

Federal Deposit Insurance Corporation
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Objection Date: July 18, 2019 at
4:00p.m.

Hearing Date: August 7, 2019 at
11:00a.m.

Counsel to the FDIC

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :
: Chapter 11
DITECH HOLDING CORPORATION, et. al., :
: Case No. 19-10412(JLG)
: Debtors. :
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**LIMITED OBJECTION OF THE FEDERAL DEPOSIT INSURANCE
CORPORATION TO: (1) NOTICE OF CURE COSTS AND POTENTIAL
ASSUMPTION OR ASSUMPTION AND ASSIGNMENT OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES OF DEBTORS; (2) NOTICE OF
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES OF DEBTORS (REVERSE BUYER); (3) NOTICE OF
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES OF DEBTORS (FORWARD BUYER); AND (4) NOTICE
OF ASSUMPTION OR REJECTION OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES OF DEBTORS (WIND DOWN ESTATES) AND
REQUEST FOR ADDITIONAL TIME TO RESPOND**

TO: THE HONORABLE JAMES L. GARRITY, JR.,
UNITED STATES BANKRUPTCY JUDGE:

The Federal Deposit Insurance Corporation (“FDIC”) in its corporate capacity, the FDIC
as Receiver for IndyMac Bank, FSB and IndyMac Federal Bank, FSB (“IndyMac”) and as
Receiver for thirteen other failed depository institutions included in the above-captioned Notices,
and Financial Freedom Senior Funding Corporation, a wholly owned subsidiary of IndyMac
(collectively, “FDIC and related entities”), by and through the undersigned Counsel, hereby

submit their limited objection and request for additional time to respond (“Objection”) to the Notice of Cure Costs and Potential Assumption or Assumption and Assignment of Executory Contracts and Unexpired Leases of Debtors [Docket No. 824] (“Cure Notice”), the Notice of Assumption and Assignment of Executory Contracts and Unexpired Leases of Debtors (Reverse Buyer)[Docket No. 839], the Notice of Assumption and Assignment of Executory Contracts and Unexpired Leases of Debtors (Forward Buyer)[Docket No. 843], and the Notice of Assumption or Rejection of Executory Contracts and Unexpired Leases of Debtors (Wind Down Estates)[Docket No. 837] (collectively, the “Notices”) and respectfully state as follows:

1. On February 11, 2019 (the “Petition Date”), Ditech Holding Corporation and its debtor affiliates (the “Debtors”) filed voluntary petitions under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The FDIC and related entities were not served with notice of the Debtors’ bankruptcy petitions.

2. Prior to the Petition Date, certain Debtors entered into servicing agreements, subservicing agreements, and loan purchase agreements with various banks that later failed and were placed into FDIC receivership and subsidiaries of FDIC receiverships. Certain Debtors also entered into agreements with trusts in which an FDIC receivership or subsidiary of an FDIC receivership holds a beneficial interest.

3. On July 11, 2019, the FDIC received the Cure Notice by first class mail addressed to the FDIC at 3501 North Fairfax Drive, Bldg E 5th Fl, Arlington, VA 22226. Upon information and belief, this was the first pleading that the FDIC has received regarding these jointly administered bankruptcy cases. The Cure Notice was not directed to any person or division or sent to the FDIC’s registered agent, although information about service upon the FDIC’s registered agent is readily available on the FDIC’s website. Counsel did not receive the

Cure Notice until Monday July 15th. Counsel then downloaded electronic copies of the other Notices from the Court docket sheet.

4. Exhibit A to the Cure Notice is a 69 page list in which the Debtors identify thousands of executory contracts and propose cure amounts for the assumption of these contracts. From this list, the FDIC has been able to identify several potential contracts with the FDIC and related entities. The cure amount for each of these contracts is \$0. However, the limited information on Exhibit A does not provide the FDIC with sufficient detail to readily determine the terms of the contract, whether the contract is still in effect, if the proposed cure amount is accurate, what type of adequate assurance is needed if the contract is going to be assumed, if there are grounds to object to the proposed assumption, or if the list contains all contracts between any of the Debtors and the FDIC and related entities.

