number of mortgages outstanding (based on CoreLogic data): 1) completed foreclosure sales within the past 12 months, 2) delinquent mortgages, and 3) properties in negative equity.

Nationstar has one of the worst track records in HAMP. Nationstar's violations of Treasury rules have been widespread, spanning multiple quarters. In 2016, Treasury found that Nationstar needed substantial improvement in complying with MHA's rules.<sup>18,21</sup>

- **Wrongful denying or failing to offer homeowners HAMP admission:** Nationstar has repeatedly wrongfully denied or failed to offer homeowners admission into HAMP.
- **Wrongful cancellation of homeowners out of HAMP:** Nationstar has wrongfully canceled homeowners out of HAMP. More than 69,935 homeowners who were in HAMP with Nationstar have fallen out of HAMP. Nationstar was paid \$240 million in TARP dollars for these canceled homeowners. More than 28,010 of these homeowners went into foreclosure or otherwise lost their home.<sup>12</sup>

**SIGTARP Recommends:** In order to determine the full extent of mismanagement, Treasury should require Nationstar to conduct an independent review (paid for by Nationstar) and report on all people wrongfully canceled out of HAMP, while also requiring additional controls to ensure that Nationstar timely and accurately posts homeowner payments.

- **Misreporting of homeowner payments:** Nationstar has repeatedly misreported homeowner payment information to Treasury that resulted in homeowner harm or wasted tax dollars. In some cases, Nationstar reported homeowners as delinquent when they had not missed payments.
- **Risk of Waste — Overcharging Treasury:** Treasury has found repeatedly, even recently, that it overpaid Nationstar due to Nationstar's faulty reporting. Nationstar modified ineligible mortgages, overcharging Treasury. Nationstar also misreported to Treasury leading to the payment of homeowner relocation incentives to homeowners who did not even live in the properties.
- **Failure to notify homeowners on timely basis about increase in mortgage payment:** Nationstar failed to timely notify homeowners in HAMP, as Treasury requires, that their interest rate and payment was rising.
- **Failure to notify homeowners in their 6th year of HAMP that they can lower their monthly payment:** Nationstar failed to notify properly homeowners that had successfully made their mortgage payment for six years that they could lower their mortgage payment by re-amortizing (recasting), resulting in homeowners paying more than was necessary.
- **Miscalculation of income:** Nationstar has repeatedly miscalculated homeowner income. Miscalculation can lead to Nationstar denying a qualified homeowner for HAMP or a higher mortgage payment.
- **Failure to offer second lien modifications to borrowers in HAMP:** Nationstar has failed to offer homeowners in HAMP second lien modifications (as required).
- **Failure to reduce principal balances on HAMP modifications that Treasury paid the servicer to reduce:** Nationstar recently failed to reduce homeowner principal balances despite being reimbursed with tax dollars to do so through HAMP.

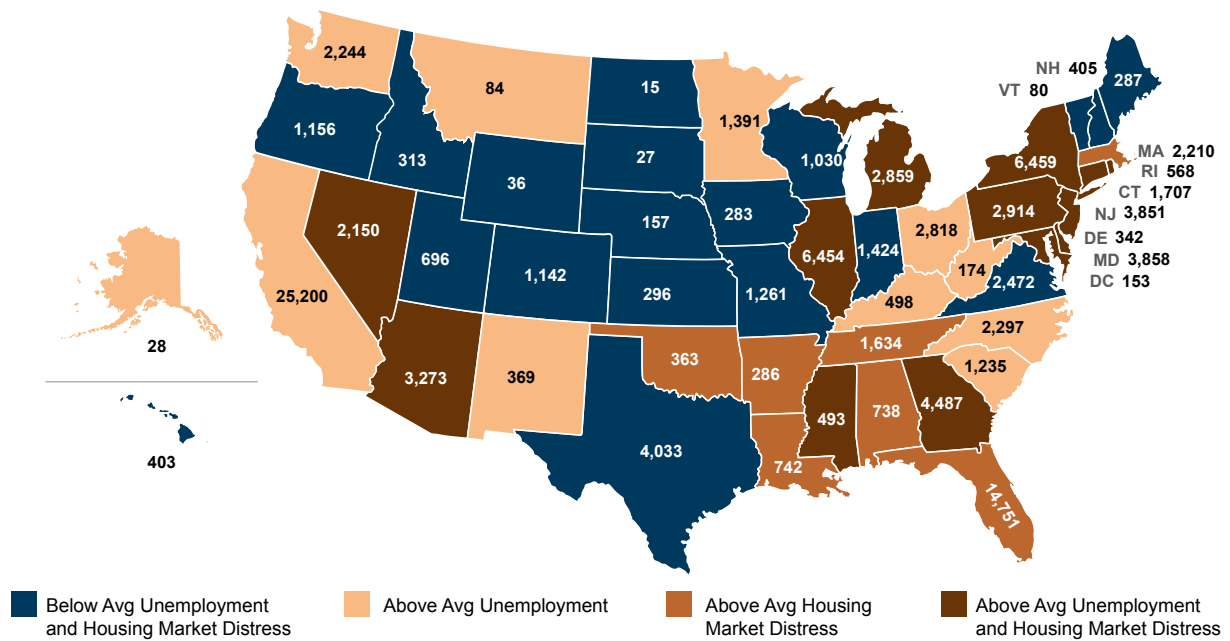
With Treasury obligated to pay Nationstar up to \$899 million, continued oversight remains critical. However, Treasury did not conduct a compliance review of Nationstar this quarter.



- **\$1.3 Billion** TARP Dollars received in MHA
- Will receive up to **\$878 Million** additional TARP dollars
- **112,862** customers now in MHA

Source: SIGTARP analysis of Treasury HAMP data.

### SPS's Active HAMP Modifications



Source: SIGTARP analysis of Treasury HAMP data.

Note 1: National unemployment rate of 4.4% (not seasonally adjusted), as of February 2018, used as the "average".

Note 2: Housing market distress based on the following factors, weighted equally in relation to the number of mortgages outstanding (based on CoreLogic data): 1) completed foreclosure sales within the past 12 months, 2) delinquent mortgages, and 3) properties in negative equity.

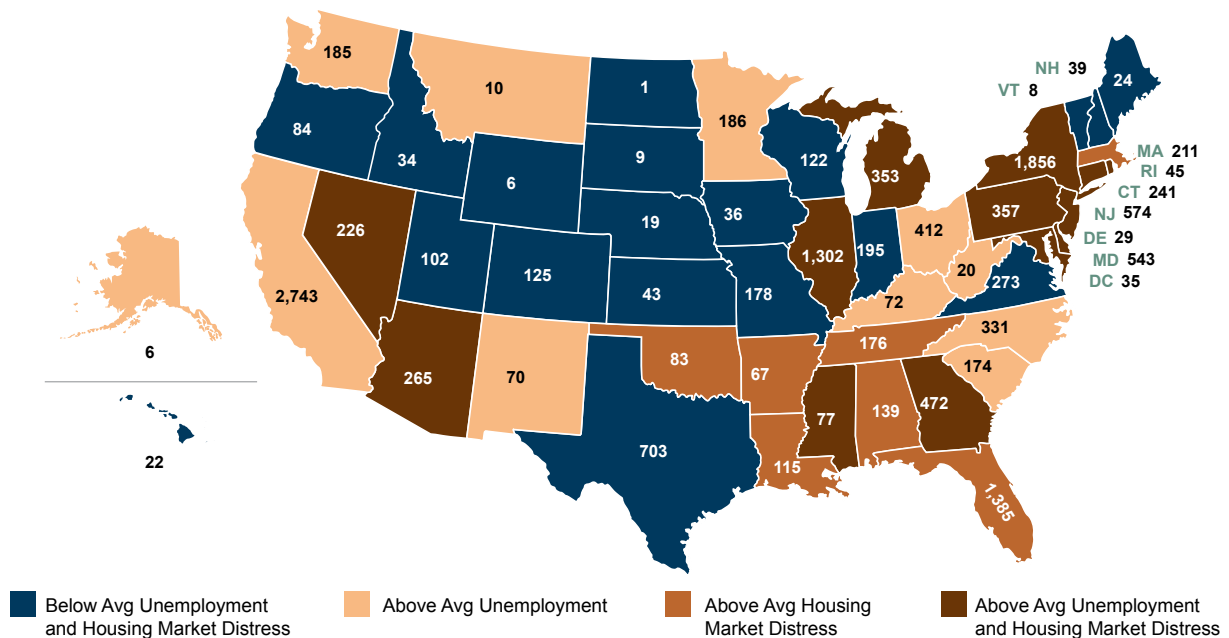
SPS is the only servicer out of the largest 7 servicers in HAMP that Treasury has not found to have wrongfully terminated homeowners out of HAMP. It also is the only one of the 7 servicers who denied admission to less than half of all homeowners that applied to HAMP. Previously, Treasury has found some instances where SPS misreported information that impacts the TARP funds that investors receive for current homeowners. Fixing that could represent a cost savings. However, that would require Treasury to determine the full extent of misreporting and TARP dollars.<sup>18</sup>



- **\$719 Million** TARP Dollars received in MHA
- Will receive up to **\$225 Million** additional TARP dollars
- **14,881** customers now in MHA

Source: SIGTARP analysis of Treasury HAMP data.

### CitiMortgage's Active HAMP Modifications



Source: SIGTARP analysis of Treasury HAMP data.

Note 1: National unemployment rate of 4.4% (not seasonally adjusted), as of February 2018, used as the "average".

Note 2: Housing market distress based on the following factors, weighted equally in relation to the number of mortgages outstanding (based on CoreLogic data): 1) completed foreclosure sales within the past 12 months, 2) delinquent mortgages, and 3) properties in negative equity.

CitiMortgage has had a track record of not following the Federal rules governing HAMP. In 2015, the Justice Department brought an enforcement action against CitiMortgage for unlawful foreclosures on members of the armed services.<sup>18,20</sup>

- **Risk of Waste — Late reporting of homeowners who fell out of HAMP/overcharging TARP:** CitiMortgage has wrongfully terminated homeowners out of HAMP. However, Treasury is not aware of the full extent of the problem, given its small sample size. Treasury found that in some instances CitiMortgage delayed reporting

the termination to Treasury, delaying sometimes more than 100 days - in one case delaying reporting to Treasury for more than 2 years and in another case more than 5 years. During this time, CitiMortgage would have received “pay for success” TARP payments, including \$1,000 each year to put towards principal, servicer payments (if the HAMP modification was in its first three years), and investor payments. These payments represent waste.

- **Misapplication of investor payments:** CitiMortgage repeatedly misapplied payments causing homeowners to be reported as delinquent when they were not.
- **Denied 89% of homeowners seeking help in HAMP:** CitiMortgage has the highest rate of denying homeowners for admission to HAMP – 89%, which are 340,806 homeowners, of which 60,648 lost their home to foreclosure or distressed sale.
- **Failure to notify homeowners in their sixth year of HAMP that they can lower their mortgage payment:** CitiMortgage failed to notify on a timely basis homeowners that had successfully made their HAMP mortgage payment for six years that the homeowner could lower their mortgage payment by re-amortizing (recasting) their unpaid principal balance. As a result, homeowners may have paid a higher payment than was necessary.

**SIGTARP Recommends:** Treasury should require CitiMortgage to conduct an in-depth investigation and self-report on all mishandling of homeowners’ payments in the sixth year of HAMP and any recast at that time.

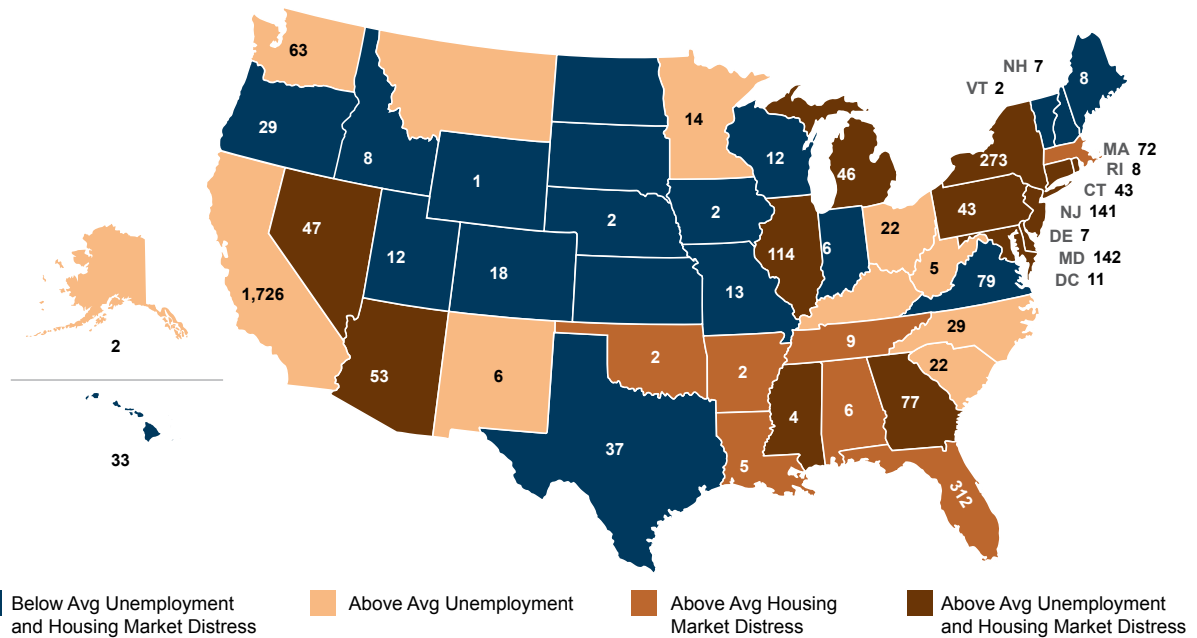
With Treasury obligated to pay CitiMortgage up to \$225 million, continued oversight remains critical. However, Treasury did not conduct a compliance review of CitiMortgage this quarter.



- **\$429 Million** TARP Dollars received in MHA
- Will receive up to **\$108 Million** additional TARP dollars
- **3,575** customers now in MHA

Source: SIGTARP analysis of Treasury HAMP data.

### CIT / OneWest's Active HAMP Modifications



Source: SIGTARP analysis of Treasury HAMP data.

Note 1: National unemployment rate of 4.4% (not seasonally adjusted), as of February 2018, used as the "average".

Note 2: Housing market distress based on the following factors, weighted equally in relation to the number of mortgages outstanding (based on CoreLogic data): 1) completed foreclosure sales within the past 12 months, 2) delinquent mortgages, and 3) properties in negative equity.

CIT Bank acquired OneWest Bank in August 2015, and with it OneWest's HAMP modifications. Although CIT / OneWest has been paid \$429 million in TARP dollars, it currently has only 3,575 mortgages in HAMP, down from more than 35,000 in 2013, due to it transferring the loans to other servicers. Since 2015 CIT / OneWest has only been subject to limited Treasury compliance exams, during which Treasury has found no significant problems.<sup>18</sup> However, in January 2018, CIT Group was fined \$5.2 million by the Federal Reserve for mortgage servicing and foreclosure infractions.<sup>23</sup>

## SIGTARP'S OVERSIGHT OVER THE HARDEST HIT FUND

The Hardest Hit Fund (“HHF”) was scheduled to close in December 2017. Then Congress appropriated an additional \$2 billion in 2016. Treasury then extended the program 4 years until December 2021.<sup>24</sup> SIGTARP conducts oversight through audits and investigations of the HHF, a \$9.6 billion program that is now in a ramp-up stage.

### **SIGTARP Investigations Related to HHF**

SIGTARP is actively conducting criminal investigations related to the Hardest Hit Fund. In fiscal year 2017, two homeowners who received HHF dollars were indicted for false statements. One allegedly falsified his HHF application saying he was single when his wife worked at the state agency in charge of HHF. Another allegedly under reported cash savings to qualify for HHF.

SIGTARP prioritizes investigations in the more than \$700 million TARP-Funded demolition program. Right now, we are applying our intelligence driven law enforcement approach to find crime proactively in the more than \$700 million blight demolition program.<sup>25</sup>

### **SIGTARP Audit Oversight of HHF**

The majority of SIGTARP's audit work is in response to concerns raised by members of Congress after SIGTARP identified waste, abuse or risks of fraud, and to identify cost saving recommendations.

## TARP Programs in Alabama

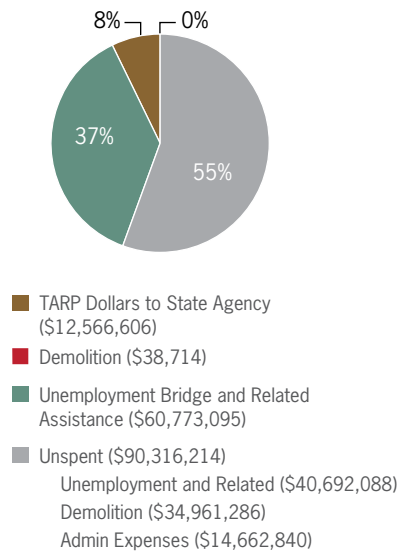
### Making Home Affordable in Alabama

- 6,972 Alabama homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Alabama: Ocwen Loan Servicing LLC (1,402), Wells Fargo Bank N.A. (1,050), Select Portfolio Servicing Inc. (738), Nationstar Mortgage LLC (709), JPMorgan Chase Bank NA (589), Bank of America National Association (334), Ditech Financial LLC (310), CitiMortgage Inc (139), Bayview Loan Servicing LLC (78), CIT Bank N.A. (6)
- 46% of all Alabama homeowners that received HAMP (7,124) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Alabama

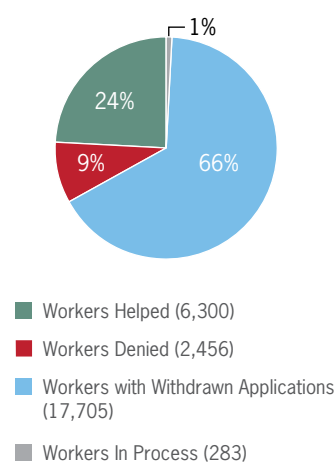
- HHF in Alabama has provided \$60.8 million to 6,300 homeowners, 24% of those who applied – one of the lowest admission rates of all HHF state agencies. During the past year, HHF Alabama has provided \$15.2 million in homeowner assistance and admitted 1,018 homeowners into its homeowner assistance program.
- Although Alabama HHF had allocated \$35 million to demolish blight, it recently reduced that amount to \$1 million after only demolishing 3 blighted properties.
- The Alabama agency spent \$12.6 million on its own salaries and expenses. SIGTARP's 2017 audit found that the Alabama agency charged \$705 in HHF funds on unnecessary expenses, including: \$539 spent on a barbecue and other food for Treasury employees and \$166 on Visa gift cards and fruit baskets for employees.

FIGURE 4.2  
 HARDEST HIT FUND – USE  
 OF FUNDS IN ALABAMA,  
 AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.3  
 STATUS OF ALABAMA  
 HOMEOWNERS THAT APPLIED  
 TO HHF, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.



- Currently 92,231 (4.3%) are unemployed in Alabama, compared to 124,575 (5.7%) this time last year and a national average of 4.4%.
- During the past year, 7,717 homes were foreclosed on in Alabama.
- 33,774 Alabama homeowners are delinquent on their mortgage.
- 22,724 Alabama homeowners owe more than their home is worth.

On a county level, in Mobile County, Alabama's second most populous county, in the last year 987 homeowners lost their home to foreclosure, 3,332 homeowners are delinquent on their mortgages, and 3,162 homeowners owe more than their home is worth. Over the last year the Alabama agency has provided 123 Mobile County homeowners with HHF assistance.

**Alabama HHF - Homeowners Assisted by County - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
Jefferson	1,232	218
Madison	820	130
Mobile	754	123
Montgomery	456	78
Shelby	291	49
Tuscaloosa	268	58
Baldwin	199	27
Morgan	176	18
Limestone	156	20
Calhoun	144	18
Other Counties	1,804	279
<b>Total</b>	<b>6,300</b>	<b>1,018</b>

Source: Treasury, response to SIGTARP data call, various dates.

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
 QUARTERLY REPORT TO CONGRESS | APRIL 26, 2018**

<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN ALABAMA</b>				
<b>City / County</b>	<b>Local Partners</b>	<b>Primary Demolition Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
Birmingham	Greater Birmingham Habitat for Humanity Birmingham Land Bank	Ingle Demolition & Salvage	\$38,714	3
AL Statewide	Alabama Association of Habitat for Humanity			
Autauga County	Habitat for Humanity of Autauga & Chilton Counties			
Chilton County	Habitat for Humanity of Autauga & Chilton Counties			
Hale County	Habitat for Humanity of Hale Co., Inc			
<b>Grand Total</b>			<b>\$38,714</b>	<b>3</b>

Source: Alabama Housing Finance Authority.

Note: Due to reporting date differences, figures may vary from Treasury's published reports.

## TARP Programs in Arizona

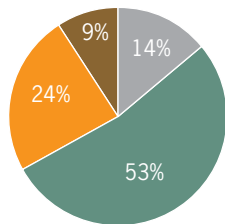
### Making Home Affordable in Arizona

- 26,935 Arizona homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Arizona: Ocwen Loan Servicing LLC (4,545), Nationstar Mortgage LLC (4,006), Wells Fargo Bank N.A. (3,494), Select Portfolio Servicing Inc. (3,273), JPMorgan Chase Bank NA (2,498), Ditech Financial LLC (1,599), Bank of America National Association (1,506), Bayview Loan Servicing LLC (331), CitiMortgage Inc (265), CIT Bank N.A. (53)
- 39% of all Arizona homeowners that received HAMP (23,570) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Arizona

- HHF in Arizona has provided \$160.4 million to 5,061 homeowners, 24% of those who applied – one of the lowest admission rates of all HHF state agencies. During the past year, the Arizona state agency has spent \$7.4 million and provided assistance to 340 homeowners.
- The Arizona HHF program has also provided \$71 million in down payment assistance to 4,338 homebuyers, including \$27.5 million to 1,495 homebuyers over the past year – 100% of those who applied.
- The Arizona agency spent \$26.3 million on its own salaries and expenses. SIGTARP's 2017 audit found an unnecessary expense of \$2,244 on an employee bonus.

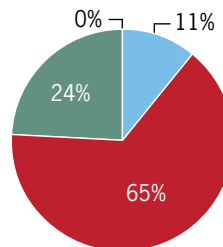
FIGURE 4.4  
 HARDEST HIT FUND – USE OF FUNDS IN ARIZONA, AS OF 12/31/2017



- TARP Dollars to State Agency (\$26,317,093)
- Homebuyer Assistance (\$70,996,984)
- Unemployment Bridge and Related Assistance (\$160,404,810)
- Unspent (\$42,651,614)  
 Homebuyer Assistance (\$370,744)  
 Unemployment and Related (\$28,818,218)  
 Admin Expenses (\$13,462,652)

Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.5  
 STATUS OF ARIZONA HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



- Workers Helped (5,061)
- Workers Denied (13,987)
- Workers with Withdrawn Applications (2,363)
- Workers In Process (94)

Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 168,236 (5%) are unemployed in Arizona, compared to 163,885 (5%) this time last year.
- During the past year, 6,939 Arizona homeowners have lost their home to foreclosure.
- 26,586 homeowners are delinquent on their mortgage.
- 91,616 Arizona homeowners owe more than their property is worth.

