APPENDIX A

Consumer Relief

Eligibility: The Consumer Relief eligibility criteria shall reflect only the terms set forth below and the following principles and conditions: (1) Consumer Relief will be related to borrowers or properties located in New York State; and (2) Consumer Relief will not be implemented through any policy that violates the Fair Housing Act or the Equal Credit Opportunity Act.
<table>
<thead>
<tr>
<th>Menu Item</th>
<th>Credit Towards Settlement</th>
<th>Minimum/Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community Reinvestment and Neighborhood Stabilization</strong></td>
<td></td>
<td>Total Credit Minimum (Menu Items A – C) = $280 Million</td>
</tr>
</tbody>
</table>
| A. Grants to municipalities or counties to capitalize or support certified Land Banks or Land Trusts subject to state or local regulation | $1.00 grant = $2.00 Credit<sup>2</sup>  
115% Early Incentive Credit<sup>3</sup> | Menu Item A Credit Minimum = $30 million |
| B. Grants to municipalities or their housing or finance agencies to support housing quality improvement and enforcement programs | $1.00 grant = $2.00 Credit<sup>2</sup>  
115% Early Incentive Credit | Menu Item B Credit Minimum = $30 million |
| C. Debt restructuring for New York homeowners at risk of foreclosure<sup>4</sup> | $1.00 of Debt Restructuring = $2.00 Credit<sup>5,6,7</sup> | Menu Item C Credit Minimum = $220 million |

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<sup>1</sup> Start date of crediting is November 1, 2015. Consumer Relief to be completed no later than January 31, 2021.

<sup>2</sup> Credit for Menu Items A and B will be earned when a formal letter of commitment is provided to the recipients. Goldman Sachs may use one or more intermediary non-profits to evaluate potential projects and administer grants under Menu Items A and B. If Goldman Sachs elects to use one or more intermediary non-profits, Credit will be earned on the date that funds are received by the intermediaries.

<sup>3</sup> Early Incentive Credit applies to all Consumer Relief activity under Menu Items A and B offered or completed by June 30, 2017. Early Incentive Credit and other Credits are cumulative (e.g., $1.00 of grants to municipal or county housing agencies to support housing quality improvement and enforcement programs completed prior to June 30, 2017 would receive $2.30 Credit).

<sup>4</sup> Homeowners at risk of foreclosure include those experiencing financial hardship related to mortgage default, who demonstrate an ability to afford their housing payments after debt restructuring. Restructuring is intended to enable consumers to qualify for mortgage loan modifications and/or to obtain reinstatement of delinquent loans or loans in foreclosure.

<sup>5</sup> “Debt Restructuring” under Menu Item C includes financing or grants in support of debt restructuring for homeowners at risk of foreclosure. In order to be eligible to receive Credit under Menu Item C, financing for debt restructuring must be provided at an interest rate of 0% and for a term of up to 30 years or until the primary mortgage maturity date of any underlying loan, consistent with the terms and conditions of the New York State Mortgage Assistance Program, as set forth in the materials provided by the New York Attorney General’s office to Goldman Sachs on March 14, 2016. Underlying loans become due when the home is sold or no longer owner-occupied, upon refinancing of the primary mortgage with cash-out, upon death of the borrower(s), or, if none of those conditions is met, upon maturity of the primary mortgage. Goldman Sachs may use an intermediary non-profit with experience running a comparable consumer

(footnote continued)
Menu Item | Credit Towards Settlement | Minimum/Cap
--- | --- | ---
| | 115% Early Incentive Credit\(^8\) | |

\(^6\) Credit for Menu Item C will be earned when a formal letter of commitment is provided for financing or grants in support of debt restructuring or for operationalizing this program. If Goldman Sachs elects to use an intermediary non-profit, Credit will be earned on the date that the formal letter(s) of commitment are provided to the intermediary.

\(^7\) In the event that Goldman Sachs elects to use an intermediary non-profit, and the intermediary is unable to provide debt restructuring sufficient to satisfy the Menu Item C Credit Minimum set forth in this Appendix A within three years of the formal letter(s) of commitment referenced in footnote 6, Goldman Sachs may satisfy its remaining obligations under Menu Item C by providing additional first-lien principal forgiveness in New York under Menu Item 1.A of the consumer relief agreement attached as Annex 2 of the Global Agreement in amounts above the New York-Specific Minimum Amount for that Menu Item 1.A and above the overall Minimum for Menu Item 1 of Annex 2 of the Global Agreement.

