



Risk Management Plan

Date Prepared: June 27, 2011

Date Revised: December 6, 2011

The Order states:

Within ninety (90) days of this Order, the Holding Company shall submit to the Regional Director an acceptable written plan to evaluate the effectiveness of, and strengthen, the Association's risk management program addressing residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations, and make recommendations to strengthen the Association's risk management program in these areas.

Response:

The Board of Directors of EverBank Financial Corp (the Board) recognizes the importance of having effective risk management throughout the organization. To accomplish this, the Board has overseen changes and enhancements to the Risk Management Program. An enterprise assessment of risk management was performed by an independent consultant, KPMG, LLC. Recommendations were made to enhance the risk management in several areas, including residential mortgage servicing, Loss Mitigation, and foreclosure activities and operations. The excerpt from the assessment is attached with the recommendations. The recommendations have been prioritized as evidenced by the ERM Roadmap attached. All risk management projects related to the Consent Order will be tracked in the Compliance Tracking Report that is provided to the Board Oversight Committee. Internal and external events continue to drive change, and the Board is committed to responding to these events and monitoring the evolution of the Risk Management Department.

The following actions have also been taken in response to the EFC Consent Order:

Formed a Consent Order Oversight Committee that performed the following functions.

- Reviewed the plan for monitoring the Consent Order at the Bank level.
- Approved the monitoring tool that provides a status of each of the Plans for all areas of servicing, including residential mortgage loan servicing, Loss Mitigation and foreclosure activities and operations.

Ongoing monitoring of the Consent Order Compliance Tracking Report occurs on a quarterly basis.

Additions to the original plan include adding the monitoring of the Compliance, Internal Audit and Risk plans into the Compliance Tracking Report.

Enterprise Risk Management (ERM) is defined by the Board to include all functions within the organization, including mortgage servicing, Loss Mitigation, and foreclosure activities and operations. Changes to EverBank's risk management oversight include the enhancement of the Enterprise Risk Committee, additional staffing, and the review of enterprise-wide functions, such as Internal Audit, Compliance Operations and Process Support (COPS), and ERM.

The following list includes existing or updated program elements and recommended enhancements implemented as a result of both internal and external reviews.

- The implementation of a Board-level Risk Committee providing strategic oversight to EverBank's enterprise risk management including residential mortgage servicing, Loss Mitigation and foreclosure activities and operations, effective July 26, 2011
- The formalization of a Chief Risk Officer position that reports to the Risk Committee, effective July 26, 2011.
- The formalization and addition of resources to an ERM team that will provide framework and governance enterprise-wide, including residential mortgage servicing, Loss Mitigation and foreclosure activities and operations, effective June 28, 2011.
- Adoption of standards and categorizations related to risks, controls and associated training for all officers, including residential mortgage servicing, Loss Mitigation, and foreclosure activities and operations, completed June 2011
- Enhancement of the annual risk assessment process and a quarterly update of any changes made to a high or critical risk or control for residential mortgage servicing, Loss Mitigation, and foreclosure activities and operations reported to the ERM office will be performed within the risk monitoring and tracking system, [REDACTED] January, 2012.
- A process for all significant general ledger accounts to be tested and reported on a quarterly basis to the ERM office for residential mortgage servicing, Loss Mitigation and foreclosure activities and operations, implemented and ongoing each quarter
- Centralized reporting for the Consent Order Compliance Tracking Report which includes tracking all Compliance, Internal Audit and Risk Management program components relating to residential mortgage servicing, Loss Mitigation, and foreclosure activities and operations, implemented in September 2011 and ongoing.
- The COPS and Legal Departments are increasing staff to accommodate increased reviews and workload, ongoing
- Regulatory training is required and tracked for all employees in all areas related to residential mortgage servicing, Loss Mitigation, and foreclosure activities and operations, ongoing and tracked in the EverBank Learning Management System
- A formalized committee structure exists that addresses various risk categories, such as Credit and Operational Risk which include residential mortgage servicing, Loss Mitigation, and foreclosure activities and operations.
- Internal Audit performs the organization's risk management, control and governance processes to determine adequacy and report all findings to the Board's Audit Committee as part of its routine audit schedule which includes residential mortgage servicing, Loss Mitigation, and foreclosure activities and operations. (See Internal Audit Plan for 2012)
- COPS performs regularly scheduled reviews of regulatory requirements, including residential mortgage servicing, Loss Mitigation, and foreclosure activities and operations. (See COPS Audit Plan for 2012)

In addition to the above governance, the mortgage servicing unit has implemented the following processes:

- A rigorous control process for any changes that impact systems, processes, procedures, and customer communications. Senior servicing managers, line of business managers, and process supervisors all participate as part of the approval body in the change control process.
- Key performance indicators are monitored to ensure that processes are completed timely and accurately.
- Monthly loss meetings to review root causes of losses within mortgage servicing.

To strengthen the risk management process, the ERM team will enhance governance of all categories of risks to meet requirements as defined by our current and future regulatory agencies, and will continue to enhance the process for independent testing and monitoring of enterprise wide risks and controls. A roadmap has been developed (see attached) to lay out the framework, structure and major milestones of how EverBank will continue to improve and sustain the governance of risks and controls. A new risk tracking and reporting system, [REDACTED] is being implemented that will provide enhanced tracking, monitoring and reporting from the aggregate to the individual control levels, to ensure decisions makers have the relevant information to make appropriate decisions.

The Board understands the importance of the Risk Management function and will continue to oversee any changes or enhancements that are needed. The Board is committed to full compliance with EverBank Financial Corp's Consent Order. Additional details on Risk Management can be found within Section 11(o) of EverBank's Compliance Program on the enclosed CD.