On a county level, in Maricopa County, Arizona's most populous county, in the last year 2,982 homeowners lost their home to foreclosure, 15,358 homeowners are delinquent on their mortgages, and 54,478 homeowners owe more than their home is worth. Over the last year the Arizona agency has provided 168 Maricopa County homeowners with HHF assistance.

**Arizona HHF - Homeowners Assisted by County - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
Maricopa	2,775	168
Pima	1,219	90
Pinal	358	26
Other Counties	709	56
<b>Total</b>	<b>5,061</b>	<b>340</b>

Source: Treasury, response to SIGTARP data call, various dates.

## TARP Programs in California

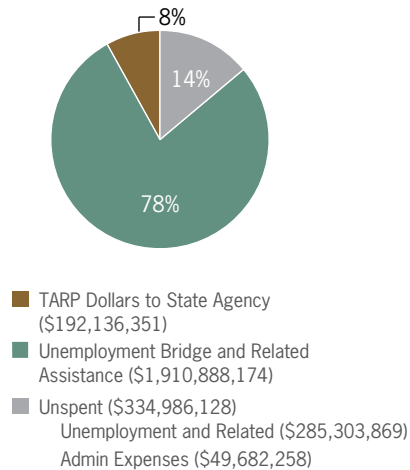
### Making Home Affordable in California

- 205,390 California homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in California: Ocwen Loan Servicing LLC (35,002), Wells Fargo Bank N.A. (31,478), Nationstar Mortgage LLC (29,733), JPMorgan Chase Bank NA (25,943), Select Portfolio Servicing Inc. (25,200), Bank of America National Association (14,628), Ditech Financial LLC (8,032), Bayview Loan Servicing LLC (3,253), CitiMortgage Inc (2,743), CIT Bank N.A. (1,726)
- 30% of all California homeowners that received HAMP (112,671) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in California

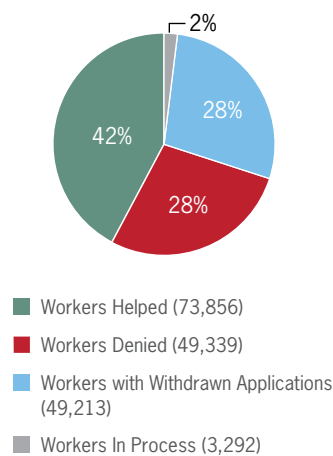
- HHF in California has provided \$1.9 billion to 73,856 homeowners, 42% of those who applied. During the past year, the state agency has provided \$332.6 million in homeowner assistance and admitted 8,312 homeowners to its homeowner assistance program.
- The California agency spent \$192.1 million on its own salaries and expenses. SIGTARP's audit found that the California agency spent \$7,017 in HHF funds on unnecessary expenses, including: \$4,644 on contractor parking, and \$2,373 settlement to a contractor's laid-off employee to avoid the cost of litigation

FIGURE 4.6  
 HARDEST HIT FUND – USE OF FUNDS IN CALIFORNIA, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.7  
 STATUS OF CALIFORNIA HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 882,062 (4.5%) are unemployed in California, compared to 1,043,639 (5.4%) this time last year.
- In the past year, 14,033 homeowners have lost their home to foreclosure.
- 113,506 homeowners are delinquent on their mortgage.
- 199,100 California homeowners owe more than their home is worth.

On a county level, for example, in California's most populous county, Los Angeles County, in the last year 2,493 homeowners lost their home to foreclosure, 26,041 homeowners are delinquent on their mortgages, and 26,868 homeowners owe more than their home is worth. Over the last year, the California agency has provided 1,686 homeowners in Los Angeles County with HHF assistance.

**California HHF - Homeowners Assisted by County - as of 12/31/2017**

County	Homeowners Assisted - Program to Date	Homeowners Assisted - Past 12 Months
Los Angeles	15,432	1,686
Riverside	7,792	910
San Bernardino	6,688	814
San Diego	6,005	668
Orange	4,570	599
Sacramento	4,538	466
Kern	2,720	366
Fresno	2,543	316
Contra Costa	2,261	234
Ventura	2,155	255
Other Counties	19,152	1,998
<b>Total</b>	<b>73,856</b>	<b>8,312</b>

Source: Treasury, response to SIGTARP data call, various dates.

## TARP Programs in Florida

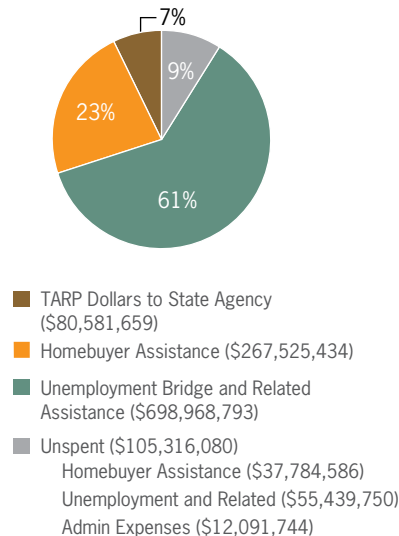
### Making Home Affordable in Florida

- 117,415 Florida homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Florida: Ocwen Loan Servicing LLC (22,139), Nationstar Mortgage LLC (16,675), Wells Fargo Bank N.A. (15,326), Select Portfolio Servicing Inc. (14,751), JPMorgan Chase Bank NA (12,649), Bank of America National Association (6,272), Ditech Financial LLC (4,915), Bayview Loan Servicing LLC (1,721), CitiMortgage Inc (1,385), CIT Bank N.A. (312)
- 36% of all Florida homeowners that received HAMP (79,047) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Florida

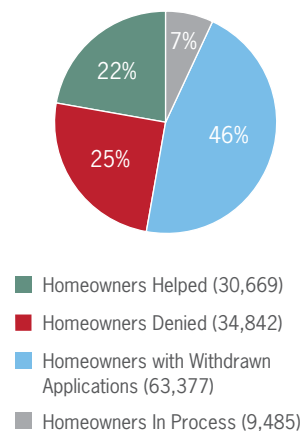
- HHF in Florida has provided \$699 million to 30,669 homeowners – 22% of those who applied, the lowest homeowner admission rate of all the HHF state agencies.
- As of December 2017, Florida's HHF program had a 9 month backlog of 9,485 homeowner applications.
- In October 2015, SIGTARP issued an audit report noting severe underperformance in HHF homeowner assistance programs.<sup>27</sup>
- The Florida state agency spent \$80.6 million on its own salaries and expenses. SIGTARP's 2017 audit found that the Florida agency spent \$107,864 in HHF funds on unnecessary expenses, including: \$106,774 spent on bonuses that doubled and tripled after SIGTARP's audit reporting on severe underperformance, \$636 on gift cards, \$454 for a TARP barbeque, an all employee lunch and a lunch with Bank of America.

FIGURE 4.8  
 HARDEST HIT FUND – USE  
 OF FUNDS IN FLORIDA,  
 AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.9  
 STATUS OF FLORIDA  
 HOMEOWNERS THAT APPLIED  
 TO HHF, AS OF 12/31/2017

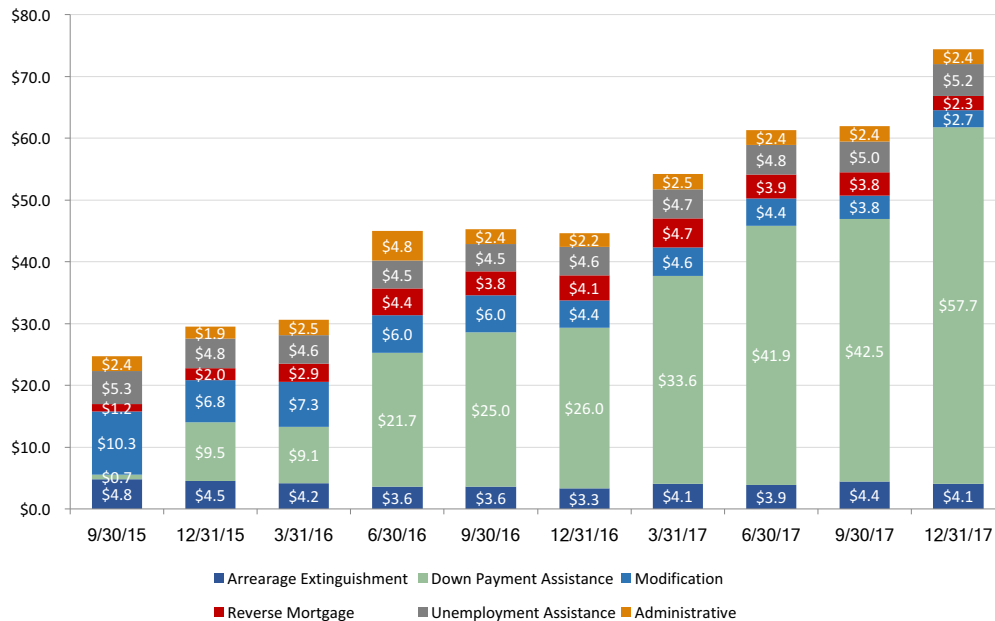


Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.



- Since the October 2015 audit, the state agency has shifted more of its resources to homebuyer assistance rather than implementing SIGTARP recommendations to fix the programs that help struggling homeowners avoid foreclosure.
- In November 2017 the state agency shifted \$32 million in funding away from administrative spending, mostly toward homebuyer assistance (\$20 million).

FIGURE 4.10 FLORIDA HHF SPENDING BY PROGRAM TYPE AND QUARTER SINCE THE START OF THE FL HHF DOWN PAYMENT ASSISTANCE PROGRAM



Source: SIGTARP analysis of Treasury provided Hardest Hit Fund Quarterly Financial Reports - obtained via data call from Treasury - 4/6/2018.

- Currently 389,632 (3.8%) are unemployed in Florida, compared to 442,653 (4.4%) this time last year.
- 30,039 Florida homeowners lost their home to foreclosure over the last year.
- 162,488 homeowners are delinquent on their mortgage.
- 340,410 Florida homeowners owe more than their homes are worth.

On a county level, in Miami-Dade County, Florida’s most populous county, in the last year, 3,314 homeowners lost their homes to foreclosure. Additionally, 21,851 homeowners in Miami-Dade County are delinquent on their mortgages, and 57,092 homes owe more than their home is worth. Over the last year the Florida agency has provided HHF assistance to 474 homeowners in Miami-Dade County.

**Florida HHF - Homeowners Assisted by County - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
Broward	4,031	355
Miami-Dade	3,466	474
Palm Beach	2,400	210
Duval	2,142	198
Orange	2,087	172
Hillsborough	1,957	190
Pinellas	1,351	116
Brevard	1,204	77
Lee	1,033	51
Pasco	940	66
Other Counties	10,058	970
<b>Total</b>	<b>30,669</b>	<b>2,879</b>

Source: Treasury, response to SIGTARP data call, various dates.

## TARP Programs in Georgia

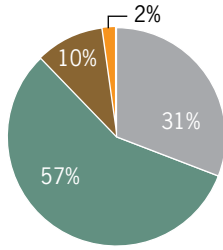
### Making Home Affordable in Georgia

- 37,124 Georgia homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Georgia: Ocwen Loan Servicing LLC (5,874), Wells Fargo Bank N.A. (5,593), Select Portfolio Servicing Inc. (4,487), Nationstar Mortgage LLC (4,337), JPMorgan Chase Bank NA (4,179), Bank of America National Association (2,038), Ditech Financial LLC (1,727), CitiMortgage Inc (472), Bayview Loan Servicing LLC (381), CIT Bank N.A. (77)
- 41% of all Georgia homeowners that received HAMP (30,722) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Georgia

- The Georgia HHF Program has provided \$215.1 million to 10,395 homeowners, 32% of the 28,760 homeowners who applied, which is lower than the national average. During the past year, the state agency provided \$50.1 million in homeowner assistance and admitted 1,667 homeowners to its homeowner assistance program.
- The Georgia HHF program has also provided \$9.2 million in down payment assistance to 610 homebuyers, all of which occurred over the past year.
- The Georgia agency spent \$36 million on its own salaries and expenses. SIGTARP's 2017 audit found that the Georgia agency charged an unnecessary expense of \$6,813 on a contractor to deliver breakroom beverages, including water, coffee, tea and hot cocoa.
- In October, 2017, SIGTARP issued an audit finding mismanagement by the Georgia agency that resulted in waste of \$18.6 million.<sup>14</sup> SIGTARP found:
  - The Georgia agency failed to provide HHF assistance to underwater homeowners for 6 years when agencies in other states were already providing that assistance.
  - The Georgia agency turned away more than 2,300 veterans who applied for HHF - 71% of veterans who applied.
  - The Georgia agency mismanaged its largest HHF program by designing overly strict and unnecessary criteria that made it harder for a Georgia homeowner to receive this assistance than homeowners in other states.
  - The Georgia agency mismanaged the HHF program by failing to fix a confusing application process, and requiring unnecessary red tape.
- The Georgia agency has made changes in response to SIGTARP's recommendations, including reopening its Mortgage Reinstatement Assistance Program and its Underwater Negative Equity Program.

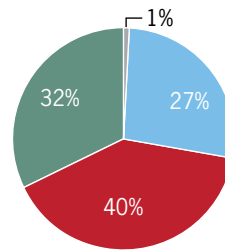
FIGURE 4.11  
 HARDEST HIT FUND – USE  
 OF FUNDS IN GEORGIA,  
 AS OF 12/31/2017



■ TARP Dollars to State Agency (\$36,017,881)  
 ■ Unemployment Bridge and Related Assistance (\$215,116,749)  
 ■ Homebuyer Assistance (\$9,150,000)  
 ■ Unspent (\$115,159,020)  
     Homebuyer Assistance (\$5,850,000)  
     Unemployment and Related (\$97,474,786)  
     Admin Expenses (\$11,834,235)

Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.12  
 STATUS OF GEORGIA  
 HOMEOWNERS THAT APPLIED  
 TO HHF, AS OF 12/31/2017



■ Workers Helped (10,395)  
 ■ Workers Denied (13,216)  
 ■ Workers with Withdrawn Applications (8,675)  
 ■ Workers In Process (311)

Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 230,576 (4.5%) are unemployed in Georgia, compared to 263,295 (5.2%) this time last year.
- 9,599 Georgia homeowners lost their home to foreclosure over the last year.
- 76,149 homeowners are delinquent on their mortgage.
- 80,415 Georgia homeowners owe more than their home is worth.

In an October 2017 audit, SIGTARP found that the Georgia agency did not meet the urgent local needs affecting the housing recovery of Georgia Homeowners in DeKalb, Clayton, and Fulton Counties, 3 of Georgia's most populated counties. In these 3 counties in the last year, 2,394 homeowners have lost their homes to foreclosure, while 15,924 homeowners are delinquent on their mortgages, and 25,894 homeowners owe more than their home is worth. Over the last year, the Georgia agency has assisted 988 homeowners in DeKalb, Clayton, and Fulton Counties through its HHF program.

**Georgia HHF - Homeowners Assisted by County - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
DeKalb	1,673	365
Fulton	1,575	384
Gwinnett	1,352	123
Cobb	938	80
Clayton	870	239
Henry	427	58
Douglas	291	47
Paulding	238	32
Newton	237	44
Rockdale	219	33
Other Counties	2,575	262
<b>Total</b>	<b>10,395</b>	<b>1,667</b>

Source: Treasury, response to SIGTARP data call, various dates.

## TARP Programs in Illinois

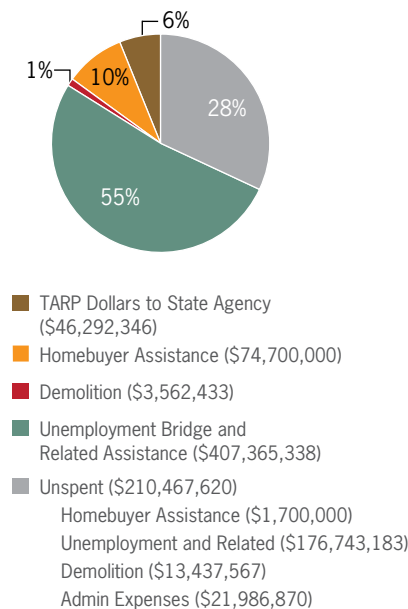
### Making Home Affordable in Illinois

- 49,543 Illinois homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Illinois: Ocwen Loan Servicing LLC (8,529), Select Portfolio Servicing Inc. (6,454), Nationstar Mortgage LLC (6,072), JPMorgan Chase Bank NA (5,684), Wells Fargo Bank N.A. (5,039), Ditech Financial LLC (2,342), Bank of America National Association (2,306), CitiMortgage Inc (1,302), Bayview Loan Servicing LLC (969), CIT Bank N.A. (114)
- 42% of all Illinois homeowners that received HAMP (40,799) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Illinois

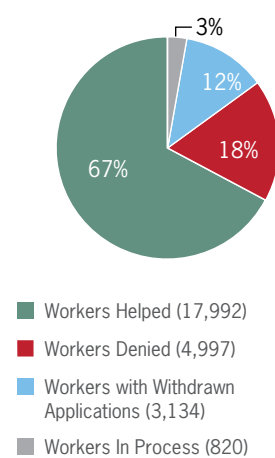
- HHF in Illinois has provided \$407 million to 17,992 homeowners, 67% of those who applied – one of the highest admission rates of all HHF states.
- The Illinois agency has also provided \$75 million in down payment assistance to 9,961 homebuyers since 2015, including \$37 million to 4,892 homebuyers over the past year.
- Illinois HHF has also provided \$3.5 million to demolish 145 blighted properties in 20 communities.
- SIGTARP's 2017 audit found that Illinois agency charged \$114,408 on unnecessary expenses, including: lunch at a pizza restaurant, \$98,305 on employee cash awards, and \$16,089 for supplies, parties, celebrations, food and beverages.

FIGURE 4.13  
 HARDEST HIT FUND – USE OF FUNDS IN ILLINOIS, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.14  
 STATUS OF ILLINOIS HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 323,069 (5.0%) are unemployed in Illinois, compared to 364,121 (5.6%) this time last year.
- 16,064 Illinois homeowners have lost their homes to foreclosure over the last year.
- 61,049 Illinois homeowners are delinquent on their mortgage.
- 199,161 Illinois homeowners owe more than their home is worth.

On a county level, in Cook County, Illinois' largest county, in the last year 7,516 homeowners have lost their home to foreclosure, 27,347 homeowners are delinquent on their mortgages, and 106,647 homeowners owe more than their home is worth. Over the last year the Illinois agency has provided 1,939 Cook County homeowners with HHF assistance.

**Illinois HHF - Homeowners Assisted by County - as of 12/31/2017**

County	Homeowners Assisted - Program to Date	Homeowners Assisted - Past 12 Months
Cook	9,358	1,939
Will	1,453	244
DuPage	1,076	226
Lake	817	155
McHenry	787	123
Winnebago	569	130
Kane	542	98
Saint Clair	317	42
Madison	313	64
Sangamon	245	31
Other Counties	2,515	466
<b>Total</b>	<b>17,992</b>	<b>3,518</b>

Source: Treasury, response to SIGTARP data call, various dates.



**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
 QUARTERLY REPORT TO CONGRESS | APRIL 26, 2018**

<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN ILLINOIS</b>					
<b>City / County</b>	<b>Local Partners</b>	<b>Available TARP Dollars</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
Rockford	Comprehensive Community Solutions	\$1,190,000		\$737,041	29 (8)
	Rockford Corridor Improvement, Inc.	\$1,190,000		\$67,328	4 (1)
			Northern Illinois Service Co. J.D. Mark, Inc.		
Joliet	South Suburban Land Bank and Development Authority	\$1,260,000		\$302,150	13 (4)
Park Forest	South Suburban Land Bank and Development Authority	\$1,155,000		\$132,935	4 (2)
Chicago	Greater Englewood CDC	\$805,000		\$157,981	6
	Sunshine Gospel Ministries	\$280,000		\$120,147	6
Macomb	Western IL Regional Council CAA	\$1,050,000			
Freeport	NW Home Start, Inc.	\$525,000		\$278,853	19
	Northwestern IL CAA	\$525,000			
			Kleckner Excavating G&G Construction Northern Illinois Service Co. Ironwood Environmental JMP Trucking, Inc.		
Chicago Heights	Cook County Land Bank Authority	\$945,000			
Springfield	Nehemiah Expansion	\$525,000			
	The Springfield Project; Enos Park Neighborhood Improvement Association	\$280,000		\$132,296	4
Aurora	Fox Valley Habitat for Humanity	\$280,000		\$32,235	1 (1)
	Joseph Corporation	\$525,000			
Peoria	Peoria Citizens Committee for Econ. Opp.	\$770,000		\$89,239	3 (3)
Centralia	BCMW Community Services, Inc.	\$665,000			
Danville	Habitat for Humanity Danville	\$630,000			
Rock Island	Rock Island Economic Growth Corp.	\$525,000		\$286,560	11
			Graves Environmental Valley Construction Jimax		
Round Lake Beach	The Fuller Center for Housing - Hero Project Lake County	\$525,000			
Urbana	Habitat For Humanity Champaign	\$525,000		\$426,604	13
			Miller Enterprises Owens Excavating and Trucking National Corporate Research ICD Ironhorse, Inc. Dig-It of Champaign, Inc.		

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
 QUARTERLY REPORT TO CONGRESS | APRIL 26, 2018**

<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN ILLINOIS</b>					
<b>City / County</b>	<b>Local Partners</b>	<b>Available TARP Dollars</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
			Ideal Environmental		
Sterling	Rock Island Economic Growth Corp.	\$455,000		\$332,141	13
			CP's Demolition Services		
			Burke Excavating		
Evanston	Community Partners for Affordable Housing	\$455,000			
Ottawa	Starved Rock Homes Development Corp.	\$280,000		\$205,585	7 (3)
			Vegrzyn Sarver & Associates		
			Midwest Environmental Consulting Services, Inc.		
			Fehr-Graham & Associates		
			K.L.F. Trucking		
Riverdale	Cook County Land Bank Authority	\$280,000		\$143,788	8
Moline	Moline Community Development Corp.	\$280,000		\$117,550	4
			Iowa-Illinois Taylor Insulation		
			Advanced Environmental		
			Miller Trucking & Excavating		
			G&G Construction		
			H. Coopman Trucking & Excavating, Inc.		
<b>Grand Total</b>		<b>\$15,925,000</b>		<b>\$3,562,433</b>	<b>145 (22)</b>

Source: Illinois Housing Development Authority.