\(^8\) Early Incentive Credit applies to all Consumer Relief activity under Menu Item C that is offered or completed by June 30, 2017. Early Incentive Credit and other Credits are cumulative (e.g., a formal letter of commitment provided to an intermediary non-profit prior to June 30, 2017 for $1.00 of financing or grants under Menu Item C would receive $2.30 Credit).
Credit Minimums, Reporting Requirements and Liquidated Damages

Goldman Sachs shall endeavor to satisfy the Consumer Relief obligations set forth in this Appendix A by January 31, 2020, but shall have until January 31, 2021 to complete all Consumer Relief obligations set forth in this Appendix A. The independent Monitor referred to in the Global Agreement and in the Settlement Agreement between Goldman Sachs and the NYAG (the “Monitor”) shall publicly:

1. report progress towards completion of Goldman Sachs’ Consumer Relief obligations set forth in Annex 2 of the Global Agreement and this Appendix A, including reporting on overall progress on a quarterly basis commencing no later than 180 days after the date of the Global Agreement; (2) report on Credits earned under Annex 2 of the Global Agreement and this Appendix A as promptly as practicable following the date the Monitor has confirmed the methodology for validation of Credits under Annex 2 of the Global Agreement and this Appendix A (including a description of the distribution of Credits at the census block level for Menu Item 1 of Annex 2 of the Global Agreement); and (3) ultimately determine and certify Goldman Sachs’ compliance with the terms of Annex 2 of the Global Agreement and this Appendix A. If the Monitor determines that a shortfall in the obligations set forth in this Appendix A remains as of January 31, 2021, Goldman Sachs shall make a compensatory payment in cash to the State of New York, in accordance with written payment processing instructions from the NYAG, in an amount equal to the shortfall (the “Liquidated Damages”). The payment of Liquidated Damages shall be the sole remedy for any failure to complete the Consumer Relief obligations set forth in this Appendix A. The calculations regarding Credits earned under this Appendix A shall be performed by the Monitor and the Monitor shall determine at the end of the period whether there are Liquidated Damages, and, if so, the amount due.

-4-
SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into between the State of New York, by Eric T. Schneiderman, Attorney General of the State of New York (the “NYAG”) and The Goldman Sachs Group, Inc., as well as its current and former subsidiaries and affiliates (collectively, “Goldman Sachs”). The NYAG and Goldman Sachs are collectively referred to herein as the “Parties.”

WHEREAS, the NYAG conducted an investigation pursuant to Article 23-A of the General Business Law of the State of New York (the “Martin Act”) and Section 63(12) of the Executive Law of the State of New York (“Executive Law § 63(12)”) into the marketing, structuring, arrangement, underwriting, issuance, and sale of residential mortgage-backed securities (“RMBS”) by Goldman Sachs in 2006 and 2007; and

WHEREAS, the NYAG, based on its investigation, believes that there is an evidentiary basis for potential legal claims by the NYAG against Goldman Sachs for violation of the Martin Act and Executive Law § 63(12) in connection with the same conduct; and

WHEREAS, this Agreement is being entered into in conjunction with an agreement entered into by the United States, the States of Illinois and California, and Goldman Sachs in connection with the marketing, structuring, arrangement, underwriting, issuance, and sale of RMBS by Goldman Sachs (the “Global Agreement”); and

WHEREAS, as a term of this Agreement, Goldman Sachs acknowledges the facts set out in the Statement of Facts as set forth in Annex 1 of the Global Agreement and hereby incorporated in this Agreement;

NOW THEREFORE, in consideration of the mutual promises and obligations of this Agreement, the Parties stipulate and agree as follows:
1. **Payment.** Goldman Sachs shall pay the sum of $190,000,000 to the State of New York in consideration for the settlement of potential legal claims by the NYAG as compensation for harms to the State of New York allegedly resulting from Goldman Sachs’ marketing, structuring, arrangement, underwriting, issuance, and sale of RMBS in 2006 and 2007. No portion of the funds in this paragraph will be designated or otherwise classified by the State of New York as a civil penalty or fine. Payment shall be made by electronic funds transfer within fifteen business days of receiving written payment processing instructions from the NYAG.