Exhibit A to Cure Notice

Page Number	Contract ID	Debtor	Counterparty
4	CC-20002	Reverse Mortgage Solutions, Inc	American National Bank
4	CC-10314	Ditech Financial LLC	American National Bank and Trust Company
24	CC-20016	Reverse Mortgage Solutions Inc	Fdic
25	CC-10624	Ditech Financial LLC	First Commercial Bank (USA)
25	CC-10622	Ditech Financial LLC	Florida Community Bank, N.A.
26	CC-10323	Ditech Financial LLC	Frontier Bank
30	CC-10329	Ditech Financial LLC	Horizon Bank, Ssb

32	CC-10020,CC-10021, CC-10022	Ditech Financial LLC	Irwin Union Bank
32	CC-10047, CC- 10048,CC-10149,CC- 10151, CC-10157, CC-10158, CC- 10181,cc-10182,cc- 30014	Ditech Financial LLC	Irwin Union Bank and Trust Company
36	CC-10357	Ditech Financial LLC	Legacy Bank
39	CC-10405	Ditech Financial LLC	Meridian Bank
39	OC-10379	Reverse Mortgage Solutions, Inc	Meridian Bank #462854
40	CC-10469	Ditech Financial LLC	Millennium Bank
41	CC-10702	Ditech Financial LLC	Mutual Bank
45	OC-10458	Reverse Mortgage Solutions, Inc	Peoples State Bank #411594(S1L)
47	OC-10175	Reverse Mortgage Solutions, Inc	Proficio Bank #555666
52	SS-10006	Reverse Mortgage Solutions, Inc	Rml 2013-1,2013-2
52	CC-20030	Reverse Mortgage Solutions, Inc	RML trust 2013-1
52	CC-20031	Reverse Mortgage Solutions, Inc	Rml Trust 2013-2
52	EXB-10002	Reverse Mortgage Solutions, Inc	Rms Trust 2013-1, The Bank of New York Mellon, Financial Freedom Senior Funding
60	OC-10757	Reverse Mortgage Solutions, Inc	The First State Bank #462675

5. The FDIC requested additional information regarding these contracts from Alix Partners, including copies of the contracts and the methodology for computing the cure amounts, at the email address provided in the Cure Notice but, to date, no information has been received. In addition, the FDIC unsuccessfully tried to reach counsel for the Debtors to request additional time to respond to the Notice once the requested information was provided by the Debtors and/or Alix Partners.

6. In the absence of sufficient information to determine whether the FDIC and related entities object to the relief sought in the Notices, the FDIC and related entities assert this limited objection in order to obtain additional time to receive and review the requested information from the Debtors (copies of the contracts and the methodology used by the Debtors for computing the cure amounts), to determine whether all contracts between any of the Debtors and the FDIC and related entities have been identified, and to preserve their rights with respect to these contracts. Once the FDIC and related entities receive all of the requested information, they will expeditiously determine whether there is a basis to contest the relief sought in the Notices. Therefore, the FDIC and related entities respectfully request that the Court extend the objection deadline for the Notices to seven business days after the Debtors and/or Alix Partners provide the FDIC and related entities with all of the requested information.

7. Nothing herein shall constitute a waiver or limitation of the FDIC and related entities' rights and remedies under any respective agreement under the Bankruptcy Code or other applicable law, including the right to demand payment of any amounts that are due or may become due, whether as cure amounts, administrative expenses or otherwise.

8. The FDIC and related entities reserve the right to supplement this Objection, including without limitation, to identify any amount of outstanding cure obligations, seek cure of any additional defaults arising prior to the actual date of assumption or assumption and assignment of any executory contract in which the FDIC and related entities hold an interest whether or not specifically identified in this Objection, or raise additional arguments at a later date as more information becomes available.

9. At this time in the absence of sufficient information, the FDIC and related entities do not consent to the assumption or assumption and assignment of any executory contract in which the FDIC and related entities hold an interest whether or not specifically identified in this Objection and hereby reserve their rights to withhold any such consent.

WHEREFORE, the FDIC and related entities respectfully request that the Court: (A) extend the FDIC and related entities' objection deadline for the Notices to seven business days after the Debtors and/or Alix Partners provide the FDIC and related entities with all of the requested information; and (B) grant such other and further relief as the Court deems just and proper.

Dated: Arlington, Virginia
July 18, 2019

Federal Deposit Insurance Corporation

By: /s/ Sonya L. Levine

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