Note: Due to reporting date differences, figures may vary from Treasury's published reports. Of the \$17,000,000 allocated to the blight program, \$15,925,000 has been assigned to individual localities / partners, the remainder appears to be unassigned and available for use.

## TARP Programs in Indiana

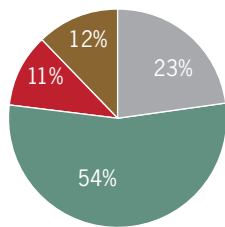
### Making Home Affordable in Indiana

- 11,542 Indiana homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Indiana: Ocwen Loan Servicing LLC (2,322), Select Portfolio Servicing Inc. (1,424), Wells Fargo Bank N.A. (1,233), Nationstar Mortgage LLC (1,154), JPMorgan Chase Bank NA (1,035), Ditech Financial LLC (454), Bank of America National Association (380), CitiMortgage Inc (195), Bayview Loan Servicing LLC (176), CIT Bank N.A. (6)
- 43% of all Indiana homeowners that received HAMP (10,601) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Indiana

- HHF in Indiana has provided \$155.4 million to 9,827 homeowners, 84% of those who applied – the highest admission rate of all HHF states. During the past year, the state agency provided \$25 million in homeowner assistance and admitted 1,105 homeowners to its homeowner assistance program.
- Indiana HHF has also spent \$30.9 million for the demolition of 2,108 blighted properties in 56 communities.
- The Indiana agency spent \$34.4 million on its own salaries and expenses. SIGTARP's 2017 audit found the Indiana agency spent \$46,658 in HHF funds on unnecessary expenses, including: \$45,100 spent on employee bonuses, and \$1,558 on water for employees.

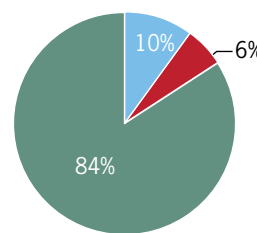
FIGURE 4.15  
 HARDEST HIT FUND – USE  
 OF FUNDS IN INDIANA,  
 AS OF 12/31/2017



- TARP Dollars to State Agency (\$34,407,062)
- Demolition (\$30,672,147)
- Unemployment Bridge and Related Assistance (\$155,359,068)
- Unspent (\$66,788,308)  
 Demolition (\$44,327,853)  
 Unemployment and Related (\$18,566,068)  
 Admin Expenses (\$3,894,387)

Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.16  
 STATUS OF INDIANA  
 HOMEOWNERS THAT APPLIED  
 TO HHF, AS OF 12/31/2017



- Workers Helped (9,827)
- Workers Denied (710)
- Workers with Withdrawn Applications (1,117)
- Workers In Process (0)

Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

Indiana has lower than average levels of unemployment and housing distress when compared to the rest of the country:

- Currently 123,151 (3.7%) are unemployed in Indiana, compared to 141,662 (4.3%) this time last year.
- 11,707 homeowners lost their home to foreclosure during the past year.
- 35,128 homeowners are delinquent on their mortgage.
- 22,631 Indiana homeowners owe more than their home is worth.

On a county level, over the last year, in Indiana’s most populated county, Marion County, 2,846 homeowners lost their home to foreclosure, 6,591 homeowners are delinquent on their mortgages, and 4,948 homeowners owe more than their home is worth. The Indiana agency, however, has assisted 244 Marion County homeowners through its HHF program in the last year.

**Indiana HHF - Homeowners Assisted by County - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
Marion	2,171	244
Lake	1,174	118
Allen	573	55
St Joseph	447	42
Porter	329	29
Hamilton	327	51
Elkhart	310	29
Vanderburgh	243	29
Johnson	240	33
LaPorte	233	20
Other Counties	3,780	455
<b>Total</b>	<b>9,827</b>	<b>1,105</b>

Source: Treasury, response to SIGTARP data call, various dates.

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
 QUARTERLY REPORT TO CONGRESS | APRIL 26, 2018**

<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA</b>								
<b>City / County</b>	<b>Available TARP</b>		<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>			
	<b>Dollars</b>	<b>Local Partners</b>						
City of Gary	\$11,054,000	The Gary Redevelopment Commission	Gary Material Supply	\$926,896	93			
			C Lee Construction Services, Inc.	\$516,719	43			
			Actin Contracting Llc	\$458,795	44			
			Avatar Enterprises, Inc.	\$454,990	45			
			JM Industrial Services	\$251,531	16			
			Spirit Wrecking & Excavation, Inc.	\$249,788	23			
			D & R Site Services	\$237,213	30			
			Chem Check, Inc.	\$175,038	9			
			Rsr Demolition, Llc	\$51,631	7			
			Fuller Center for Housing of Gary	JM Industrial Services	\$99,585	7		
				Spirit Wrecking & Excavation, Inc.	\$66,555	6		
				C Lee Construction Services, Inc.	\$28,243	3		
			Broadway Area Community Development Corp.	Gary Material Supply	\$92,314	8		
				C Lee Construction Services, Inc.	\$13,741	1		
				Spirit Wrecking & Excavation, Inc.	\$10,580	1		
			The Sojourner Truth House	C Lee Construction Services, Inc.	\$111,418	8		
				Chem Check, Inc.	\$2,954	1		
<b>Progressive Missionary Baptist Church</b>								
City of Fort Wayne	\$7,608,000	Housing and Neighborhood Devt. Svcs, Inc.	Martin Enterprises, Inc	\$4,779,889	246			
			Unknown	\$185,738	9 (5)			
City of Indianapolis	\$6,390,000	Renew Indianapolis	Ray's Demolition LLC	\$874,845	67			
			Renasant, Inc	\$709,990	52			
			Unknown	\$540,684	38 (29)			
			C & M Wrecking Inc.	\$277,924	20			
			Dorsey Paving Inc	\$168,405	15			
			Near East Area Renewal	C & M Wrecking Inc.	\$95,989	8		
				Ray's Demolition LLC	\$23,063	2		
				Unknown	\$15,756	1 (1)		
			Near North Development Corporation	Renasant, Inc	\$62,161	5		
				Nel Main Interiors, Inc.	\$26,211	2		
				C & M Wrecking Inc.	\$13,585	1		
				Ray's Demolition LLC	\$7,873	1		
			Mapleton Fall Creek Development Corporation	Ray's Demolition LLC	\$58,167	3		
			Riley Area Development Corporation	Ray's Demolition LLC	\$17,481	1		
				C & M Wrecking Inc.	\$11,515	1		
			<b>Community Alliance of Far Eastside</b>					
			City of Muncie	\$4,006,000	Muncie Redevelopment Commission	Shroyer Bros, Inc.	\$220,714	21
Merritt's Truck and Auto Repair	\$203,550	21						
Unknown	\$182,218	16 (6)						
RSO Construction	\$103,015	10						
Faith Builders	\$25,000	1						
Calvary Baptist Church	\$7,739	1						
<b>David R. Thurston</b>								

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA</b>							
<b>City / County</b>	<b>Available TARP Dollars</b>	<b>Local Partners</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>		
City of Richmond	\$3,529,000	Neighborhood Services Clearinghouse	Culy Contracting, Inc	\$953,360	59 (4)		
			Mikesell Excavating Inc	\$491,886	31		
			Complete Demolition Services	\$173,730	10		
			Pro Lawn Care & Landscaping	\$164,067	11		
			Unknown	\$41,426	2 (1)		
			Cox Excavating Inc	\$30,833	3		
		Habitat for Humanity of Greater Richmond			Culy Contracting, Inc	\$106,321	7
					Mikesell Excavating Inc	\$33,458	2
					Pro Lawn Care & Landscaping	\$30,822	2
					Complete Demolition Services	\$26,638	2
		Unknown			Culy Contracting, Inc	\$9,996	1
					Mikesell Excavating Inc	\$9,389	1
City of Kokomo	\$3,084,000	Kokomo Community Development Corp.	Merrit & Sons Excavating	\$377,671	38		
			Yardberry Landscape Excavating	\$203,951	15		
			Vincent Concrete Contracting	\$148,390	11		
			City Of Firsts Excavating And Demo	\$96,998	8		
			Unknown	\$89,770	9 (7)		
			Freedom First Excavating And Demo	\$87,761	7		
			La Excavating Llc	\$41,076	4		
County of Elkhart	\$2,735,000	LaCasa Inc.	Pelley Excavating	\$416,026	20		
			Unknown	\$256,933	11 (9)		
			Jackson Services	\$189,612	9		
City of Anderson	\$2,711,000	Anderson Redevelopment Commission	Gerry'S Construction Services	\$274,105	18		
			Davis Excavating Inc.	\$91,371	6		
			Apfel Inc	\$79,754	5		
			Rhino Trucking & Excavating	\$67,517	4		
			Unknown	\$63,948	4		
			Shephard Homes	\$47,948	3		
		Bethesda Missionary Baptist Church			Gerry'S Construction Services	\$11,117	1
					Davis Excavating Inc.	\$10,617	1
				Operation MOVE-In, LLC			
				South Meridian Church of God			
				Habitat for Humanity of Madison County			
		City of Evansville	\$2,357,000	Evansville Brownfields Corp.	Jerry Aigner Construction, Inc.	\$393,988	29
					Naas & Son LLC	\$327,295	11
Hazex Construction Co, Inc	\$230,354				11		
New Odyssey Investments, LLC					Hazex Construction Co, Inc	\$280,440	21
					Unknown	\$54,568	3
					Naas & Son LLC	\$49,375	1
Habitat for Humanity of Evansville, Inc.					Jerry Aigner Construction, Inc.	\$111,454	10
					Naas & Son LLC	\$53,237	2
					Hazex Construction Co, Inc	\$32,337	2
					Unknown	\$24,278	1 (1)
ECHO Housing Corporation		Jerry Aigner Construction, Inc.	\$112,653	7			

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			Hazex Construction Co, Inc	\$56,803	4
			Naas & Son LLC	\$49,593	2
		Community One, Inc.	Jerry Aigner Construction, Inc.	\$29,770	2
			Hazex Construction Co, Inc	\$25,000	1
		David Clark	Jerry Aigner Construction, Inc.	\$45,076	4
		Pleasant Chapel General Baptist Church	Jerry Aigner Construction, Inc.	\$33,894	2
		Gethsemane Church	Hazex Construction Co, Inc	\$28,941	2
		Memorial Community Development Corporation	Naas & Son LLC	\$26,779	1
		Full Gospel Mission	Hazex Construction Co, Inc	\$20,572	2
		Ozanam Family Shelter Corp.	Naas & Son LLC	\$18,238	1
		JBELL Properties, LLC	Hazex Construction Co, Inc	\$10,838	1
		James Bradley	Jerry Aigner Construction, Inc.	\$9,606	1
		Amanda Hanna	Jerry Aigner Construction, Inc.	\$9,094	1
		Gloria Peek	Jerry Aigner Construction, Inc.	\$7,626	1
		Jonathan Page	Hazex Construction Co, Inc	\$7,595	1
		Evansville Housing Authority			
		Hope of Evansville			
		Comfort Homes			
		Apostolic Church of Evansville			
City of East Chicago	\$2,228,000	East Chicago Department of Redevelopment	Actin Contracting Llc	\$465,750	32
			JM Industrial Services	\$190,554	17
		Unknown	JM Industrial Services	\$11,222	1
City of Sullivan	\$1,914,000	Sullivan City Redevelopment Commission	Freedom First Excavating And Demo	\$284,251	21
		Sullivan County Redevelopment Commission			
City of Marion	\$1,664,000	Marion Redevelopment Commission	Keith Sullivan Excavating	\$851,131	45
			Dave'S Excavating	\$342,339	18
			Unknown	\$17,661	1
County of Gibson	\$1,627,000	Princeton Redevelopment Commission	Naas & Son LLC	\$160,826	9
		Thomas R. Johnstone, Sr.	Naas & Son LLC	\$89,758	5
		Barnaby Knoll	Naas & Son LLC	\$61,647	4
		Nicholas Burns	Naas & Son LLC	\$32,243	2
			Unknown	\$14,281	1 (1)
		Tim Thompson	Naas & Son LLC	\$32,440	2
		Habitat for Humanity of Gibson County	Naas & Son LLC	\$15,443	1
			Unknown	\$11,114	1 (1)
		Mark A. Tooley	Naas & Son LLC	\$25,000	1
		Billy Ray Walden	Naas & Son LLC	\$24,188	1
		Joshua and Mandy Conder	Naas & Son LLC	\$21,919	1
		Sheiln J. Besing	Naas & Son LLC	\$19,793	1
		Lana Knowles	Naas & Son LLC	\$19,695	1
		Leslie T. Marshall	Naas & Son LLC	\$19,191	1
		Daniel R. Engler and Sherry L. Engler	Naas & Son LLC	\$19,006	1
		Brian Dawson	Naas & Son LLC	\$18,975	1
		Charles & Cathy Briner	Naas & Son LLC	\$18,795	1
		John D. Young	Naas & Son LLC	\$18,790	1

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		Lillie E. Gardner Wheelhouse, Joseph H. Gardner and Judith L. Gardner	Naas & Son LLC	\$18,556	1
		Brenda Farber	Naas & Son LLC	\$18,250	1
		Steve & Brian Dyson	Naas & Son LLC	\$18,137	1
		Janet and Thomas Dewig	Naas & Son LLC	\$17,495	1
		Richard Ellis	Naas & Son LLC	\$17,164	1
		Roger Adkins	Naas & Son LLC	\$16,110	1
		Jane Hoskins	Naas & Son LLC	\$15,885	1
		Julie and Ronald Titzer	Naas & Son LLC	\$15,845	1
		Robert D. McClain	Naas & Son LLC	\$15,597	1
		Randall A. Scales	Naas & Son LLC	\$15,425	1
		Ronald Gordon	Naas & Son LLC	\$15,260	1
		Nancy Carsey, Jay and Richard Stevens	Naas & Son LLC	\$15,096	1
		Chris Schmidt	Naas & Son LLC	\$14,970	1
		Gloria and Jose Garcia	Naas & Son LLC	\$14,495	1
		David O. Hill	Naas & Son LLC	\$13,950	1
		Ivan Wilkerson	Naas & Son LLC	\$13,765	1
		Carl Dean Short	Naas & Son LLC	\$13,595	1
		Anna Marie Kiel	Naas & Son LLC	\$13,428	1
		Kenneth L. Wolf	Naas & Son LLC	\$12,825	1
		Jonnie and Samuel Watkins	Naas & Son LLC	\$12,800	1
		Stacy D Ivers & Kellie R Hatton	Unknown	\$12,731	1 (1)
		Sheryl Walker-Isakson/Allen Isakson	Naas & Son LLC	\$12,719	1
		Denver L & Anges E Chavis	Unknown	\$12,576	1 (1)
		Nancy Akers	Unknown	\$12,476	1 (1)
		Evan and Jodi Meyer	Naas & Son LLC	\$12,415	1
		Brandon W. Taylor and Jane E. Taylor	Naas & Son LLC	\$12,197	1
		Carmen Jones	Naas & Son LLC	\$11,970	1
		Ralph B DeBord	Naas & Son LLC	\$11,450	1
		Delores Neaveill	Naas & Son LLC	\$10,850	1
		Donald and Wilma Newcome	Naas & Son LLC	\$10,076	1
		Scott and Kathryn St. Clair	Naas & Son LLC	\$9,942	1
		Timothy A. Beadles	Unknown	\$9,803	1 (1)
		Darlene Wright	Naas & Son LLC	\$9,600	1
		Donald Kevin Burch	Unknown	\$7,511	1 (1)
		Elizabeth Schlacks			
		Jason Spindler			
		Brenda Boyer			
		Keith Perkins			
		Darrell Corn			
		Cathy and Charles Briner			
		Kathy Ritcheson			
		Richard Kolb			
		Rick and Elaine Sides			
City of South Bend	\$1,579,000	Urban Enterprise Assoc. of South Bend, Inc.	Indiana Earth, Inc Ritschard Bros, Inc.	\$505,624 \$269,440	29 13



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		South Bend Heritage Foundation, Inc.	Indiana Earth, Inc	\$141,231	8		
			Ritschard Bros, Inc.	\$40,553	2		
		Near Northwest Neighborhood Inc.	Indiana Earth, Inc	\$162,915	9		
City of Terre Haute	\$1,547,000	Terre Haute Department of Redevelopment	Hoggatt Excavating & Demolition	\$117,667	9		
			Bell & Bell Demolition	\$77,251	7		
			Unknown	\$65,284	6 (6)		
County of Warrick	\$1,318,000	Boonville Now, Inc.	Jerry Aigner Construction, Inc.	\$291,162	18		
			Unknown	\$53,853	3 (3)		
			Unknown	\$27,702	2		
			Ehrlich & Karen Smith	Unknown	2		
			Christopher Lunn	Jerry Aigner Construction, Inc.	\$25,000	1	
			Thomas Key	Jerry Aigner Construction, Inc.	\$24,211	1	
			Roy and Linda Paxton	Jerry Aigner Construction, Inc.	\$23,690	1	
			Josh Barnett	Jerry Aigner Construction, Inc.	\$22,416	1	
			Habitat for Humanity of Warrick County	Jerry Aigner Construction, Inc.	\$20,282	2	
			Alan, Daryl & Elizabeth (Griggs) Saltzman	Jerry Aigner Construction, Inc.	\$17,317	1	
			Dannie & Diane Alexander	Unknown	\$15,757	1 (1)	
			Lori Lamar	Jerry Aigner Construction, Inc.	\$15,618	1	
			Larry & Karen Willis	Jerry Aigner Construction, Inc.	\$15,487	1	
			Andy R & Donna VanWinkle	Jerry Aigner Construction, Inc.	\$15,012	1	
			Scott Speicher	Jerry Aigner Construction, Inc.	\$14,336	1	
			Ralph & Sandra Decker	Unknown	\$14,216	1 (1)	
			Wesley B. Hack and Maureen L. Hack	Jerry Aigner Construction, Inc.	\$14,166	1	
			Bettye Lee	Jerry Aigner Construction, Inc.	\$13,716	1	
			James B. Decker, II	Jerry Aigner Construction, Inc.	\$13,579	1	
			Dennis & Cheryl Oakley	Unknown	\$13,443	1	
			Clifford Hayden	Jerry Aigner Construction, Inc.	\$12,373	2	
			Brian Hendrickson	Jerry Aigner Construction, Inc.	\$12,070	1	
			Terry D. Cline and Kathy J. Cline	Jerry Aigner Construction, Inc.	\$11,966	1	
			Tim A. McKinney	Jerry Aigner Construction, Inc.	\$11,364	1	
			David Payne	Unknown	\$11,317	1 (1)	
			Ronald & Annis M. Marshall	Jerry Aigner Construction, Inc.	\$10,057	1	
			Roy and Taffney Carter	Unknown	\$9,127	1	
			Smith, Phyllis A.				
			Troutman, Kevin & Widmer, Felicia				
			Oller, James J. and Tera				
			Ronald Evans				
			Wiedrich, Joe & Stephanie				
Roy & Taffney Carter							
Barbara & Kenneth Klippel							
Charles L. Allen							
Patty Englehart & Michael Harvey							
Wade, Ernest G.							
Harris, Leon J. Marguerite R. Harris							

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		Scales, Donald R. & Janet F. (Janet is Deceased)			
		Powell, Ronald C.			
		Zachary Lee Bailey			
		Marlin Harris			
		Morris, Roy C. and karen J.			
City of New Castle	\$1,062,000	Interlocal Community Action Program, Inc.	Neal Scrap Metals Llc	\$48,197	5
			Melton Excavating	\$37,439	5
		Healthy Communities of Henry County	Neal Scrap Metals Llc	\$83,721	8
		Westminster Community Center	Neal Scrap Metals Llc	\$71,418	10
		Henry County Redevelopment Commission	Neal Scrap Metals Llc	\$24,929	3
			Melton Excavating	\$6,092	1
		New Castle Housing Authority			
County of Greene	\$945,000	Greene Redevelopment Commission	Unknown	\$101,809	8
			L & H Excavating & Land Prep	\$86,655	8
			Joe Lannan Excavating & Stump Removal	\$62,400	4
			Carr-Thomas Construction Inc	\$57,337	8
			Mullins Supply Inc	\$32,265	2
		Unknown	Merrit & Sons Excavating		
			Freedom First Excavating And Demo		
City of Logansport	\$925,000	Logansport Municipal Building Corporation	B & G Construction	\$457,074	26
			Aulbach Construction	\$134,871	8
City of Hammond	\$883,000	United Neighborhoods, Inc.	Iesco Construction, Inc.	\$95,096	6
			Rsr Demolition, Llc	\$66,262	4
			JM Industrial Services	\$57,451	3
			Actin Contracting Llc	\$36,851	2
		Hammond Redevelopment Commission	Iesco Construction, Inc.	\$140,120	8
			Rsr Demolition, Llc	\$19,625	1
			JM Industrial Services	\$13,422	1
City of Peru	\$813,000	Miami County Economic Development Authority	Merrit & Sons Excavating	\$248,408	15
			Unknown	\$120,390	8 (2)
		Scratching Post Cat Rescue	Merrit & Sons Excavating	\$16,550	1
		Habitat for Humanity of Miami County, Inc.	Unknown	\$15,000	1
		Miami County Master Gardener Association			
County of Posey	\$793,000	Mt. Vernon Redevelopment	Naas & Son LLC	\$357,440	26
			Unknown	\$63,553	5 (5)
			Earth Services Excavating	\$47,870	3
		Sherriell Thompson	Naas & Son LLC	\$24,007	1
		Dale Reuter	Naas & Son LLC	\$22,632	1
		Sharon A. Krohn	Unknown	\$14,655	1 (1)
		Beverly Stone/Katrina Wagner	Earth Services Excavating	\$13,895	1
		Brett Newman	Naas & Son LLC	\$12,091	1