2. **Consumer Relief.** Goldman Sachs shall also provide $480,000,000 worth of consumer relief in New York, including $280,000,000 as set forth in Appendix A of this Agreement and $200,000,000 as set forth in Annex 2 of the Global Agreement and hereby incorporated in this Agreement, to remediate harms allegedly resulting from the conduct of Goldman Sachs. The value of consumer relief provided shall be calculated and enforced pursuant to the terms of Appendix A of this Agreement and Annex 2 of the Global Agreement. An independent monitor will determine whether Goldman Sachs has satisfied the obligations contained in Appendix A of this Agreement and Annex 2 of the Global Agreement (such monitor to be Eric Green) (the “Monitor”), and Goldman Sachs will provide the Monitor with all documentation the Monitor needs to do so, excluding all privileged information. Any costs associated with said Monitor shall be borne solely by Goldman Sachs. Notwithstanding the fact that Goldman Sachs bears the costs associated with the Monitor, the Monitor shall be fully independent of Goldman Sachs. Goldman Sachs will refrain from retaining the Monitor to represent Goldman Sachs in any capacity prior to two years after the date upon which Goldman Sachs satisfies the consumer relief obligations set forth in Appendix A of this Agreement and Annex 2 of the Global Agreement. Goldman Sachs will also refrain from engaging the Monitor
as a mediator in any matter to which Goldman Sachs is a party until Goldman Sachs satisfies the consumer relief obligations set forth in Appendix A of this Agreement and Annex 2 of the Global Agreement.

3. **Covered Conduct.** The Covered Conduct referenced herein is defined in Paragraph 3 of the Global Agreement.

4. **Releases by the NYAG.** Subject to the exceptions in Paragraph 5 below, and conditioned upon compliance with the provisions of Paragraph 1 above, the NYAG fully and finally releases and discharges Goldman Sachs, each of its current and former parents, subsidiaries and affiliated entities, and each of their respective successors and assigns, from any and all claims relating to or concerning the Covered Conduct, including but not limited to any such claims under: the Martin Act, Executive Law § 63(12), and common law theories of negligence, payment by mistake, unjust enrichment, money had and received, breach of fiduciary duty, breach of contract, misrepresentation, deceit, fraud, and aiding and abetting any of the foregoing.

5. **Excluded Claims.** The following claims are specifically reserved and not released by this Agreement: (a) any liability based upon obligations created by this Agreement; and (b) any liability for the claims alleged in the following *qui tam* action, and no setoff related to amounts paid under this Agreement shall be applied to any recovery in connection with this action: *United States ex rel. [Sealed] v. [Sealed]*, No. XX CIV XXXX (E.D. Cal.), as disclosed to Goldman Sachs. In addition, nothing in this Agreement shall be construed to bar any agency or department of the State that is a member of any plaintiff class or a plaintiff in any action related to the Covered Conduct from making a claim as a putative class member or otherwise participating in any such private or class action.
6. **Releases by Goldman Sachs.** Goldman Sachs fully and finally releases the NYAG, its political subdivisions, departments, agencies, and all their officers, employees, servants and agents from any claims, including attorney’s fees, costs, and expenses of every kind and however denominated, that Goldman Sachs has asserted, could have asserted, or may assert in the future against them related to the Covered Conduct, to the extent released hereunder, and the investigation to date thereof.

7. This Agreement is intended to be for the benefit of the Parties only and does not create any third-party rights.

8. This Agreement is not intended for use by any third party in any other proceeding and is not intended, and should not be construed, as an admission of liability by Goldman Sachs.

9. The terms of this Agreement were negotiated in good faith by the Parties, and reflect a settlement that was reached voluntarily after full investigation, consultation with experienced legal counsel and arms-length negotiation.

10. This Agreement is made without any trial or adjudication or judicial finding on any issue of fact or law, and is not a final order of any court or governmental authority.

11. Goldman Sachs represents and warrants, through the signatures below, that the terms and conditions of this Agreement are duly approved, and execution of this Agreement is duly authorized.

12. This Agreement may not be amended except by an instrument in writing signed on behalf of all the Parties.

13. This Agreement shall be binding on and inure to the benefit of the Parties and their respective successors and assigns.
14. All notices, reports, requests, and other communications to any Party pursuant to this Agreement shall be in writing and shall be directed as follows:

If to Goldman Sachs, to:

Janet A. Broeckel, Esq.
Managing Director/Associate General Counsel
Goldman, Sachs & Co.
200 West Street
New York, New York 10282

If to the NYAG, to:

Steven J. Glassman, Esq.
Senior Enforcement Counsel
Economic Justice Division
Office of the Attorney General
State of New York
120 Broadway, 23rd Floor
New York, New York 10271

15. This Agreement shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

16. This Agreement, including Appendix A hereto and Annexes 1 and 2 of the Global Agreement incorporated in this Agreement, constitutes the entire agreement between the Parties, and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Agreement.

17. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

18. This Agreement shall become effective and binding upon execution by the Parties hereto.
Dated: April __, 2016
New York, New York

THE GOLDMAN SACHS GROUP, INC.

By: __________________________________________________________________

Gregory K. Palm
Executive Vice President and General Counsel

ERIC T. SCHNEIDERMAN
Attorney General of the State of New York
120 Broadway
New York, NY 10271