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		<b>Local Partners</b>	<b>Contractors Receiving TARP</b>		
		Bruce and Kathy Martin	Naas & Son LLC	\$9,498	1
		Kenneth Juncker	Unknown	\$8,999	1 (1)
		Randall Yeida and Susan Marshall	Naas & Son LLC	\$7,187	1
		Karen E. & Steven R. Wilson			
		Allen and Erma Roedel			
		James C. Welch, Jr			
		Karen Baker			
City of Hartford	\$705,000	Blackford Development Corp.	Shroyer Bros, Inc.	\$245,612	23
City		Jay Dawson	Shroyer Bros, Inc.	\$10,010	1
		Rosalie Adkins	Shroyer Bros, Inc.	\$9,765	1
		Community & Family Services			
City of Bicknell	\$666,000	Bicknell Bulldog Development Corporation	Mullins Supply Inc	\$275,990	17
City of Vincennes	\$659,000	United Pentecostal Tabernacle	Mullins Supply Inc	\$20,532	2 (1)
		Forest and Charity Davis	Mullins Supply Inc	\$14,780	1 (1)
		Kevin Ridge	Unknown	\$13,179	1 (1)
		Larry Stuckman	Mullins Supply Inc	\$11,428	1 (1)
		Steve and Carolyn Kramer	Mullins Supply Inc	\$10,340	1 (1)
		Priscilla Wissell	Mullins Supply Inc	\$9,917	1
		Randall E. Madison	Mullins Supply Inc	\$8,338	1 (1)
		Matt McCoy			
		Dan Vories			
		Karen Evans			
		Rick Szudy			
		Thursday Church			
		Spiritwoman Greywolfe			
		Chris Case			
		Jack Stilwell			
		Carol Anderson			
		William Ridge			
		Leonard Stevenson			
		Mark Loveman			
City of Austin	\$644,000	Austin Redevelopment Commission (ARC)	Clg Disposal	\$162,792	13
			Robertson Paving	\$102,675	7
		Southern Indiana Housing & Community Development Corp.			
City of Elwood	\$625,000	Elwood Redevelopment Commission	Miller'S Excavating & Demolition	\$376,639	31
			Renascent, Inc	\$54,536	4
			RSO Construction	\$14,514	2
City of Kendallville	\$487,000	Campbell and Fetter Bank			
County of Dearborn	\$479,000	Aurora Redevelopment Commission	Wolf & Sons Contracting Llc	\$61,812	3
		Town of Moores Hill Redevelopment Commission	Wolf & Sons Contracting Llc	\$22,032	1
			Probst Excavating	\$9,130	1
		Aurora Development Corporation	Probst Excavating	\$19,903	1
		Victor Fay	Probst Excavating	\$14,828	1

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		Joseph Fette	Probst Excavating	\$12,166	1
		Casey Kaiser	Probst Excavating	\$11,609	1
		John & Darlene Albright	Probst Excavating	\$9,172	1
		Robert and Janice Fehrman Revocable Trust	Probst Excavating	\$8,963	1
		Linda Ketterman Revocable Trust	Wolf & Sons Contracting Llc	\$50	1
		City of Aurora Redevelopment Commission			
City of Washington	\$459,000	Davies County Economic Development Foundation, Inc.	Robinson Excavating	\$106,616	11
		Washington Housing Authority			
		Habitat for Humanity of Daviess County, Inc.			
County of Vigo	\$425,000	West Terre Haute Redevelopment Commission			
City of Rushville	\$406,000	Southern Indiana Housing & Community Development Corp	Robertson Paving	\$106,553	6
			Holman Excavating	\$99,064	6
City of Alexandria	\$355,000	Alexandria Redevelopment Commission	Miller'S Excavating & Demolition	\$177,600	10
			Shroyer Bros, Inc.	\$130,863	9
			Gerry'S Construction Services	\$10,384	1
		Madison County Council of Governments			
City of Connersville	\$322,000	Connersville Urban Enterprise Association U.E.A.	Frank Construction & Excavating	\$106,619	5
		Whole Family Community Initiative, Inc./House of Ruth of Connersville	Frank Construction & Excavating	\$70,962	3
Shelby County/City of Shelbyville	\$304,000	Habitat for Humanity For Shelby Co.	Beaty Construction, Inc	\$85,635	5
			Unknown	\$48,409	2 (2)
City of Columbus	\$300,000	ARA (Administrative Resources Association)	Robertson Paving	\$51,428	3
		Thrive Alliance, Inc.			
		Southern Indiana Housing & Community Development Corporation			
City of Dunkirk	\$273,000	Dunkirk Industrial Development Corp.	Kesler Excavating, Llc	\$97,459	9
Town of Waterloo	\$236,000	Waterloo Redevelopment Commission	Knott Drainage & Excavating	\$114,212	5
		Habitat for Humanity of Northeast Indiana	Knott Drainage & Excavating	\$50,428	3
		RP Wakefield Co.	Knott Drainage & Excavating	\$15,699	1
City of Knox	\$223,000	Starke County Economic Devt. Foundation, Inc.	Jackson Trucking/Excavating	\$91,945	6
			Chem Check, Inc.	\$54,523	4
Town of Decker	\$223,000	Darrell & Robin Lindsay	Mullins Supply Inc	\$18,151	2
		William Beamon	Robinson Excavating	\$6,946	1 (1)
		Kathy Hartigan	Robinson Excavating	\$6,936	1 (1)
		David & Bonnie Wehmeier	Mullins Supply Inc	\$6,442	1
		Cathy Griffith			
		Doug Deyoe			

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		Decker Community Center			
City of Brazil	\$215,000	Clay County Economic Redevelopment Commission	Mccullough Excavating	\$165,634	9
City of Rising Sun	\$211,000	Redevelopment Commission of City of Rising Sun RSOC Senior Citizen Housing Inc.	Total Propoerty Care, Inc	\$117,066	5
Town of Oaktown	\$198,000	Michael Wallace			
		Harvey Bradford Hudson			
		Unknown	Mullins Supply Inc		
		Jessica Groteguth			
		Knox County Housing Authority			
Town of Brookville	\$154,000	Tammy Davis, III			
		LSC Properties, LLC			
		Brookville Redevelopment Commission			
		Kara Knapp			
Town of Hagerstown	\$150,000	Joe Smith, Jefferson Township Trustee	Neal Scrap Metals Llc	\$35,430	2
		Randy Moles	Neal Scrap Metals Llc	\$9,744	1
		Edward Nugent	Neal Scrap Metals Llc	\$8,765	1
County of Pulaski	\$147,000	Habitat for Humanity of Starke & Pulaski Counties White's General Contracting	Unknown	\$12,611	1 (1)
Town of Richland City	\$144,000	The Friends of Richland	Herron Excavating Inc	\$69,775	4 (3)
City of Portland	\$126,000	Community & Family Services	Shroyer Bros, Inc.	\$56,300	4
City of Lawrence	\$120,000	Lawrence/Fort Harrison Development Corporation dba Lawrence Community Development Corporation	Ray's Demolition LLC	\$57,636	5
Town of Edwardsport	\$104,000	Keith Martin			
		Bob & Beverly Duncan			
City of Montpelier	\$79,000	Blackford Development Corp.	Shroyer Bros, Inc.	\$32,858	3
		Community & Family Services			
City of Lebanon	\$72,000	Lebanon Community Development Corporation	Merrit & Sons Excavating	\$38,550	3
County of Howard	\$72,000	Jessee Trine	Unknown	\$19,858	1
		Howard Redevelopment Commission	Unknown	\$10,849	1
Town of Lagro	\$72,000	David Pefley			
		Unknown	Eads & Son Bulldozing		
		Kevin Campbell			
City of Delphi	\$68,000	Habitat for Humanity of Lafayette, Inc.			
Town of Greens Fork	\$68,000	Monty and Mary York	Melton Excavating	\$14,765	1
		Mendy Rose	Melton Excavating	\$8,265	1
		David and Dianna Mosier and Danielle Virgil	Melton Excavating	\$7,265	1
		Silver Lake Education Foundation	Greene Excavating	\$30,975	3
Town of Silver Lake	\$61,000				

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	<b>Dollars</b>	<b>Local Partners</b>			
Town of Cambridge City	\$54,000	Carla Boyles			
		Robert Fortman			
		Jonathan Winchester			
Town of St. Joe	\$50,000	Habitat for Humanity of Northeast Indiana	Martin Enterprises, Inc	\$23,446	1
			Unknown	\$20,830	1 (1)
		Michael Mills	Martin Enterprises, Inc	\$11,461	1 (1)
		Larry Griffin			
Town of Daleville	\$43,000	Daleville Parks, Inc.	Lee Enterprises Co	\$36,635	2 (2)
Town of Sweetser	\$36,000	Sweetser Redevelopment Corp.	Merrit & Sons Excavating	\$26,098	2
City of Auburn	\$25,000	Habitat for Humanity of Northeast Indiana	Knott Drainage & Excavating	\$30,106	1
		City of Auburn Redevelopment Commission			
Town of Walton	\$25,000	Cass County Redevelopment Commission			
Town of Arcadia	\$18,000	Curtis and Mary Parr	ITW	\$21,015	1
Town of Coatesville	\$18,000	National Road Heritage Trail	Unknown	\$17,257	1
<b>Grand Total</b>	<b>\$70,893,000</b>			<b>\$30,861,562</b>	<b>2,108 (109)</b>

Source: Indiana Housing and Community Development Authority

Note: Due to reporting date differences, figures may vary from Treasury's published reports. Of the \$75,000,000 allocated to the blight program, \$70,893,000 has been assigned to individual localities / partners, the remainder appears to be unassigned and available for use.

## TARP Programs in Kentucky

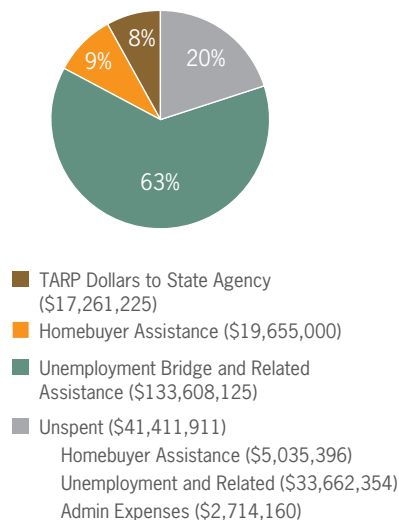
### Making Home Affordable in Kentucky

- 4,345 Kentucky homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Kentucky: Ocwen Loan Servicing LLC (858), Select Portfolio Servicing Inc. (498), Wells Fargo Bank N.A. (497), Nationstar Mortgage LLC (477), JPMorgan Chase Bank NA (403), Bank of America National Association (205), Ditech Financial LLC (162), CitiMortgage Inc (72), Bayview Loan Servicing LLC (64)
- 44% of all Kentucky homeowners that received HAMP (4,233) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Kentucky

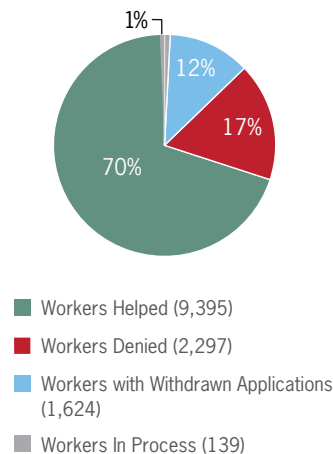
- HHF in Kentucky has provided \$133.6 million to 9,395 homeowners, 70% of those who applied – one of the highest admission rates of all HHF states. During the past year, the state agency provided \$13.4 million in homeowner assistance and admitted 638 homeowners to its homeowner assistance program.
- The Kentucky HHF program has also provided \$19.7 million in down payment assistance to 1,709 homebuyers, 95.6% of those who have applied, including \$8.4 million to 827 homebuyers over the past year.
- The Kentucky agency spent \$17.3 million on its own salaries and expenses. SIGTARP's 2017 audit found the Kentucky agency spent \$49,150 in HHF funds on unnecessary expenses, including: \$159 spent on catered lunches with Treasury employees, \$46,811 spent on severance payments for three employees, \$654 spent on gift certificates and cash bonuses, and \$1,526 spent on food and beverages, including a picnic with food trucks, an employee gelato outing.

FIGURE 4.17  
 HARDEST HIT FUND – USE OF FUNDS IN KENTUCKY, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.18  
 STATUS OF KENTUCKY HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 96,127 (4.7%) are unemployed in Kentucky, compared to 120,724 (5.9%) this time last year.
- 2,790 homeowners in Kentucky lost their home to foreclosure during the past year.
- 20,596 homeowners are delinquent on their mortgage.
- 18,582 Kentucky homeowners owe more than their home is worth.

On a county level, Jefferson County, Kentucky's largest county, is home to 52.8% (774) of Kentucky homeowners who received HHF assistance in the last year.

**Kentucky HHF - Homeowners Assisted by County - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
Jefferson	3,108	774
Kenton	773	156
Fayette	705	48
Boone	404	20
Perry	250	11
Bell	226	8
Pike	218	13
Hardin	216	38
Campbell	196	13
Marshall	196	9
Other Counties	4,812	375
<b>Total</b>	<b>11,104</b>	<b>1,465</b>

Source: Treasury, response to SIGTARP data call, various dates.



## TARP Programs in Michigan

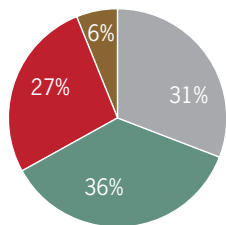
### Making Home Affordable in Michigan

- 25,026 Michigan homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Michigan: Ocwen Loan Servicing LLC (5,280), Select Portfolio Servicing Inc. (2,859), Nationstar Mortgage LLC (2,692), JPMorgan Chase Bank NA (2,452), Wells Fargo Bank N.A. (1,929), Ditech Financial LLC (1,610), Bank of America National Association (1,080), Bayview Loan Servicing LLC (444), CitiMortgage Inc (353), CIT Bank N.A. (46)
- 38% of all Michigan homeowners that received HAMP (19,799) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Michigan

- HHF in Michigan has provided \$280.9 million to 35,669 homeowners, 49% of those who applied. During the past year, the state agency has provided \$18 million in homeowner assistance and admitted 2,384 homeowners to its homeowner assistance program.
- Michigan HHF has also spent \$210.7 million for the demolition of 13,925 blighted properties in 19 communities.
- The Michigan agency spent \$43.9 million on its own salaries and expenses. SIGTARP's 2017 audit found that the Michigan agency spent \$337,349 in HHF funds on unnecessary expenses, including: \$77 spent on refreshments and meals for Treasury employees, \$330,575 spent to provide free parking to employees, \$6,642 in parties, celebrations or other food and beverages, including cupcakes, ice cream sandwiches, balloons and pizza, and \$55 on employee gifts from Bed, Bath & Beyond.

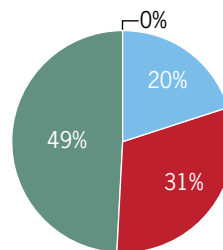
FIGURE 4.19  
 HARDEST HIT FUND – USE OF FUNDS IN MICHIGAN, AS OF 12/31/2017



- TARP Dollars to State Agency (\$43,914,281)
- Demolition (\$209,071,482)
- Unemployment Bridge and Related Assistance (\$280,937,692)
- Unspent (\$237,201,507)  
 Demolition (\$172,228,074)  
 Unemployment and Related (\$38,905,861)  
 Admin Expenses (\$27,067,572)

Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.20  
 STATUS OF MICHIGAN HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



- Workers Helped (35,669)
- Workers Denied (22,774)
- Workers with Withdrawn Applications (14,652)
- Workers In Process (359)

Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 254,245 (5.2%) are unemployed in Michigan, compared to 263,550 (5.4%) this time last year.
- 18,005 Michigan homeowners have lost their home to foreclosure during the past year.
- 39,218 homeowners are delinquent on their mortgage.
- 94,459 Michigan homeowners owe more than their properties are worth.

On a county level, in Wayne County, Michigan's most populous county, 9,053 homeowners lost their homes to foreclosure in the past year, 8,190 homeowners are delinquent on their mortgage, and 24,983 homeowners owe more than their home is worth. Over the last year, the Michigan agency has provided 671 Wayne County homeowners with HHF assistance.

**Michigan HHF - Homeowners Assisted by County - as of 12/31/2017**

County	Homeowners Assisted - Program to Date	Homeowners Assisted - Past 12 Months
Wayne	11,128	671
Oakland	3,173	223
Macomb	2,349	208
Kent	1,735	74
Genesee	1,616	131
Saginaw	1,039	106
Ingham	996	71
Washtenaw	750	60
Muskegon	637	52
Jackson	618	39
Other Counties	11,628	749
<b>Total</b>	<b>35,669</b>	<b>2,384</b>

Source: Treasury, response to SIGTARP data call, various dates.

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN MICHIGAN</b>					
<b>City / County</b>	<b>Local Partners</b>	<b>Available TARP Dollars</b>	<b>Primary Demolition Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
Detroit	Detroit Land Bank	\$258,653,459	Adamo	\$35,497,865	2,280 (26)
			Homich	\$31,239,986	2,025 (13)
			DMC Consultants, Inc	\$15,254,169	988 (58)
			Rickman Enterprise Group, LLC	\$12,164,178	697 (87)
			Able Demolition Inc.	\$10,930,750	697 (90)
			Salenbien Trucking And Excavating, Inc	\$6,264,021	441 (66)
			ABC Demolition Company, Inc.	\$5,721,226	399 (22)
			MCM Mangement Corp	\$4,407,612	334
			Blue Star, Inc.	\$3,747,207	259 (18)
			Farrow Group	\$2,976,938	177
			Esso Wrecking	\$2,968,733	191 (16)
			Direct Construction Services, LLC	\$825,868	66 (12)
			313 Construction, LLC	\$536,429	36
			Unknown	\$526,114	48
			Leadhead Construction	\$305,222	21
			Den-Man Contractors Inc	\$255,826	15 (15)
			Berkshire	\$195,215	12 (2)
Smalley Construction	\$193,828	19			
Time Savers	\$132,156	8			
Rademacher	\$16,522	1			
Flint	Genesee County Land Bank	\$67,542,278	North American Dismantling Corp.	\$10,825,568	795 (66)
			L Zellar And Sons Excavating Inc	\$6,058,230	462 (27)
			Jack Fick Excavating Inc	\$4,933,480	411
			Salenbien Trucking And Excavating, Inc	\$4,301,373	281 (32)
			L.A. Construction Corp	\$3,687,613	280 (13)
			S.C. Environmental Services, LLC	\$2,611,245	189 (117)
			W. T. Stevens Construction, Inc.	\$940,248	86 (15)
			Unknown	\$764,461	61
			Efficient Demolition, Inc.	\$104,113	9
Saginaw	Saginaw County Land Bank	\$13,416,984	Rodney Woods Builder	\$7,784,913	578
			Mead & Sons Contracting, Inc	\$1,662,358	122 (12)
			Rohde Brothers Excavation	\$1,569,697	131
			Braddock Demolition	\$523,871	34
			Dore & Associates Contracting, Inc.	\$146,570	9 (9)

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<b>City / County</b>	<b>Local Partners</b>	<b>Available TARP Dollars</b>	<b>Primary Demolition Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
Lansing	Ingham County Land Bank	\$6,000,000	S.C. Environmental Services, LLC	\$2,748,789	185 (21)
			Bolle Contracting, Inc	\$1,384,638	91 (3)
Jackson	John George Home, Inc.	\$5,500,000	Smalley Construction	\$3,055,377	139 (2)
			Salenbien Trucking And Excavating, Inc	\$1,072,831	46
			Dunigan Bros., Inc.	\$826,481	37
			R A Baker	\$355,514	17
			Rickman Enterprise Group, LLC	\$107,155	5
			Lester Brothers	\$82,642	4
Highland Park	Michigan Land Bank - Highland Park	\$5,000,000	Salenbien Trucking And Excavating, Inc	\$2,980,390	142 (9)
			Smalley Construction	\$1,160,751	56
			Adamo	\$156,990	9
			ABC Demolition Company, Inc.	\$137,736	7 (7)
Calhoun County	Calhoun County Land Bank	\$3,835,499	Bolle Contracting, Inc	\$427,685	32 (32)
			S.C. Environmental Services, LLC	\$137,060	9 (9)
			Smalley Construction	\$18,427	2 (2)
Pontiac	Michigan Land Bank - Pontiac	\$3,705,000	Able Demolition Inc.	\$1,024,528	74
			Salenbien Trucking And Excavating, Inc	\$973,718	50
			Blue Star, Inc.	\$555,583	38
			Dore & Associates Contracting, Inc.	\$232,474	13 (13)
			Smalley Construction	\$119,334	6 (6)
			313 Construction, LLC	\$94,866	9
			Adamo	\$94,166	6
			Homich	\$71,984	3
			O'Brien Construction C/O Adr Consultants, LLC	\$44,788	4
			Merlo Construction	\$10,276	1
Muskegon	Muskegon County Land Bank	\$3,625,000	Melching	\$1,454,528	131 (5)
			Jmb Demolition, LLC	\$327,715	34
			Pitsch Companies, Inc.	\$100,000	4
Ecorse	Wayne Metro - Ecorse	\$2,590,000	International Construction, Inc.	\$1,162,808	79 (7)
			Lyle Demolition LLC	\$832,247	50 (1)
			Salenbien Trucking And Excavating, Inc	\$159,699	10
			Excellent Construction	\$34,203	2 (2)
Grand Rapids	Habitat for Humanity of Kent County	\$656,744	Specialized Demolition, Inc.	\$376,050	16
			Pitsch Companies, Inc.	\$253,934	11
			Unknown	\$12,920	1
	Kent County Land Bank	\$1,776,435	Pitsch Companies, Inc.	\$958,183	53

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<b>City / County</b>	<b>Local Partners</b>	<b>Available TARP Dollars</b>	<b>Primary Demolition Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
			Specialized Demolition, Inc.	\$586,609	29
			Eco Demolition	\$119,284	5
			River City Excavating	\$59,625	3
			F Lax Construction	\$25,000	1
			Unknown	\$21,682	1
Inkster	Michigan Land Bank - Inkster	\$2,250,000	Adamo	\$943,619	52
			Salenbien Trucking And Excavating, Inc	\$691,862	35 (1)
			KCI General Contractors	\$331,517	22 (19)
			Smalley Construction	\$60,361	4 (4)
River Rouge	Wayne Metro - River Rouge	\$1,700,000	Salenbien Trucking And Excavating, Inc	\$502,050	30
			Superior Wrecking, Inc.	\$445,295	28 (7)
			International Construction, Inc.	\$223,924	11 (1)
			E Gilbert & Sons	\$116,265	10
			Excellent Construction	\$12,150	1 (1)
Kalamazoo County	Kalamazoo County Land Bank	\$1,260,630	Bolle Contracting, Inc	\$364,364	23 (8)
			Pitsch Companies, Inc.	\$136,359	9 (1)
			Jmb Demolition, LLC	\$99,784	6
			KMR	\$22,235	2
Port Huron	Port Huron Neighborhood Housing Corporation	\$1,000,000	S.A. Torello, Inc.	\$718,875	32
			Hammar's Contracting	\$143,121	7 (1)
			L&J Construction	\$138,004	7
Ironwood	Gogebic County Land Bank	\$915,000	Snow Country Contracting, Inc.	\$326,387	17 (2)
			Angelo Luppino, Inc.	\$232,893	11 (3)
			Associated Constructors, LLC	\$59,899	4
Hamtramck	Michigan Land Bank - Hamtramck	\$540,000	Salenbien Trucking And Excavating, Inc	\$218,091	10 (1)
			Adamo	\$40,271	2
Adrian	Lenawee County Land Bank	\$375,000	Slusarski Excavating & Paving Inc.	\$160,257	8
			Salenbien Trucking And Excavating, Inc	\$78,796	5
Ishpeming	Marquette County Land Bank	\$250,000	Moyle Trucking & Excavating, Inc.	\$162,490	8 (7)
			Associated Constructors, LLC	\$34,155	3
			Laitala Excavating	\$19,812	1 (1)
Melvindale	Wayne Metro-Melvindale	\$102,000			
Baraga County^					
Bay City^					
Berrien County^					
Cass County^					

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
 QUARTERLY REPORT TO CONGRESS | APRIL 26, 2018**

<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN MICHIGAN</b>					
<b>City / County</b>	<b>Local Partners</b>	<b>Available TARP Dollars</b>	<b>Primary Demolition Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
Cheboygan County <sup>^</sup>					
Grand Ledge <sup>^</sup>					
Monroe <sup>^</sup>					
Schoolcraft County <sup>^</sup>					
Sturgis <sup>^</sup>					
<b>Grand Total</b>		<b>\$380,694,029</b>		<b>\$210,715,109</b>	<b>13,925 (892)</b>

Source: Michigan HFA response to SIGTARP data call.

<sup>^</sup>: These municipalities have been publicly announced as participating in the blight program, but have not yet been allocated funding .

Note 1: Figures may vary slightly from Treasury's published reports, typically due to timing and related issues.

Note 2: "TARP Dollars to Date" includes demolition, acquisition, greening, maintenance and other costs associated with the demolition of the respective properties. Not all of the TARP dollars used were paid to and/or retained by the Primary Demolition Contractor.

Note 3: Of the \$381,185,566 allocated to the blight program, \$380,694,029 has been assigned to individual localities / partners, the remainder appears to be unassigned and available for use.

## TARP Programs in Mississippi

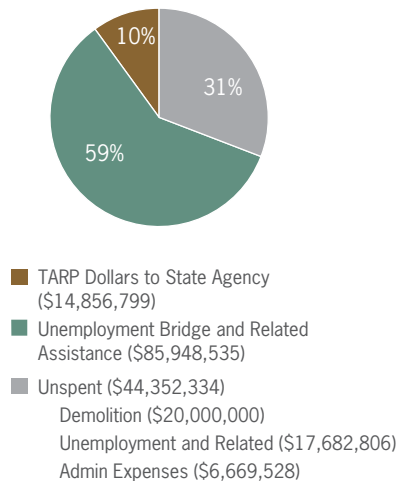
### Making Home Affordable in Mississippi

- 4,156 Mississippi homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Mississippi: Ocwen Loan Servicing LLC (905), Wells Fargo Bank N.A. (538), Select Portfolio Servicing Inc. (493), Nationstar Mortgage LLC (474), JPMorgan Chase Bank NA (295), Bank of America National Association (233), Ditech Financial LLC (145), CitiMortgage Inc (77), Bayview Loan Servicing LLC (36), CIT Bank N.A. (4)
- 49% of all Mississippi homeowners that received HAMP (4,664) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Mississippi

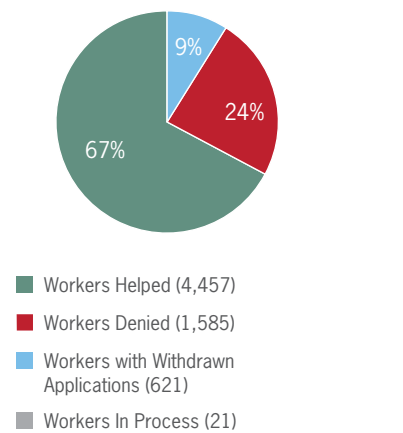
- HHF in Mississippi has provided \$85.9 million to 4,457 homeowners, 67% of those who applied – one of the highest rates of all state agencies. During the past year, the state agency provided \$10.1 million in homeowner assistance and admitted 339 homeowners to its homeowner assistance program.
- The Mississippi agency spent \$14.9 million on its own salaries and expenses. SIGTARP’s 2017 audit found the Mississippi agency spent \$8,111 in HHF funds on unnecessary expenses, including: \$369 spent on restaurant lunch for 30 people, including Treasury employees, \$5,343 spent on unemployment benefits, and \$2,399 on training lunches with counselors.
- In December 2016 the Mississippi agency launched a \$20 million blight demolition program, but has not yet reported any homes demolished through this program.

FIGURE 4.21  
 HARDEST HIT FUND – USE OF FUNDS IN MISSISSIPPI, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.22  
 STATUS OF MISSISSIPPI HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 56,701 (4.5%) are unemployed in Mississippi, compared to 65,727 (5.1%) this time last year.
- 610 Mississippi homeowners lost their home to foreclosure during the past year.
- 22,864 homeowners are delinquent on their mortgage.
- 5,566 Mississippi homeowners owe more than their home is worth.

On a county level, in DeSoto County, Mississippi's third largest county, in the last year 262 homeowners lost their homes to foreclosure, 1,932 homeowners are delinquent on their mortgages and 114 homeowners owe more than their home is worth. In the last year the Mississippi agency has provided 24 homeowners of DeSoto County with HHF assistance.

**Mississippi HHF - Homeowners Assisted by County - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
Hinds	954	78
Harrison	393	13
DeSoto	351	24
Rankin	291	37
Jackson	241	21
Madison	230	29
Hancock	132	8
Lamar	112	12
Lee	110	0
Forrest	109	10
Other Counties	1,534	107
<b>Total</b>	<b>4,457</b>	<b>339</b>

Source: Treasury, response to SIGTARP data call, various dates.



## TARP Programs in Nevada

### Making Home Affordable in Nevada

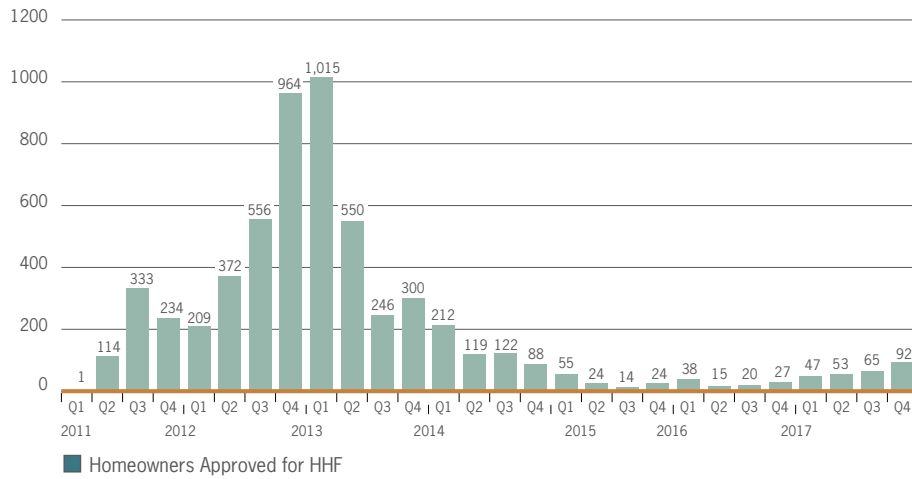
- 17,519 Nevada homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Nevada: Ocwen Loan Servicing LLC (2,900), Nationstar Mortgage LLC (2,879), Wells Fargo Bank N.A. (2,172), Select Portfolio Servicing Inc. (2,150), Bank of America National Association (1,440), JPMorgan Chase Bank NA (1,333), Ditech Financial LLC (905), Bayview Loan Servicing LLC (265), CitiMortgage Inc (226), CIT Bank N.A. (47)
- 40% of all Nevada homeowners that received HAMP (14,578) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Nevada

- On April 23, 2018 the Nevada agency shifted \$36 million to a new Down Payment Assistance program that will provide up to \$20,000 in down payment assistance to homebuyers in parts of Clark County and Nye County. This program shifts almost half of the Nevada agency's remaining homeowner assistance funds to homebuyer assistance.
- Nevada had a 91% drop in the number of homeowners helped each quarter from the first quarter of 2013, to 92 in the fourth quarter of 2017, see Figure 4.22.
- Only 232 Nevada homeowners received help from HHF last year, even though 75,113 people in Nevada are unemployed and the program has \$75.7 million available to help them.
- SIGTARP's audit found that the Nevada state agency spent \$240,677 in HHF funds on unnecessary expenses, including: \$194,294 spent on private investigators, settlement payments for discrimination, and severance payments to former employees, \$43,497 spent on bonuses, of which nearly all went to the CEO who was later terminated, \$2,886 on two employee picnics and other celebrations and food.
- In a September 2016 audit, SIGTARP found \$8.2 million in wasted TARP dollars and abuse by the Nevada Affordable Housing Assistance Corporation (NAHAC), the contractor selected by the state agency to administer HHF. SIGTARP recommended that Treasury prohibit NAHAC from HHF and seek repayment of the following waste identified by SIGTARP:
  - \$11,000 for the CEO's car allowance for a Mercedes Benz
  - \$10,963.68 spent on employee bonuses, employee gifts, employee outings, staff lunches and other employee perks.
    - SIGTARP found that NAHAC used TARP funds to treat their employees to extravagant gifts and perks, all of which was charged to the HHF. NAHAC spent these funds at restaurants, a casino, a country club, on catering and employee gifts, and on an executive's bonus. Establishments where funds were spent include Herbs & Rye, named the nation's best "high volume cocktail bar," and the Dragon Ridge Country Club and Golf Course, which provides "championship golf, luxurious amenities and elegant service."
  - \$5,811.27 spent for holiday parties and gifts
  - \$100,385.20 wasted on excessive rent, relocation and related costs
  - \$184,319.21 spent on legal expenses to defend violations and alleged violations of the law
    - HHF funds were used to pay lawyers to settle a federal investigation by the Department of Labor who found that NAHAC violated Federal law: employee discrimination lawsuits (block-billed at \$123,217), and for an ethics investigation (block-billed at \$18,160).
  - \$26,395.70 to pay for forensic auditors to reconcile its books
  - \$10,812.00 for the independent auditor to reconcile non-HHF bank accounts
  - \$19,874.75 paid for the terminated CEO's severance package

- \$10,840.18 spent on non-HHF expenses identified by Treasury
- \$23,838.25 identified by Treasury for unsupported and non-HHF expenses<sup>28</sup>

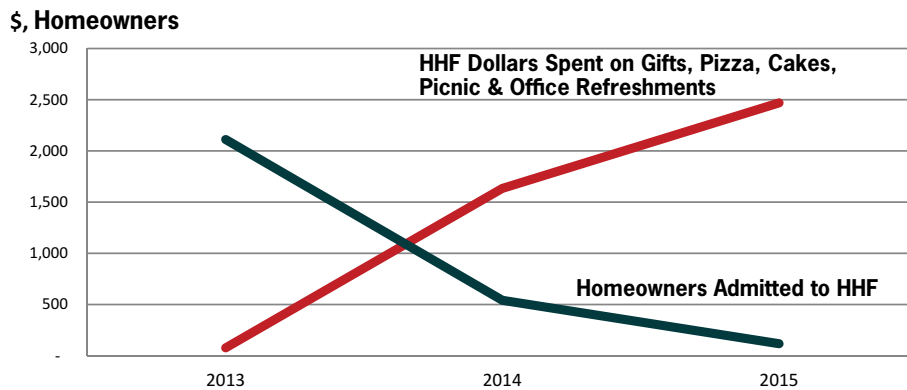
FIGURE 4.23  
 NEVADA HOMEOWNERS APPROVED FOR HHF, BY QUARTER



Source: NAHAC Quarterly Report (QPRs). Data for Q1, Q2, Q3, and Q4 2017 is from Treasury's Housing Finance Agency (HFA) Aggregate Reports, as NAHAC has failed to publish QPRs for that period.  
<https://www.treasury.gov/initiatives/financialstability/reports/Pages/Housing-Finance-Agency-Aggregate-Report.aspx>

- Since 2013 spending by the Nevada state agency has increased while the number of homeowners helped has decreased, see Figure 4.23.

FIGURE 4.24  
 SPENDING BY HARDEST HIT FUND NEVADA COMPARED TO HOMEOWNERS APPROVED FOR HHF



Source: SIGTARP, Audit Report: "Waste and Abuse in the Hardest Hit Fund in Nevada", 9/9/2016, [https://www.sig tarp.gov/Audit%20Reports/HHF%20Nevada\\_090916.pdf](https://www.sig tarp.gov/Audit%20Reports/HHF%20Nevada_090916.pdf), accessed 10/16/2017; Treasury, HFA Aggregate Report Q2 2017.

- Only 34% of all people who applied got HHF help, despite the state’s persistently high mortgage delinquencies, foreclosures and unemployment.
- The Nevada agency has spent \$20.3 million on administrative expenses, which accounts for 16.4% of the agency’s HHF spending, higher than the national average of 10.4%.
- Nevada’s HHF program has seen 40% of homeowners withdraw their application or have their application withdrawn for them. This is among the highest in the country, as 6,801 of the 16,877 homeowners who applied for HHF assistance in Nevada have withdrawn or been withdrawn by the program.<sup>26</sup>

FIGURE 4.25  
 HARDEST HIT FUND – USE OF FUNDS IN NEVADA, AS OF 12/31/2017

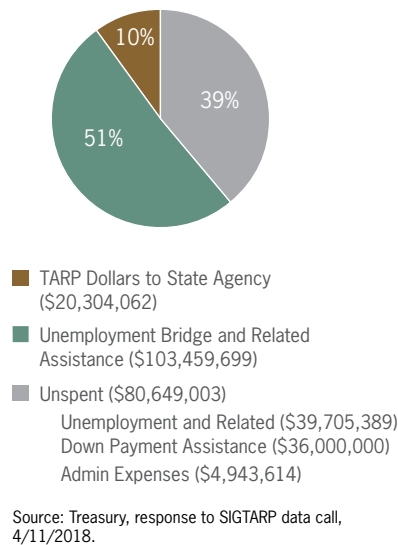
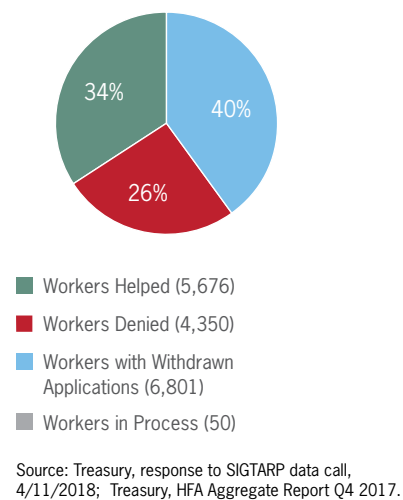


FIGURE 4.26  
 STATUS OF NEVADA HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



- Currently 75,113 (5%) are unemployed in Nevada, compared to 77,052 (5.3%) this time last year.
- 2,902 Nevada homeowners lost their home to foreclosure in the last year.
- 14,402 homeowners are delinquent on their mortgage.
- 44,724 Nevada homeowners owe more than their home is worth.

On a county level, in Clark County, Nevada’s largest county, 2,022 homeowners lost their homes to foreclosure in the last year, while 11,313 homeowners are delinquent on their mortgage, and 37,766 homeowners owe more than their home is worth. In the last year, the Nevada agency has provided HHF assistance to 200 Clark County homeowners.

**Nevada HHF - Homeowners Assisted by County - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
Clark	4,428	200
Washoe	842	14
Lyon	123	4
Carson City	92	3
Douglas	72	3
Nye	67	5
Churchill	23	0
Elko	14	2
White Pine	6	0
Humboldt	4	0
Other Counties	5	1
<b>Total</b>	<b>5,676</b>	<b>232</b>

Source: Treasury, response to SIGTARP data call, various dates.

## TARP Programs in New Jersey

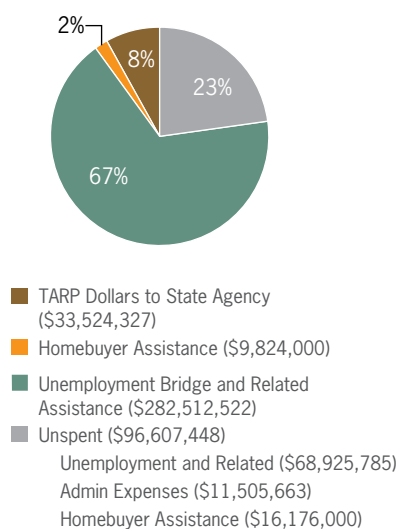
### Making Home Affordable in New Jersey

- 35,304 New Jersey homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in New Jersey: Ocwen Loan Servicing LLC (6,295), Wells Fargo Bank N.A. (5,713), Nationstar Mortgage LLC (4,467), Select Portfolio Servicing Inc. (3,851), JPMorgan Chase Bank NA (3,216), Bank of America National Association (1,974), Ditech Financial LLC (1,722), Bayview Loan Servicing LLC (923), CitiMortgage Inc (574), CIT Bank N.A. (141)
- 44% of all New Jersey homeowners that received HAMP (31,895) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in New Jersey

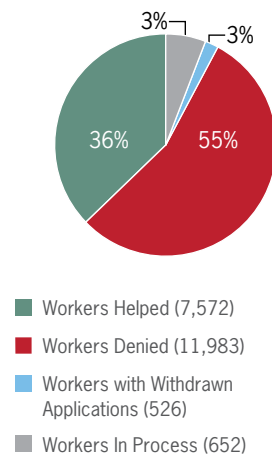
- HHF in New Jersey has provided \$282.5 million to 7,572 homeowners, 36% of those who applied. During the past year, the state agency has provided \$39.6 million in homeowner assistance and admitted 1,322 homeowners to its homeowner assistance program.
- The New Jersey agency has also provided \$9.8 million in down payment assistance to 614 homebuyers, 99.6% of those who applied.
- The New Jersey agency spent \$33.5 million on its own salaries and expenses. SIGTARP’s 2017 audit found that the New Jersey agency spent \$1,585 in HHF funds on unnecessary expenses, including: \$472 at Land & Sea Restaurant, \$836 at Italian Peoples Bakery, and \$277 at Italian Peoples Bakery.

FIGURE 4.27  
 HARDEST HIT FUND – USE OF FUNDS IN NEW JERSEY, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.28  
 STATUS OF NEW JERSEY HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 217,556 (4.8%) are unemployed in New Jersey, compared to 226,708 (5%) this time last year.
- 20,972 New Jersey homeowners lost their homes to foreclosure during the past year.
- 54,117 homeowners are delinquent on their mortgage.
- 143,540 New Jersey homeowners owe more than their home is worth.

On a county level, in the last year, in New Jersey's most populous county, Bergen County, 756 homeowners lost their homes to foreclosure, 3,585 are delinquent on their mortgages, and 9,799 homeowners owe more their home is worth. The New Jersey agency has provided 63 homeowners in Bergen County with HHF assistance in the last year.

**New Jersey HHF - Homeowners Assisted by County - as of 12/31/2017**

County	Homeowners Assisted - Program to Date	Homeowners Assisted - Past 12 Months
Camden	794	136
Atlantic	712	177
Burlington	702	107
Middlesex	624	82
Monmouth	546	107
Ocean	504	73
Essex	475	99
Gloucester	451	67
Bergen	439	63
Union	379	77
Other Counties	1,946	334
<b>Total</b>	<b>7,572</b>	<b>1,322</b>

Source: Treasury, response to SIGTARP data call, various dates.

## TARP Programs in North Carolina

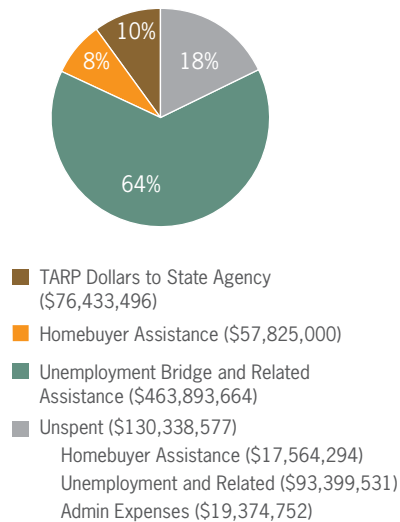
### Making Home Affordable in North Carolina

- 19,704 North Carolina homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in North Carolina: Ocwen Loan Servicing LLC (3,379), Wells Fargo Bank N.A. (3,099), Nationstar Mortgage LLC (2,414), Select Portfolio Servicing Inc. (2,297), JPMorgan Chase Bank NA (1,545), Bank of America National Association (1,058), Ditech Financial LLC (878), Bayview Loan Servicing LLC (351), CitiMortgage Inc (331), CIT Bank N.A. (29)
- 43% of all North Carolina homeowners that received HAMP (18,367) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in North Carolina

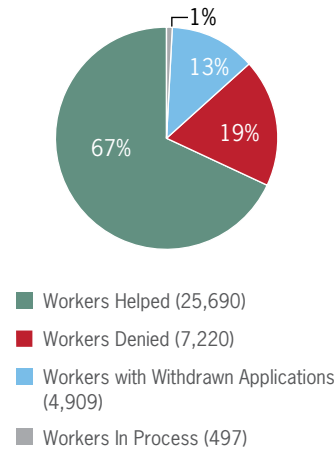
- HHF in North Carolina has provided \$463.9 million to 25,690 homeowners, 67% of the 38,316 homeowners who applied – one of the highest admission rates of all the HHF states. During the past year, the state agency has provided \$55.2 million in homeowner assistance and 2,220 homeowners to its homeowner assistance program.
- The North Carolina agency has also provided \$57.8 million in down payment assistance to 3,855 homebuyers, 76.4% of those who applied, including \$42.9 million to 2,858 homebuyers over the past year.

FIGURE 4.29  
 HARDEST HIT FUND – USE OF FUNDS IN NORTH CAROLINA, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.30  
 STATUS OF NORTH CAROLINA HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- The North Carolina agency spent \$76.4 million on its own salaries and expenses. SIGTARP's 2017 audit found that the North Carolina agency spent \$107,821 in HHF funds on unnecessary expenses, including: \$2,830 spent on four catered barbeques and other food and decorations with Treasury employees; \$8,219 on parties, picnics, celebrations, and outings, including, for example, a Valentine's day party with décor and food; steak and seafood dinners; regular employee meals and balloons, candles, cakes, and cupcakes to celebrate the milestone of the number of homeowners helped; \$18,091 on employee cash bonuses; \$1,965 on VISA gift cards and other gifts including \$1,113 on customized Lands' End shirts and a \$50 CVS gift card to recognize new HHF Funding in 2016; \$8,880 on gym memberships; \$14,124 for employee breakfasts, lunches and dinner sometimes with external parties; and \$53,712 for food and other costs at events with housing counselors, including a 'celebration' of counselors that included \$400 in virgin cocktails, \$200 in mini cupcakes, and a \$770 gratuity.
- Currently 227,582 (4.6%) are unemployed in North Carolina, compared to 245,129 (5%) this time last year.
- 11,284 North Carolina homeowners lost their home to foreclosure during the past year.
- 61,563 homeowners are delinquent on their mortgage.
- 65,487 North Carolina homeowners owe more than their home is worth.

**North Carolina HHF - Homeowners Assisted by County - as of 12/31/2017**

County	Homeowners Assisted - Program to Date	Homeowners Assisted - Past 12 Months
Mecklenburg	3,842	254
Wake	3,101	363
Guilford	1,758	152
Forsyth	1,111	71
Durham	999	104
Cabarrus	684	49
Gaston	644	67
Union	636	34
Johnston	610	62
Catawba	605	39
Other Counties	11,700	1,025
<b>Total</b>	<b>25,690</b>	<b>2,220</b>

Source: Treasury, response to SIGTARP data call, various dates.



## TARP Programs in Ohio

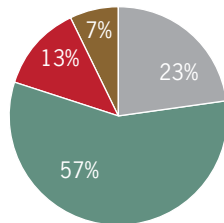
### Making Home Affordable in Ohio

- 23,569 Ohio homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Ohio: Ocwen Loan Servicing LLC (5,185), Select Portfolio Servicing Inc. (2,818), Nationstar Mortgage LLC (2,357), JPMorgan Chase Bank NA (2,179), Wells Fargo Bank N.A. (2,111), Ditech Financial LLC (893), Bank of America National Association (767), Bayview Loan Servicing LLC (497), CitiMortgage Inc (412), CIT Bank N.A. (22)
- 42% of all Ohio homeowners that received HAMP (19,959) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Ohio

- HHF in Ohio has provided \$442 million to 25,970 homeowners, 70% of those who applied – one of the highest rates of all state agencies. During the past year, the state agency has provided \$14.4 million in homeowner assistance and admitted 1,429 homeowners to its homeowner assistance program.
- Ohio HHF has also spent \$94.9 million for the demolition of 7,272 blighted properties in 29 communities.
- The Ohio agency spent \$55.2 million on its own salaries and expenses. SIGTARP’s 2017 audit found that the Ohio agency spent \$204,522 in HHF funds on unnecessary expenses, including: \$127,932 spent on a fleet of cars and a \$90-110 monthly payment to employees for transportation, \$63,432 on unemployment payments to former employees, \$13,158 on events with housing counselors, including paid admission at one zoo and breakfast and lunch at three other zoos.

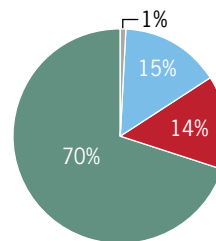
FIGURE 4.31  
 HARDEST HIT FUND – USE OF FUNDS IN OHIO, AS OF 12/31/2017



■ TARP Dollars to State Agency (\$55,191,201)  
 ■ Demolition (\$97,440,526)  
 ■ Unemployment Bridge and Related Assistance (\$441,987,713)  
 ■ Unspent (\$175,164,211)  
 ■ Unemployment and Related Demolition (\$22,437,932)  
 ■ Admin Expenses (\$11,367,535)

Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.32  
 STATUS OF OHIO HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



■ Workers Helped (25,970)  
 ■ Workers Denied (5,149)  
 ■ Workers with Withdrawn Applications (5,684)  
 ■ Workers In Process (212)

Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 275,015 (4.8%) are unemployed in Ohio, compared to 337,498 (5.9%) this time last year.
- 24,623 Ohio homeowners lost their homes to foreclosure during the past year.
- 56,508 homeowners are delinquent on their mortgage.
- 149,251 Ohio homeowners owe more than their home is worth.

**Ohio HHF - Homeowners Assisted by County - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
Cuyahoga	3,643	0
Franklin	2,288	0
Montgomery	1,803	0
Hamilton	1,764	0
Summit	1,340	0
Lucas	1,112	0
Stark	750	0
Lorain	744	0
Medina	630	0
Butler	600	0
Other Counties	9,904	0
<b>Total</b>	<b>24,578</b>	<b>0</b>

Source: Treasury, response to SIGTARP data call, various dates.

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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN OHIO</b>						
<b>County</b>	<b>Available TARP Dollars</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>	
Cuyahoga	\$57,390,852	Cleveland		\$29,064,125	2,526 (341)	
		East Cleveland		\$2,189,824	172 (20)	
		Garfield Heights		\$506,485	38	
		Maple Heights		\$405,696	28 (2)	
		Cleveland Heights		\$315,065	25	
		Euclid		\$249,679	19 (1)	
		Newburgh Heights		\$77,947	6	
		Warrensville Heights		\$55,007	4	
		South Euclid		\$23,616	2	
		Shaker Heights		\$12,525	1	
		Unknown		23823 Ltd LLC		
				A&D Contracting		
				ABC Construction, LLC		
		Aero Abatement Services, Inc				
		AL's Home Repair Services				
		American Metal and Wood Salvage, Inc.				
		American Railroad Tie & Stone Co				
		AMJ Construction				
		AMW Salvage				
		Arbor Pro Tree Care				
		Arick's Services				
		Baumann Enterprises, Inc.				
		Behr Geo Environmental LLC				
		Beneficial Properties Inc.				
		Broadway D&R				
		Carey Roofing and Construction Corporation				
		CarTeCor Management LLC				
		Chemtron Corporation				
		Cherokee Demolition				
		CLB Services LLC				
		Coleman Trucking Inc				
		Contracting C & J Contractors Inc				
		Danzey Landscaping, Inc.				
		ETA Development Inc.				
		Everest Land Title Agency Inc.				
		Expert Reclaim Inc				
		Foresight EHS				
		Glenn A Smith Sr Consulting				
		Great Lakes Contracting				
		HEZ Enterprises LLC				
		Hooks Landscaping & Snow Plowing, LLC				
		Integrity Environmental Development, LLC				

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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN OHIO</b>					
<b>County</b>	<b>Available TARP Dollars</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
			JF Construction and Environmental LLC		
			JJK Environmental Cleaning		
			Jubilee Excavation		
			King's Sons 820, Inc.		
			Kingsway Contracting		
			Kurtz Brothers, Inc		
			L & S Lab Consulting Inc.		
			Lawrence Properties & Rehab. Inc		
			Lee Environmental Cleaning LLC		
			Liberty Tire Recycling		
			Lightening General Contractors		
			Lightning Demolition		
			M & R Industries, Inc.		
			m.a.c. Paran Consulting		
			Mark Brookins/Ginmark Inc.		
			Midtown Demolition		
			Miles Builders		
			New Vista Enterprises		
			O.B.O. Demolition and Construction		
			OBON		
			One Reliable Home Solutions		
			Operation Clean Sweep		
			Otis Maintenance		
			Paran Consulting		
			Partners Environmental Consulting Inc.		
			Precision Environmental Co		
			R.C.I. Services		
			SafeAir Contractors		
			T & T Demolition		
			The Afcose Group		
			The Barker Group		
			The Opal Industrial Group, LLC		
			Uptown Environmental Services LLC		
			Urban Recycling 216		
			Vlora Construction Inc.		
			XL Excavating		
Lucas	\$27,254,945	Toledo		\$12,779,208	1,241 (93)
		Unknown	All Aspects		
			City of Toledo		
			DMD Environmental, Inc.		
			E&H Taylor Construction, Inc.		
			ESI Ecological Services, Inc		

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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN OHIO</b>					
<b>County</b>	<b>Available TARP Dollars</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
			Hazcorp Environmental Services, Inc.		
			J Walker Construction		
			Jackson Industries Corp.		
			LCLRC Holdings LLC		
			Midwest Environmental Control, Inc.		
			Mike's Hauling and Demolition		
			Paxton Demolition		
			PB Fabrication & Dismantling		
			SL Hauling & Renovations LLC		
			T. Smidi Hauling		
			TJRS-LLC		
			Total Environmental Services, LLC		
			TTL Associates Inc.		
			Wes Boykin Trucking		
Franklin	\$20,868,366	Columbus		\$8,944,818	570 (68)
		Unknown	Bronze Star Construction		
			City of Columbus		
			Colvin Gravel Company		
			CTL Engineering, Inc.		
			Demo Construction, LLC		
			Department of Development; City of Columbus		
			DSS Services LLC		
			Egner Construction		
			Franklin County, Ohio		
			Friends of the Hilltop		
			H & H Environmental		
			Hina Environmental Solutions, LLC		
			Lowendick, LLC		
			Luper Neidenthal & Logan		
			McCall and Spero Environmental Inc.		
			McDaniel's Construction Corporation, Inc.		
			Miles-McClellan Construction Company, Inc.		
			North American Environmental Services, LLC		
			Ohio Technical Service, Inc.		
			Poindexter Community Renaissance LLC		
			R3 Inc		
			Rain Brothers, LLC		
			Ransom Company		
			Savaas or Savvas Ramone LLC		
			Superior Enterprises Unlimited LLC		
			Watson General Contracting		
Montgomery	\$17,897,139	Dayton		\$7,285,322	461 (147)

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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN OHIO</b>					
<b>County</b>	<b>Available TARP Dollars</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
		Trotwood		\$67,694	4
		Miamisburg		\$23,988	2 (2)
		Unknown	Bladecutters Lawn Service, Inc.		
			Central Insulation Systems		
			Charles Jergens Construction		
			Chicago Title Company, LLC		
			City of Dayton		
			Coolidge Wall Co		
			CountyCorp		
			Hart Environmental Resources		
			Montgomery County Clerk of Courts		
			Ohio Technical Service, Inc.		
			Rainbow Home Environmental Services		
			Sierra Environmental Group, Inc.		
			Tall View Palladium Inc.		
			The Evans Group		
			Turn-Key Environmental Consultants, Inc.		
Mahoning	\$14,814,254	Youngstown		\$3,439,071	238 (61)
		Campbell		\$393,682	26 (8)
		Struthers		\$384,537	25 (8)
		Boardman		\$54,560	5
		Poland		\$10,457	1 (1)
		Unknown	Adamczak LLC		
			Battle Axe Construction LLC		
			Canfield Fence Company		
			Capital Title Services., Inc.		
			Cyclone Services, Inc.		
			Environmental Protection Systems LLC		
			Howland Company, LLC		
			Lien Forward Ohio		
			Logan Creek LLC		
			Mahoning County Prosecuting Attorney		
			McCall and Spero Environmental Inc.		
			MCM Services (Maximus Consulting LLC)		
			Metro Land Title Agency, Inc.		
			Ron's Tree & Lawn Service, Inc.		
			SAFECO Environmental, Inc.		
			Safeguard Title Agency		
			Siegel Excavating LLC		
			SKW Prep, LLC		
			Sly's Landscaping		
			Steve Biroshak		

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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN OHIO</b>					
<b>County</b>	<b>Available TARP Dollars</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
			Triple-Diamond Trucking & Excavating, LLC		
			Upscale Landscaping & Lawn Maintenance Inc.		
			Western Reserve Title & Escrow Inc.		
			White Inc. Associates		
			Youngstown Neighborhood Development		
Trumbull	\$12,786,103	Warren		\$2,568,919	223 (23)
		Niles		\$77,896	6 (6)
		Masury		\$63,021	5 (5)
		Girard		\$34,615	3 (3)
		Hubbard		\$32,206	3 (3)
		Leavittsburg		\$31,418	3 (3)
		Unknown	ABS Environmental, Inc.		
			Bauman Land Title Agency, Inc.		
			Diamond Environmental		
			Harrington House & Gardens		
			Hoffman & Walker Co. LPA		
			Holton Inc		
			Howland Company, LLC		
			HzW Environmental Consultants LLC		
			Jireh Properties, LTD		
			M & R Industries, Inc.		
			Schubert Title Agency, Inc.		
			South Park Title Agency, Inc.		
			The Title Company of Warren		
			Trumbull County Legal News		
			Valley Title & Escrow Agency, Inc.		
Stark	\$12,122,446	Canton		\$3,827,857	244 (10)
		Alliance		\$470,310	36 (7)
		Massillon		\$39,645	4
		Unknown	Al's General Building Contractor, LLC		
			american title associates agency., Inc		
			Analytical Services		
			AWI, Inc.		
			Bertolini Trucking		
			Boswell Concrete, Inc.		
			Campbell Excavating		
			Cardinal Environmental Services, Inc.		
			City of Canton		
			Cottrill Wrecking		
			CRS General Contracting		
			Cutler Homes		
			Danmar Services		

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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN OHIO</b>					
<b>County</b>	<b>Available TARP Dollars</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
			DCV Construction		
			DDH Construction		
			Emerald Environmental, Inc.		
			FER Title Agency, LLC		
			HEPA Environmental Services Inc.		
			Heritage Union Title		
			Howland Company, LLC		
			John D. Ferrero		
			L & L General Contractors		
			Moore Title Group		
			Paramount Inc.		
			Phillip Schandel		
			PS Construction		
			Quality Care Construction		
			SAG Construction		
			Stark County Clerk of Courts		
			Steve Martin Construction		
			T & L Pest Control		
			The Dell Group, Inc.		
			The Press News		
			Title One Agency, Inc.		
			Urban Green Solutions		
Hamilton	\$9,784,383	Cincinnati		\$4,249,967	220 (30)
		Unknown	Allgeier and Sons Inc		
			Battle Axe Construction LLC		
			Building Value, LLC		
			City of Cincinnati Code Enforcement		
			Fiscus Trucking & Excavating, Inc.		
			Just Right Construction & Lawn Care Service		
			Lawn Life		
			Logan Creek LLC		
			Port of Greater Cincinnati Development Authority		
			R & J Construction Services		
			Rainbow Environmental Services		
			SRW Environmental Services, Inc.		
Summit	\$9,551,271	Akron		\$2,233,424	142 (10)
		Barberton		\$93,474	7 (4)
		Unknown	AC Lawncare & Landscaping		
			Akron Legal News		
			Assured Abatement Removal		
			Butcher and Son, Inc.		
			Cardinal Environmental Services, Inc.		



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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN OHIO</b>					
<b>County</b>	<b>Available TARP Dollars</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
			CLB Services LLC		
			Development Finance Authority of Summit County		
			Diamond Environmental		
			Diamond Services, Inc.		
			Emerald Environmental, Inc.		
			First Security Title Corporation		
			Foresight EHS		
			GCS Industrial Services, Ltd		
			Habitat for Humanity of Summit County		
			HEPA Environmental Services Inc.		
			Howland Company, LLC		
			HzW Environmental Consultants LLC		
			Jim Gangle Bulldozing & Excavating Co Inc		
			M & R Industries, Inc.		
			Mark Hostetler Masonry Contractor		
			Minnesota Insured Title		
			Obsidian Environmental Corp		
			Partners Environmental Consulting Inc.		
			Perkins Lawn Maintenance		
			Quality Landscape Services		
			Ray Bertolini Trucking Co		
			SafeAir Contractors		
			Summit County Clerk of Courts		
			Taylor Companies of Ohio		
			The Dell Group, Inc.		
			Titanium Title Agency, LLC		
			TRW Construction LLC		
			Zollinger Sand & Gravel Co		
Lawrence	\$4,631,034	Ironton		\$184,249	17 (9)
		Chesapeake		\$148,797	13 (13)
		Coal Grove		\$67,267	5 (5)
		Proctorville		\$47,283	4 (3)
		South Point		\$43,857	3 (3)
Lorain	\$4,631,034	Lorain		\$1,939,298	104
		Elyria		\$808,786	48
		Unknown	Diamond Services, Inc.		
			JP Environmental Consulting, Inc.		
			Old Republic National Title Insurance Company		
Allen	\$4,500,000	Lima		\$814,525	58 (42)
		Delphos		\$15,843	1
		Elida		\$12,506	1
Ashtabula	\$4,350,769	Ashtabula		\$1,373,434	77 (9)

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
 QUARTERLY REPORT TO CONGRESS | APRIL 26, 2018**

<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN OHIO</b>					
<b>County</b>	<b>Available TARP Dollars</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
		Conneaut		\$279,834	15 (7)
		Unknown	Adams Services Inc.		
			Ashtabula County Port Authority		
			Lower Cork Co.		
			McCall and Spero Environmental Inc.		
			Medico Systems Inc		
			Monit-Air Group Inc.		
Butler	\$4,316,397	Hamilton		\$1,211,949	92 (15)
		Middletown		\$135,564	9 (9)
		Unknown	Evans Landscaping		
			Humble Environmental Service		
			S/R Industries aka Sharon Roth		
			Timothy W. Carlson Attorney		
			Vickers Demolition		
			Watson Gravel Inc		
Richland	\$3,764,735	Mansfield		\$1,549,648	133 (39)
		Shelby		\$49,953	3
		Shiloh		\$7,354	1 (1)
		Mansfield		\$7,258	1 (1)
		Unknown	Accurate Key & Lock Service		
			Certified Environmental, Inc.		
			Chem-Tech Consultants, Inc.		
			H & T Demolition		
			Lowes Home Centers, LLC		
			Ours Excavating		
			Page Excavating, Inc.		
			Rex's Landscaping & Construction, LLC.		
			Richland County Habitat for Humanity		
			Southern Title of Ohio, Ltd.		
			Wallace Turf Care		
Columbiana	\$3,218,750	East Liverpool		\$335,332	18
		Wellsville		\$267,215	19
		Salem		\$112,232	6
		Unknown	Yarian Brothers Construction, Inc.		
Scioto	\$2,725,000	Portsmouth		\$723,130	36 (29)
		West Portsmouth		\$38,368	2 (1)
		Lucasville		\$27,179	2 (2)
		New Boston		\$25,000	1 (1)
		Mcdermott		\$20,709	1 (1)
Clark	\$2,053,627	Springfield		\$1,151,118	75 (20)
		Unknown	Bonnie's Nursery & Garden Center		
			Clark County Auditor's Office		

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN OHIO</b>					
<b>County</b>	<b>Available TARP Dollars</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
			Clark County Clerk of Courts		
			Clark County Community Development		
			EHS Laboratories - Environmental Hazard Services		
			Huffman Tree Company		
			KC Fencing Unlimited LLC		
			Law Office Mark F. Roberts		
			Neighborhood Housing Partnership of Greater Springfield, Inc.		
			Perry's Lawncare & Landscaping		
			Tony Smith Wrecking		
Erie	\$1,519,574	Sandusky		\$355,906	31 (14)
		Berlin Heights		\$14,296	1
		Unknown	Fairfield		
			Great Lakes Demolition Co.		
			Holcomb Enterprises LLC		
			Stone Environmental, LLC		
Jefferson	\$1,462,897	Steubenville		\$262,013	17 (3)
		Mingo Junction		\$139,963	9 (4)
		Dillonvale		\$131,083	10 (4)
		Adena		\$83,549	7 (3)
		Smithfield		\$79,826	4 (1)
		Rayland		\$79,017	5 (2)
		Brilliant		\$54,023	4 (3)
		Irondale		\$27,575	2 (2)
		Amsterdam		\$13,349	1 (1)
		Toronto		\$12,553	1 (1)
		Empire		\$12,370	1
		Yorkville		\$11,637	1 (1)
		Unknown	Bruzzese & Calabria Attorneys at Law		
			CT Consultants		
			D&L Unlimited Construction		
			Dave Buckmaster Plumbing & Heating		
			Jefferson County Auditor		
			Jefferson County Regional Planning Commission		
			Lawrence T. Piergallini		
			Littlejohn Law, LLC		
			Office of the Prosecuting Attorney		
			Raze International, Inc		
			Thomas Wilson		
			X-Treme Demolition		
Licking	\$1,400,000	Newark		\$242,431	18 (11)
		Buckeye Lake		\$47,886	5 (1)
		Pataskala		\$17,871	1 (1)
Lake	\$1,250,000	Painesville		\$207,157	12

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN OHIO</b>					
<b>County</b>	<b>Available TARP Dollars</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
		Madison		\$100,760	5
		Mentor		\$60,871	3
		Wickliffe		\$40,939	2
		Eastlake		\$35,971	2
		Willoughby		\$25,000	1
		Fairport Harbor		\$11,917	1
		Mentor On The Lake		\$9,884	1
		Unknown	Blackmore's Security Inc		
			Conway Land Title Company		
			Crisp Analytical, LLC		
			Cuyahoga HHF Acquisitions, LLC		
			Jim Hall Tree Service		
			JMW Trucking		
			Lake Erie Lawn Service		
			Pillar Excavating		
Fairfield	\$895,966	Lancaster		\$357,623	21
		Thornville		\$11,935	1
		Unknown	Fairfield County Treasurer		
			Fairfield County Clerk of Courts		
			Fairfield County Port Authority		
			Fairhaven Lawn Care		
			Krikbride Lawn Care		
			LEPI Enterprises Inc		
			Ricketts Excavating, Inc.		
			Vinton County National Bank		
Marion	\$850,000	Marion		\$78,552	6 (6)
		Caledonia		\$12,936	1 (1)
Belmont	\$635,193	Martins Ferry		\$56,833	4
		Bellaire		\$53,842	4
		Bridgeport		\$27,021	2
Portage	\$600,000	Ravenna		\$225,346	16 (4)
		Kent		\$71,823	4
		Windham		\$58,631	5 (3)
		Atwater		\$47,819	4
		Deerfield		\$43,965	3
		Mantua		\$18,650	1
		Revenna		\$15,350	1
		Garrettsville		\$13,159	1
		Unknown	Butcher and Sons Excavating		
			Diamond Environmental		
			Neighborhood Development Services, Inc.		
			Woodford Excavating LLC		

## TARP Programs in Oregon

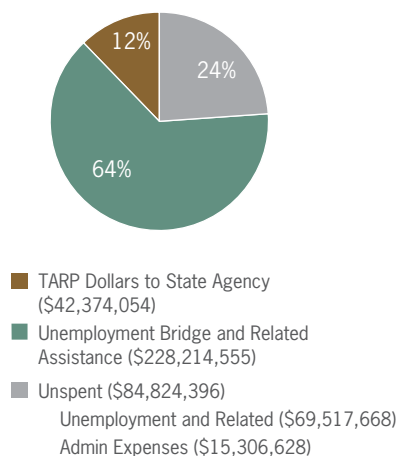
### Making Home Affordable in Oregon

- 9,259 Oregon homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Oregon: Ocwen Loan Servicing LLC (1,461), Nationstar Mortgage LLC (1,324), Wells Fargo Bank N.A. (1,203), Select Portfolio Servicing Inc. (1,156), JPMorgan Chase Bank NA (924), Bank of America National Association (570), Ditech Financial LLC (535), Bayview Loan Servicing LLC (139), CitiMortgage Inc (84), CIT Bank N.A. (29)
- 33% of all Oregon homeowners that received HAMP (6,418) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Oregon

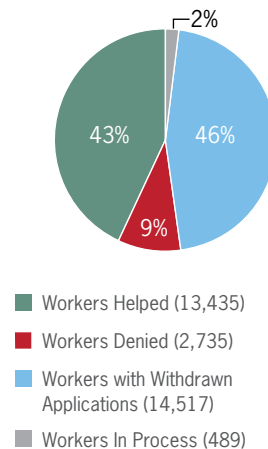
- HHF in Oregon has provided \$228.2 million to 13,435 homeowners, 43% of those who applied. During the past year, the state agency has provided \$21.8 million in homeowner assistance and admitted 1,430 homeowners to its homeowner assistance program.
- The Oregon agency spent \$42.4 million on its own salaries and expenses. SIGTARP's 2017 audit found that the Oregon agency spent \$165,995 in HHF funds on unnecessary expenses, including: \$430 on restaurant lunches with Treasury employees, including coffee pastries and desserts, and twice for lunch for their staff to celebrate after Treasury's audit, \$84,256 spent to settle a former employee's wrong termination litigation and the legal claims of two other terminated employees, \$79,742 spent on unemployment payments to former employees, \$1,567 on food and beverages, including lunch at Newport Seafood Grill with Bank of America staff.

FIGURE 4.33  
 HARDEST HIT FUND – USE  
 OF FUNDS IN OREGON,  
 AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.34  
 STATUS OF OREGON  
 HOMEOWNERS THAT APPLIED  
 TO HHF, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 91,976 (4.3%) are unemployed in Oregon, compared to 88,807 (4.3%) this time last year.
- 5,783 Oregon homeowners have lost their homes to foreclosure in the last year.
- 12,365 homeowners are delinquent on their mortgage.
- 12,806 Oregon homeowners owe more than their home is worth.

On a county level, in Oregon's most populous county, Multnomah County, in the last year 654 homeowners lost their homes to foreclosure, 1,797 are delinquent on their mortgages, and 1,844 homeowners owe more than their home is worth. The Oregon agency has provided 218 homeowners in Multnomah County with HHF assistance in the last year.

## TARP Programs in Rhode Island

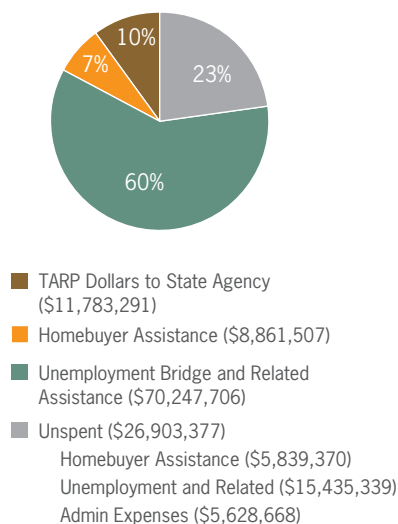
### Making Home Affordable in Rhode Island

- 4,570 Rhode Island homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Rhode Island: Ocwen Loan Servicing LLC (994), Nationstar Mortgage LLC (603), Select Portfolio Servicing Inc. (568), Wells Fargo Bank N.A. (374), Bank of America National Association (353), JPMorgan Chase Bank NA (353), Ditech Financial LLC (180), Bayview Loan Servicing LLC (130), CitiMortgage Inc (45), CIT Bank N.A. (8)
- 42% of all Rhode Island homeowners that received HAMP (3,927) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Rhode Island

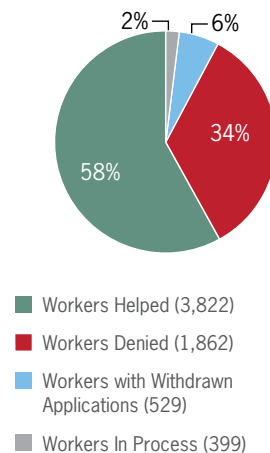
- HHF in Rhode Island has provided \$70.2 million to 3,822 homeowners, 58% of the 6,612 homeowners who applied – one of the highest rates of all state agencies. During the past year, the state agency has provided \$5.3 million in homeowner assistance and admitted 567 homeowners to its homeowner assistance program.
- The Rhode Island state agency has also provided \$8.9 million in down payment assistance to 872 homebuyers, 70.7% of those who applied, including \$5.6 million to 708 homebuyers last year.
- The Rhode Island agency spent \$11.8 million on its own salaries and expenses. SIGTARP’s 2017 audit found that the Rhode Island agency spent \$1,238,228 in HHF funds on unnecessary expenses, including: \$1,031,310 spent for the full cost -- despite the center’s use for non-HHF programs -- to build out a new customer center with a new kitchen and furniture, backdated ‘storage’ costs in the agency’s own building while HHF was closed, \$114,596 on a monthly \$105 payment to each employee to defray parking and transportation costs, \$14,994 on severance, \$75,703 on unemployment payments, \$1,625 on food and beverages.

FIGURE 4.35  
 HARDEST HIT FUND – USE OF FUNDS IN RHODE ISLAND, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.36  
 STATUS OF RHODE ISLAND HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 29,317 (5.3%) are unemployed in Rhode Island, compared to 28,584 (5.2%) this time last year.
- 1,020 Rhode Island homeowners lost their home to foreclosure during the past year.
- 4,292 homeowners are delinquent on their mortgage.
- 17,732 Rhode Island homeowners owe more than their home is worth.

On a county level, in Providence County, Rhode Island's most populous county, over the last year 685 homeowners have had their homes foreclosed on, currently there are 2,747 homeowners with delinquent mortgages, and 12,299 homeowners who owe more on their homes than their homes are worth. In the last year, the Rhode Island agency provided HHF assistance to 394 Providence County homeowners.

**Rhode Island HHF - Homeowners Assisted by County - as of 12/31/2017**

County	Homeowners Assisted - Program to Date	Homeowners Assisted - Past 12 Months
Providence	2,494	394
Kent	828	140
Washington	266	23
Newport	131	6
Bristol	103	4
<b>Total</b>	<b>3,822</b>	<b>567</b>

Source: Treasury, response to SIGTARP data call, various dates.



## TARP Programs in South Carolina

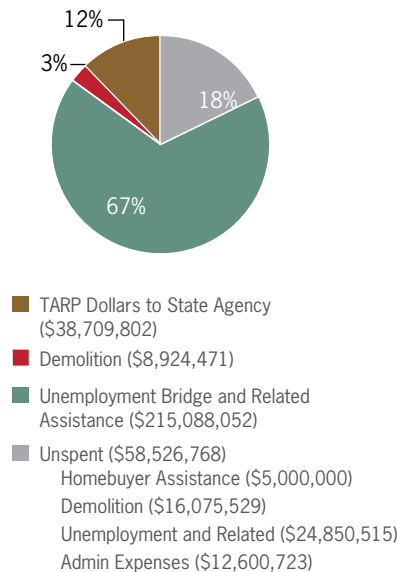
### Making Home Affordable in South Carolina

- 9,812 South Carolina homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in South Carolina: Ocwen Loan Servicing LLC (2,000), Wells Fargo Bank N.A. (1,334), Select Portfolio Servicing Inc. (1,235), Nationstar Mortgage LLC (1,203), JPMorgan Chase Bank NA (769), Bank of America National Association (441), Ditech Financial LLC (408), Bayview Loan Servicing LLC (184), CitiMortgage Inc (174), CIT Bank N.A. (22)
- 43% of all South Carolina homeowners that received HAMP (8,963) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in South Carolina

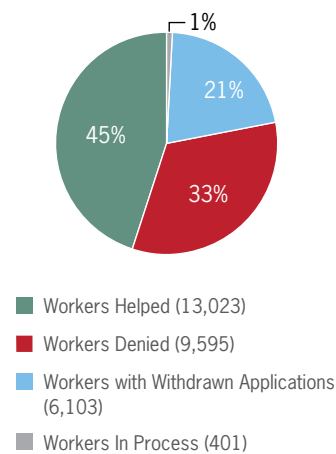
- HHF in South Carolina has provided \$215.1 million to 13,023 homeowners, 45% of those who applied.
- The South Carolina state agency has also provided \$8.9 million to demolish 354 blighted properties in 40 communities.
- The South Carolina agency spent \$38.7 million on its own salaries and expenses. SIGTARP's 2017 audit found that the South Carolina agency spent \$49,402 in HHF funds on unnecessary expenses, including: \$20,627 spent on an executive's use of a car, \$12,735 for food and beverages, \$16,040 on employee bonuses. After SIGTARP's audit, South Carolina moved \$6 million planned for salaries and other expenses to a new down payment assistance program.

FIGURE 4.37  
 HARDEST HIT FUND – USE OF FUNDS IN SOUTH CAROLINA, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.38  
 STATUS OF SOUTH CAROLINA HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 106,392 (4.6%) are unemployed in South Carolina, compared to 106,193 (4.6%) this time last year.
- 5,750 South Carolina homeowners have lost their home to foreclosure in the past year.
- 31,247 homeowners are delinquent on their mortgage.
- 33,477 South Carolina homeowners owe more than their home is worth.

On a county level, in Richland County, South Carolina's second most populous county, 672 homeowners lost their homes to foreclosure over the last year. There are 3,368 homeowners in Richland County who are delinquent on their mortgages and 5,752 homeowners who owe more than their home is worth. Over the past year, the South Carolina agency provided HHF assistance to 196 Richland County homeowners.

**South Carolina HHF - Homeowners Assisted by County - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
Richland	1,906	196
Greenville	1,267	137
Spartanburg	962	93
Lexington	946	106
York	890	95
Charleston	836	66
Horry	631	38
Berkeley	578	48
Dorchester	464	46
Florence	375	18
Other Counties	4,168	394
<b>Total</b>	<b>13,023</b>	<b>1,237</b>

Source: Treasury, response to SIGTARP data call, various dates.

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN SOUTH CAROLINA</b>										
<b>Lead Entity</b>	<b>Available TARP Dollars</b>	<b>Local Partners</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>				
City of Spartanburg	\$5,898,435	Northside Development Corp.	Spartanburg	Smith's Trucking	\$183,169	9				
				Dem-Tek, LLC	\$61,419	4				
				TLAQ K Contracting Services	\$52,732	2				
		Regenesys Community Development Corporation	Spartanburg	Dem-Tek, LLC	\$38,181	2 (2)				
				Wilma's Pump and Tank Co. Inc.	\$24,076	1 (1)				
		Nehemiah CRC	Spartanburg	Blacks Grading Services, LLC	\$22,057	1 (1)				
				Smith's Trucking	\$21,687	1 (1)				
		Homes of Hope, Inc	Spartanburg	Smith's Trucking	\$28,691	1				
				Blacks Grading Services, LLC						
		Upstate Housing Partnership	Spartanburg							
Habitat for Humanity	Spartanburg									
Catawba Regional Council of Governments	\$4,655,184	Catawba Regional Development Corp	Lancaster	4 Seasons Site and Demo, Inc	\$613,169	30 (13)				
				Jones Grading and Fencing, Incorporated	\$489,012	19				
				Webb Harrell Construction Service Corp	\$331,070	13 (13)				
				Union	4 Seasons Site and Demo, Inc	\$485,796	21 (17)			
				Chester	Jones Grading and Fencing, Incorporated	\$205,059	6 (6)			
					4 Seasons Site and Demo, Inc	\$191,431	7			
				Great Falls	Jones Grading and Fencing, Incorporated	\$186,630	6 (6)			
					4 Seasons Site and Demo, Inc	\$35,000	1			
				Kershaw	4 Seasons Site and Demo, Inc	\$150,273	6 (5)			
					Webb Harrell Construction Service Corp	\$62,144	2 (2)			
				York	4 Seasons Site and Demo, Inc	\$187,160	6			
				Jonesville	4 Seasons Site and Demo, Inc	\$122,557	5 (1)			
				Heath Springs	4 Seasons Site and Demo, Inc	\$41,637	2 (1)			
					Jones Grading and Fencing, Incorporated	\$25,548	1			
				Webb Harrell Construction Service Corp	\$21,190	1 (1)				
				Lockhart	4 Seasons Site and Demo, Inc	\$42,407	2 (1)			
				Sharon	4 Seasons Site and Demo, Inc	\$17,594	1			
				Buffalo	4 Seasons Site and Demo, Inc	\$14,088	1			
				City of Columbia	\$3,114,777	Columbia Housing Authority Development, Inc.	Columbia	Carolina Wrecking, Inc	\$587,152	19
								Jones Grading and Fencing, Incorporated	\$276,667	1
Columbia Housing Development Corp	Columbia	Carolina Trucking & Demolition Services, Inc.	\$63,764			2				
		Eau Claire Development Corp	Columbia			Carolina Wrecking, Inc	\$35,000	1 (1)		
Homeless No More, Inc.	Columbia	Carolina Trucking & Demolition Services, Inc.	\$31,473			1				
		4 Seasons Site and Demo, Inc								
Columbia Development Corp	Columbia	Carolina Trucking & Demolition Services, Inc.								
City of Sumter	\$3,042,982	Santee-Lynches Regional Development Corp.	Sumter	State Tree Service	\$241,995	11				
				Berry's Construction of Sumter	\$198,042	13				

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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN SOUTH CAROLINA</b>						
<b>Lead Entity</b>	<b>Available TARP Dollars</b>	<b>Local Partners</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
				Rhino Demolition & Environmental Services	\$191,289	7 (4)
				EnviroDemo Contractors	\$160,894	8
				Unknown	\$119,577	6
				Digging Deep Construction, LLC	\$61,127	3 (3)
				4 Seasons Site and Demo, Inc	\$44,050	1 (1)
				JMEC Construction LLC	\$19,842	1 (1)
Anderson County	\$1,815,106	Pelzer Heritage Commission	Anderson	Wilma's Pump and Tank Co. Inc.	\$118,007	5 (4)
				Miller Construction		
			Pelzer	Miller Construction	\$39,070	2
			Honea Path	Miller Construction	\$28,480	1
				Wilma's Pump and Tank Co. Inc.		
			Belton	Wilma's Pump and Tank Co. Inc.		
				Miller Construction		
			Pendleton	Wilma's Pump and Tank Co. Inc.		
			Williamston	Wilma's Pump and Tank Co. Inc.		
				Miller Construction		
			Iva	Wilma's Pump and Tank Co. Inc.		
City of Camden	\$1,169,850	Santee-Lynches Regional Development Corp.	Camden	4 Seasons Site and Demo, Inc	\$280,878	10
				Unknown	\$154,610	6
				TKO Demolition, LLC	\$145,385	7
				Berry's Construction of Sumter	\$22,429	1
City of Greenville	\$1,160,120	Genesis Homes	Greenville	Vaughn Excavating, LLC	\$105,000	3
				Soteria CDC	\$70,000	2
				JBR Environmental	\$70,000	2 (2)
				Dem-Tek, LLC	\$68,852	2
				James E Jones Grading and Landscaping	\$26,394	1
		Homes of Hope, Inc	Greenville	Vaughn Excavating, LLC	\$70,000	2
				James E Jones Grading and Landscaping	\$35,000	1 (1)
				Dem-Tek, LLC		
		Neighborhood Housing Corporation of Greenville, Inc.	Greenville	James E Jones Grading and Landscaping	\$33,178	1
				Vaughn Excavating, LLC	\$29,067	1
		Habitat for Humanity of Greenville County	Greenville	Dem-Tek, LLC	\$45,720	2
		United Housing Connections				
		Allen Temple CEDC	Greenville	JBR Environmental		
		Nehemiah CRC	Greenville			
Bamberg County	\$879,776	Southeastern Housing Foundation	Bamberg	Southeastern Construction and Development, LLC	\$42,726	2
			Denmark	Southeastern Construction and Development, LLC		1
City of Greenwood	\$825,000	Greenwood Area Habitat for Humanity	Greenwood	Phillips Recoveries Inc	\$100,358	4 (4)
				Eagle Demolition and Environmental	\$38,807	2 (2)
Allendale County	\$735,000	Southeastern Housing Foundation	Allendale	Southeastern Construction and Development, LLC		
		Allendale County ALIVE				

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<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN SOUTH CAROLINA</b>							
<b>Lead Entity</b>	<b>Available TARP Dollars</b>	<b>Local Partners</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>	
Greenville County Redevelopment Authority	\$692,272	Nehemiah CRC	Greenville	Vaughn Excavating, LLC	\$91,234	3	
				Dem-Tek, LLC	\$35,000	1	
		Neighborhood Housing Corporation of Greenville, Inc.	Greenville	Manly Clean Up and Grading Services	\$95,902	3 (2)	
				Vaughn Excavating, LLC	\$24,973	1	
		Habitat for Humanity of Greenville County	Greenville	Manly Clean Up and Grading Services	\$60,850	2	
				Vaughn Excavating, LLC			
		United Housing Connections	Greenville	Dem-Tek, LLC	\$33,989	1	
				Homes of Hope, Inc	\$30,442	1	
		Greenville Revitalization Corp		Greer	Dem-Tek, LLC		
		Town of Cheraw	\$577,306	Town of Cheraw CDC	Cheraw	Furr Grading & Paving	\$232,236
Unknown	\$138,698					7	
4 Seasons Site and Demo, Inc	\$91,156					6	
City of Florence	\$560,000					Downtown Development Association	Florence
City of Rock Hill	\$554,876	Housing Development Corporation of Rock Hill	Rock Hill	EnviroDemo Contractors	\$134,248	6 (2)	
				City of Rock Hill Neighborhood Division	\$109,224	5	
				Potter Construction Services	\$20,540	1 (1)	
Genesis Homes	\$505,000	City of Laurens	Laurens				
City of Anderson	\$497,071	Anderson CDC	Anderson	Phillips Recoveries Inc	\$50,141	2 (2)	
				Miller Construction			
City of Hartsville	\$385,000	Darlington County Habitat for Humanity	Hartsville	Phillips Recoveries Inc	\$48,891	3 (1)	
				4 Seasons Site and Demo, Inc			
Metanoia	\$350,000	Metanoia	North Charleston	IPW Construction Group, LLC			
				4 Seasons Site and Demo, Inc			
City of Aiken	\$330,845	Second Baptist CDC	Aiken	Thompson Building & Wrecking Co. Inc.	\$208,730	7	
				Kendrick Clearing and Hauling, Inc.	\$34,785	1	
		Nehemiah CRC	Aiken	Kendrick Clearing and Hauling, Inc.	\$87,331	3 (1)	
Town of Estill	\$280,000	Southeastern Housing Foundation	Estill	Southeastern Construction and Development, LLC			
Town of Saluda	\$211,000	Christ Central	Saluda	FD Riley & Son, Inc.	\$35,000	1 (1)	
Town of Blackville	\$195,683	Southeastern Housing Foundation	Blackville	Southeastern Construction and Development, LLC	\$44,483	2	
				Blackville CDC	Blackville		
Town of Williston	\$119,313	Southeastern Housing Foundation	Williston	Southeastern Construction and Development, LLC	\$13,924	1	
City of Myrtle Beach	\$70,000	Myrtle Beach Community Land Trust	Myrtle Beach	Southern Demolition	\$34,321	1	

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
 QUARTERLY REPORT TO CONGRESS | APRIL 26, 2018**

<b>TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN SOUTH CAROLINA</b>						
<b>Lead Entity</b>	<b>Available TARP Dollars</b>	<b>Local Partners</b>	<b>City</b>	<b>Contractors Receiving TARP</b>	<b>TARP Dollars to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
Horry County	\$70,000	Habitat for Humanity of Horry County				
		Grand Strand Housing & Conway CDC		Rhino Demolition & Environmental Services		
				Benchmark Construction		
City of Charleston		Sea Island Habitat for Humanity PASTORS, Inc				
<b>Grand Total</b>	<b>\$28,694,595</b>				<b>\$8,864,703</b>	<b>354 (104)</b>

Source: South Carolina Housing Corporation data call response

Note: Due to reporting date differences, figures may vary from Treasury's published reports. The South Carolina agency has been allocated \$25 million for blight demolition by Treasury, yet the total amount of TARP funds reported as allocated for blight demolition by the South Carolina agency is \$28.7 million.

## TARP Programs in Tennessee

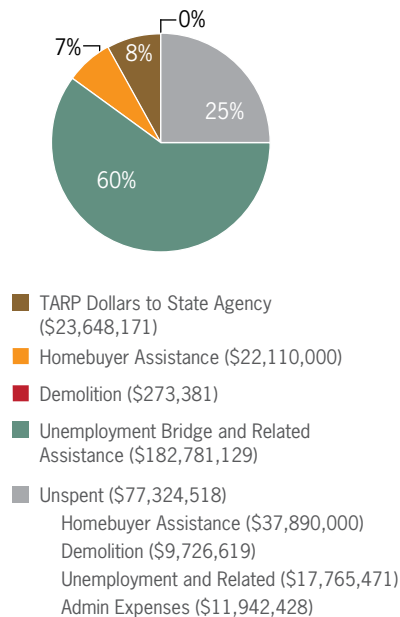
### Making Home Affordable in Tennessee

- 11,828 Tennessee homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Tennessee: Ocwen Loan Servicing LLC (2,539), Select Portfolio Servicing Inc. (1,634), Wells Fargo Bank N.A. (1,531), Nationstar Mortgage LLC (1,307), JPMorgan Chase Bank NA (873), Bank of America National Association (547), Ditech Financial LLC (370), Bayview Loan Servicing LLC (195), CitiMortgage Inc (176), CIT Bank N.A. (9)
- 44% of all Tennessee homeowners that received HAMP (11,759) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Tennessee

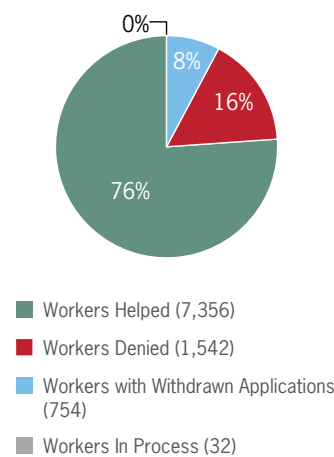
- HHF in Tennessee has provided \$182.8 million to 7,356 homeowners, 76% of those who applied. During the past year, the state agency has provided \$1.9 million in homeowner assistance and admitted 1 homeowner to its homeowner assistance program.
- The Tennessee state agency has also provided \$22.1 million in down payment assistance to 1,474 homebuyers, 94.7% admission rate, all of which occurred last year.
- The Tennessee agency spent \$273,381 to demolish 16 blighted properties in 4 communities.

FIGURE 4.39  
 HARDEST HIT FUND – USE OF FUNDS IN TENNESSEE, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.40  
 STATUS OF TENNESSEE HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

**SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM  
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- The Tennessee agency spent \$23.6 million on its own salaries and expenses. SIGTARP's 2017 audit found that the Tennessee agency spent \$5,985 in HHF funds on unnecessary expenses, including: \$5,558 spent on unemployment benefits, \$427 on food and beverages.
- Currently 117,936 (3.6%) are unemployed in Tennessee, compared to 143,397 (4.5%) this time last year.
- 9,403 Tennessee homeowners have lost their home to foreclosure during the past.
- 38,802 homeowners are delinquent on their mortgage.
- 40,484 Tennessee homeowners owe more than their property is worth.

**Tennessee HHF - Homeowners Assisted by County - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
Shelby	1,887	0
Davidson	1,154	0
Rutherford	483	0
Hamilton	474	0
Knox	442	0
Sumner	184	0
Montgomery	142	0
Wilson	142	0
Sullivan	123	0
Williamson	120	0
Other Counties	2,204	0
<b>Total</b>	<b>7,355</b>	<b>0</b>

Source: Treasury, response to SIGTARP data call, various dates.

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN TENNESSEE**

<b>City / County</b>	<b>Local Partners</b>	<b>Contractors Receiving TARP</b>	<b>Disbursements to Partners, Program to Date</b>	<b>Total Houses Demolished (Most Recent Quarter)</b>
Shelby County	United Housing Inc	M&B Enterprise	\$81,137	7
	Jacob's Ladder CDC	B&W Excavating	\$80,443	4
	Healthy Transitions Development Group, Inc.			
	Neighborhood Preservation Inc.			
	Frayser CDC			
Madison County	Community Redevelopment Agency of Jackson Inc	King Bradley Dozer Svcs	\$50,000	2
	Oak Ridge Land Bank	First Place Finish Inc	\$23,001	1
Anderson County		Service One Inc	\$25,000	1
	Aid to Distressed Families of Appalachian Counties			
Hamilton County	Chattanooga Neighborhood Enterprise Inc	Gary Jackson Enterprise	\$14,975	1
Davidson County				
Knox County				
Montgomery County				
Rutherford County				
<b>Grand Total</b>			<b>\$273,381</b>	<b>16</b>

Source: Tennessee Housing Development Agency  
 Note: Due to reporting date differences, figures may vary from Treasury's published reports.



## HHF in Washington, DC

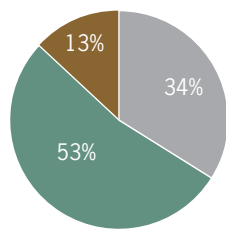
### Making Home Affordable in Washington, DC

- 1,606 Washington, DC homeowners are currently in the HAMP program.
- The following financial institutions handle the most HAMP modifications in Washington, DC: Ocwen Loan Servicing LLC (317), Nationstar Mortgage LLC (236), Wells Fargo Bank N.A. (196), Select Portfolio Servicing Inc. (153), JPMorgan Chase Bank NA (141), Bank of America National Association (110), Ditech Financial LLC (66), CitiMortgage Inc (35), Bayview Loan Servicing LLC (17), CIT Bank N.A. (11)
- 38% of all Washington, DC homeowners that received HAMP (1,311) have been canceled out of the program.<sup>26</sup>

### Hardest Hit Fund in Washington, DC

- HHF in Washington, DC has provided \$15.7 million to 807 homeowners, 76% of those who applied – one of the highest rates of any state agency. During the past year, the state agency has provided \$1.8 million in homeowner assistance and admitted 87 homeowners to its homeowner assistance program.
- SIGTARP’s 2017 audit found that the Washington, DC agency spent \$259,017 in HHF funds on unnecessary expenses, including: \$258,333 spent to prepay an online company for five years of online storage access and data two years after the HHF program was closed to homeowner applications, rather than scanning it and storing the data at low cost as other state agencies do; \$202 for a continental breakfast with Treasury employees; and \$482 during a training.

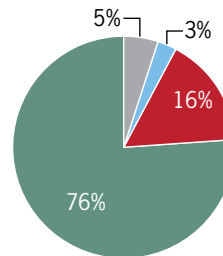
FIGURE 4.41  
 HARDEST HIT FUND – USE OF FUNDS IN WASHINGTON, DC, AS OF 12/31/2017



- TARP Dollars to State Agency (\$3,993,103)
- Unemployment Bridge and Related Assistance (\$15,731,337)
- Unspent (\$10,031,004)  
 Unemployment and Related Admin Expenses (\$1,775,005)

Source: Treasury, response to SIGTARP data call, 4/11/2018.

FIGURE 4.42  
 STATUS OF WASHINGTON, DC, HOMEOWNERS THAT APPLIED TO HHF, AS OF 12/31/2017



- Workers Helped (807)
- Workers Denied (181)
- Workers with Withdrawn Applications (37)
- Workers In Process (50)

Source: Treasury, response to SIGTARP data call, 4/11/2018; Treasury, HFA Aggregate Report Q4 2017.

- Currently 23,039 (5.7%) are unemployed in Washington, DC, compared to 25,054 (6.3%) this time last year.
- 432 DC homeowners have lost their home to foreclosure during the past year.
- 2,629 homeowners are delinquent on their mortgage.
- 3,686 DC homeowners owe more than their home is worth.

**Washington, DC HHF - Homeowners Assisted by Ward - as of 12/31/2017**

<b>County</b>	<b>Homeowners Assisted - Program to Date</b>	<b>Homeowners Assisted - Past 12 Months</b>
Ward 1	40	3
Ward 2	21	5
Ward 3	14	2
Ward 4	122	15
Ward 5	196	9
Ward 6	57	6
Ward 7	216	30
Ward 8	141	17
	<b>807</b>	<b>87</b>

Source: Treasury, response to SIGTARP data call, various dates.

## REMAINING INVESTIGATIONS RELATED TO TARP BANKS

SIGTARP's criminal investigations have resulted in 56 bankers sentenced to prison. With dozens of additional bankers charged and SIGTARP continuing to support Justice Department prosecutions, more bankers are likely to be sentenced to prison in the future.

*56 bankers have been sentenced  
to prison because of SIGTARP*

This quarter SIGTARP's criminal investigations reached criminal charges against 100 bankers, including 23 CEOs or Presidents.

At this stage, with 100 bankers criminally charged resulting from SIGTARP investigations, SIGTARP has pushed to move its bank investigations into the prosecution stage. Recently, a Federal jury found two bankers from Sonoma Valley Bank, and a co-conspirator guilty after an eight-week trial, bringing the number of convicted bankers investigated by SIGTARP to 83 (discussed in detail below). The TARP bank bailout is much smaller than it once was, but still continues with more than \$112 million outstanding in 30 banks. Without SIGTARP's focus, expertise, and dedicated resources to support these prosecutions, many of the bankers who committed crimes in and/or against TARP banks might not be prosecuted.

### Investigation Updates

***Sonoma Valley Bank in California:*** Sonoma Valley Bank failed in August 2010, resulting in \$8.65 million in lost TARP dollars. SIGTARP supported an eight-week jury trial, including having a SIGTARP agent testify at trial, in a case we investigated. The jury's verdicts resulted in the conviction of the bank's former CEO Sean Cutting and former Chief Loan Officer Brian Melland for conspiracy, bank fraud, wire fraud, money laundering, falsifying bank records, lying to bank regulators, and other crimes. The jury also found guilty co-conspirator David Lonich, an attorney for real estate developer Bijan Madjlessi who had been indicted before his death in 2014.

The evidence at trial demonstrated that CEO Cutting, Melland, and Lonich were involved in multiple schemes to defraud Sonoma Valley Bank, its regulators and other financial institutions. The schemes involved years of excessive and illegal lending to Madjlessi. The bank loaned Madjlessi or entities he controlled in excess of \$35 million, approximately \$24.7 million more than the legal lending limit set by bank regulators. To conceal the high concentration of lending to Madjlessi, Melland and Cutting recommended that the bank approve millions in loans to "straw" or nominee borrowers, giving Madjlessi \$8.6 million in proceeds from loans in the names of other borrowers.

Melland was also convicted of receiving a \$50,000 bribe from Madjlessi. One day after the bribe, Melland recommended a set of loans for \$3.65 million to a straw borrower controlled by Madjlessi. CEO Cutting and Melland were convicted of making false statements to bank examiners.

Madjlessi's lawyer Lonich conspired with CEO Cutting and Melland to mislead the bank into lending millions more to Madjlessi in the name of straw borrowers so Madjlessi could illegally buy back a debt he owed to

IndyMac. On May 6, 2014, approximately two months after he was indicted in the case, Madjlessi was found dead after a single-person car accident in a steep ravine in the Marin Headlands off Highway 1 in Marin County.<sup>29</sup>

**Wilmington Trust in Delaware:** In April 2018 SIGTARP supported DOJ in the trial of four senior officers of Wilmington Trust Co. President Robert V.A. Harra, CFO David Gibson, CCO William North, and Controller Kevyn Rakowski were indicted in 2015, and charged with concealing from the Federal Reserve, the Securities and Exchange Commission (SEC) and the investing public, the total quantity of past due loans on the bank's books.

During the course of the alleged conspiracy, in February 2010, Wilmington Trust raised approximately \$273.9 million through a public stock offering. In November 2010, Wilmington Trust announced an agreement to be acquired by M&T Bank at a price of \$3.84 per share, a discount of approximately 46% from the bank's share price the prior trading day, and approximately \$9.41 per share less than at the time of Wilmington Trust's capital raise in February 2010. The decline in price from February represented a loss of \$204 million in total market value of the shares bought during the capital raise.

On October 10, 2017, Wilmington Trust resolved its indictment with DOJ and forfeited \$60 million. The court extended the trial of the President, CFO, CCO and Controller until March, 2018. Acting U.S. Attorney for Delaware, David Weiss, issued the following statement about the resolution:<sup>30</sup>

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"Wilmington Trust Company (WT) has been a fixture in this community for more than 100 years. This is why the bank's decline and the fire sale acquisition by M&T Bank was such a significant development in this community; and why this office has invested substantial time, energy and resources in the investigation and prosecution of this case.

The United States Attorney's Office for the District of Delaware has reached a resolution with WT. The key terms, from our perspective, are as follows:

- WT admits that it agreed to submit Monthly Regulatory Reports to the Federal Reserve between October 2009 and July;
  - Those reports included past due loan information.
  - The past due loan numbers submitted to the Federal Reserve did not include past due loans that WT chose to "waive."
  - We say that those monthly reports were false. These facts and those set forth in the Civil Forfeiture Complaint filed earlier today, provide a basis to forfeit the proceeds of this unlawful activity.
- As a result, WT and the USAO have agreed to a total settlement amount of \$60,000,000, which credits WT with its prior payment to the SEC in the amount of \$16,000,000, and requires an additional forfeiture payment of \$44,000,000.
- Further, WT agrees to cooperate with the USAO moving forward. In return, the USAO has agreed to dismiss all criminal charges pending against WT, and the parties have agreed to exchange mutual releases.
- To function effectively, our financial markets require accurate disclosures—and regulators need to receive accurate information.

That didn't happen here.

We believe today's resolution accomplished three important objectives. First, we secured a substantial payment for victims who sustained losses as a result of what transpired. Second, WT accepted responsibility for its actions. And third, if possible, we wanted to avoid the collateral consequences of a criminal conviction for the bank, which could have resulted in the loss of jobs and revenue for our community."

*David Weiss, Acting U.S. Attorney for Delaware*

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Three other Wilmington Trust bank officers have been convicted following SIGTARP's investigation, including Vice President Joseph Terranova, Delaware Market Officer Brian Bailey, and Loan Officer Pete Hayes. Co-conspirator Dover real estate developer Michael Zimmerman (now deceased) was also indicted. Two co-conspirators were sentenced to prison. James Ladio, the former CEO of MidCoast Community Bank, was sentenced to two years in prison and ordered to pay \$700,000 restitution. Salvatore Leone was sentenced to one year and one day in prison and ordered to pay \$784,568.

***Saigon National Bank in California:*** In 2018, trials are scheduled for criminal charges resulting from a SIGTARP investigation. In December 2015, SIGTARP agents, with other Federal law enforcement authorities, arrested 15 defendants (and charged 20 defendants across three indictments) in Operation "Phantom Bank," an alleged money laundering scheme for international narcotics trafficking and proceeds; some through Saigon National Bank. A total of 25 defendants have been indicted. The 109-page Federal Racketeer-Influenced and Corrupt Organizations Act (RICO) indictment against former bank CEO and President Tu Chau "Bill" Lu and others alleges that Lu orchestrated the scheme to launder \$3.75 million in drug proceeds.

The RICO count alleges that Lu and 5 other defendants were members of a criminal organization that was involved in narcotics trafficking and international money laundering in countries that included the United States, China, Cambodia, Liechtenstein, Mexico, and Switzerland. Saigon National Bank was one of 12 TARP banks to reject Treasury's request to send an observer to the bank's board meetings. Saigon National Bank exited TARP in April, 2017.

## **Strengthening Banks through Law Enforcement**

The impact of law enforcement investigations of bank fraud and other unlawful conduct at banks is critical. At small and mid-sized banks, SIGTARP developed an innovative fraud detection program to find crime in banks without relying on referrals from regulators. This “thinking-outside the box” helps us find and investigate hidden crime quicker, as evidenced by the uptick in charged bankers in recent years.

*Law enforcement makes banks  
and the banking system stronger*

Bank examiners did not detect the crimes SIGTARP found, but in some cases they should have, given existing red flags. Forty-two of the 56 bankers sentenced to prison were at failed or acquired banks, evidencing that fraud harms the safety and soundness of banks. Many of these prosecutions involved crime unrelated to the financial crisis. Investigation of these crimes is an important effort in preventing future bailouts. Prison sentences and industry bans remove from our financial system bank officials at small and medium sized banks who have shown a willingness to commit crimes that jeopardize a bank.

With the largest banks, our investigations and resulting Justice Department enforcement actions have had a deterrent impact and led to important industry changes to unlawful practices. These changes strengthen banks. SIGTARP’s investigations and resulting Justice Department enforcement actions in Fiscal Year 2016 and 2017 against Goldman Sachs, Morgan Stanley, and Ally Financial for misrepresentations in residential mortgage backed securities have led to increased due diligence of mortgage backed securities. Also as part of a Justice Department action, in 2017, Ally Financial closed down its securities business that had engaged in unlawful conduct.<sup>31</sup> SIGTARP’s investigation resulting in the Justice Department’s 2015 action against Fifth Third Bank for selling defective mortgages with false representations to the Department of Housing and Urban Development led to changes in its quality control program, and the termination of quality control management employees. At SunTrust Bank, unopened Home Affordable Modification Program (HAMP) application packages were piled so high in a room that the floor buckled. SIGTARP’s investigation resulting in the Justice Department’s 2014 action against SunTrust led to changes to prevent unlawful practices and removed a number of management employees.<sup>17</sup> Each of these changes made banks and the banking system stronger by reducing risk in problem areas that contributed to the crisis and the resulting TARP bailout. These changes reduce the likelihood that future taxpayer bailouts will be needed.

## **SIGTARP Investigations Related to Failed, Bankrupt or Defunct Later Acquired TARP Banks**

SIGTARP investigations have resulted in criminal prosecutions related to 15 of 34 failed TARP banks. For the 34 TARP banks that failed, as shown in Table 4.1, Treasury suffered a full loss of the whole TARP investment or only received a small amount in the liquidation of the failed bank. Treasury also suffered losses of unpaid TARP dividends owed by banks that failed.

TABLE 4.1

<b>BANKRUPT OR WITH FAILED SUBSIDIARY TARP BANKS AS OF 3/31/2018</b>		
(\$ MILLIONS)		
<b>Company</b>	<b>TARP Loss</b>	<b>SIGTARP Investigation</b>
CIT Group Inc., New York, NY	2,330.0	
UCBH Holdings Inc., San Francisco, CA	298.7	✓
Anchor BanCorp Wisconsin Inc.	110.0	✓
Midwest Banc Holdings, Inc., Melrose Park, IL	89.4	
Integra Bank Corporation, Evansville, IN	83.6	✓
First Place Financial Corporation	72.9	
Superior Bancorp, Inc., Birmingham, AL	69.0	✓
Tennessee Commerce Bancorp, Inc., Franklin, TN	30.0	✓
Princeton National Bancorp	25.1	✓
Rogers Bancshares, Inc.	25.0	
TCB Holding Company	11.7	
Cecil Bancorp, Inc., Elkton, MD	11.6	✓
Citizens Bancorp, Nevada City, CA	10.4	✓
Premier Bank Holding Company	9.5	
Sonoma Valley Bancorp, Sonoma, CA	8.7	✓
Syringa Bancorp	8.0	
GulfSouth Private Bank	7.5	✓
Western Community Bancshares, Inc., Palm Desert, CA	7.3	
Idaho Bancorp, Boise, ID	6.9	
Pierce County Bancorp, Tacoma, WA	6.8	✓
Premier Bancorp, Inc., Wilmette, IL	6.8	✓
Rising Sun Bancorp, Rising Sun, MD	6.0	
FPB Bancorp, Port Saint Lucie, FL	5.8	
Legacy Bancorp, Inc., Milwaukee, WI	5.5	
One Georgia Bank, Atlanta, GA	5.5	
Blue River Bancshares, Inc., Shelbyville, IN	5.0	
Pacific Coast National Bancorp, San Clemente, CA	4.1	
CB Holding Corp., Aledo, IL	4.1	✓
Investors Financial Corporation of Pettis County, Inc.	4.0	✓
Tifton Banking Company, Tifton, GA	3.8	✓
Gold Canyon Bank	1.6	
Fort Lee Federal Savings Bank	1.3	
Indiana Bank Corp.	1.3	
Gregg Bancshares, Inc.	0.9	
<b>Total</b>	<b>\$3,277.8</b>	<b>15</b>

Note: Numbers may not total due to rounding.  
 Source: Treasury, Transactions Report, March 16, 2018;

SIGTARP investigations led to criminal charges against bank officials in 12 failed/bankrupt TARP banks (11 CPP banks and 1 CDCI bank) and against borrowers who defrauded 8 TARP banks that later failed. Also as a result of SIGTARP investigations, the SEC has brought civil securities fraud charges related to failed TARP banks.



1. SIGTARP analysis of Treasury, Aggregate Cap Monitoring Report, March 2018.
2. SIGTARP analysis of Treasury Hardest Hit Fund Quarterly Financial Reports (various dates), obtained via Treasury response to SIGTARP data calls.
3. SIGTARP Audit Report, Unnecessary Expenses Charged to the Hardest Hit Fund, August 2017, [https://www.sig tarp.gov/Audit%20Reports/Unnecessary\\_Expenses\\_Audit\\_8.25.17.pdf](https://www.sig tarp.gov/Audit%20Reports/Unnecessary_Expenses_Audit_8.25.17.pdf) , accessed 4/20/2018; SIGTARP Audit Report, Waste and Abuse in the Hardest Hit Fund in Nevada, September 2016, [https://www.sig tarp.gov/Audit%20Reports/HHF%20Nevada\\_090916.pdf](https://www.sig tarp.gov/Audit%20Reports/HHF%20Nevada_090916.pdf), accessed 4/20/2018; SIGTARP, Engagement Memorandum – Audit of Hardest Hit Fund Travel, Conferences, and Other Administrative Expenses Charged to TARP, October 2017, [https://www.sig tarp.gov/Audit%20Engagement%20Memorandums/Engagement\\_Memo\\_for\\_Audit\\_of\\_HHF\\_Travel\\_and\\_Conferences\\_10.16.2017.pdf](https://www.sig tarp.gov/Audit%20Engagement%20Memorandums/Engagement_Memo_for_Audit_of_HHF_Travel_and_Conferences_10.16.2017.pdf), accessed 4/20/2018; SIGTARP Audit Report, The Hardest Hit Fund Lacks Standard Federal Requirements for Competition, March 2018, [https://www.sig tarp.gov/Audit%20Reports/HHF\\_Competition\\_Audit\\_Report.pdf](https://www.sig tarp.gov/Audit%20Reports/HHF_Competition_Audit_Report.pdf) , accessed 4/20/2018; Public Law 114-113: Consolidated Appropriations Act, 2016, 12/18/2015, [www.congress.gov/bill/114th-congress/house-bill/2029/text](http://www.congress.gov/bill/114th-congress/house-bill/2029/text), accessed 4/20/2018
4. SIGTARP Audit Report, Risk of Asbestos Exposure, Illegal Dumping, and Contaminated Soil Found in Federal Blight Elimination Program. November 2017, [https://www.sig tarp.gov/Audit%20Reports/Blight\\_Eliminations\\_Inspection\\_Report\\_11.21.2017.pdf](https://www.sig tarp.gov/Audit%20Reports/Blight_Eliminations_Inspection_Report_11.21.2017.pdf), accessed 4/20/2018
5. SIGTARP analysis of Blight Elimination Program data provided by Housing Finance Agencies participating in the Hardest Hit Fund Program, Office of (Michigan) Governor Rick Snyder, Press Release - Snyder announces distribution of \$100 million in federal funds to fight blight in five cities, [http://www.michigan.gov/snyder/0,4668,7-277-57577\\_57657-310992--,00.html](http://www.michigan.gov/snyder/0,4668,7-277-57577_57657-310992--,00.html) , accessed 4/20/2018
6. SIGTARP Audit Report, Treasury's HHF Blight Elimination Program Lacks Important Federal Protections Against Fraud, Waste, and Abuse, June 2016, <https://www.sig tarp.gov/Audit%20Reports/Blight%20Audit%20SIGTARP-16-003.pdf> , accessed 4/20/2018
7. SIGTARP, Alert Letter, 12/14/2015, [https://www.sig tarp.gov/Audit%20Reports/SIGTARP\\_HHF\\_Blight\\_Elimination\\_Risk.pdf](https://www.sig tarp.gov/Audit%20Reports/SIGTARP_HHF_Blight_Elimination_Risk.pdf) , accessed 4/20/2018
8. SIGTARP analysis of Treasury Hardest Hit Fund Quarterly Financial Reports (various dates), obtained via Treasury response to SIGTARP data calls; SIGTARP analysis of Treasury MHA data.
9. Office of Management and Budget, FY 2019 Budget of the US Government (Appendix), <https://www.whitehouse.gov/wp-content/uploads/2018/02/appendix-fy2019.pdf>, accessed 4/24/2018.
10. Treasury, Monthly TARP Updates, September 2017 and September 2016, <https://www.treasury.gov/initiatives/financial-stability/reports/Pages/daily-tarp-reports.aspx>, accessed 4/20/2018
11. SIGTARP Audit Report, The Hardest Hit Fund Lacks Standard Federal Requirements for Competition, March 2018, [https://www.sig tarp.gov/Audit%20Reports/HHF\\_Competition\\_Audit\\_Report.pdf](https://www.sig tarp.gov/Audit%20Reports/HHF_Competition_Audit_Report.pdf)
12. Commerce Office of Inspector General, "Awarding of U.S. Census Bureau Noncompetitive Contracts Did Not Consistently Follow Federal Acquisition Regulations and Commerce Acquisition Policies," September 25, 2017, citing to Healey, P.A. et al. Naval Postgraduate School, "The Value of Competitive Contracting," September 2014.
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