

**NATIONWIDE COOPERATIVE AGREEMENT  
FOR STATE GOVERNANCE OF  
NON-DEPOSITORY SUPERVISION**

**ARTICLE 1. DEFINITIONS**

For purposes of this Agreement:

1. **“2011 MOU,”** means the Memorandum of Understanding Between the Consumer Financial Protection Bureau, the Conference of State Bank Supervisors, and the Other Signatories Hereto on the Sharing of Information for Consumer Protection Purposes.
2. **“Framework”** means the 2013 CFPB-State Supervisory Coordination Framework.
3. **“MMC”** means the Multi-State Mortgage Committee established under Article 3 of the 2009 Nationwide Cooperative Agreement for Mortgage Supervision.
4. **“Multi-State Non-Depository Entity”** means any multi-state, non-depository business with operations in two or more states.
5. **“Non-Depository Entity”** means any financial services entity, other than a depository institution, falling under the jurisdiction and supervision of a State Regulator. In general, Non-Depository Entity is not intended to include the subsidiaries and affiliates of depository institutions unless such subsidiaries and affiliates are licensed under state law as non-depository institutions.
6. **“Party or Parties”** means the State Regulator Association signatories to this Agreement.
7. **“State Coordinating Committee or SCC”** means the committee established under Section 3.1 of this Agreement.
8. **“State Regulator”** means a state regulatory agency with legal jurisdiction over one or more Multi-State Non-Depository Entities.
9. **“State Regulator Association”** means the American Association of Residential Mortgage Regulators (AARMR), the Conference of State Bank Supervisors (CSBS), the Money Transmitter Regulators Association (MTRA), the National Association of Consumer Credit Administrators (NACCA), the North American Collection Agency Regulatory Association (NACARA), or the National Association of State Credit Union Supervisors (NASCUS), together as State Regulator Associations.

**ARTICLE 2. STATEMENT OF PURPOSE**

**Section 2.1 Background.** State Regulators have independent and individual responsibility for the supervision and enforcement of laws governing the practices of Non-Depository Entities providing consumer products or services. Each State Regulator Association is formed by its State Regulator members to assist in fulfilling State Regulator supervisory responsibilities. The Parties agree that the most appropriate way to fulfill those responsibilities with respect to Multi-State Non-Depository Entities is through a coordinated supervision process established under agreed upon standards of governance.

**Section 2.2 Coordinated Goal.** The goal of the Parties to this Agreement is to facilitate consistency, coordination and communication among the State Regulators and where appropriate, their federal regulatory agency counterparts.

**Section 2.3 Responsibilities.** The Parties to this agreement agree to cooperate and to use best efforts to assure that each of their members' respective interests, authorities, and responsibilities are fulfilled through the implementation of the 2011 MOU and the Framework.

**Section 2.4 Sovereign Rights of State Regulators.** Each State Regulator voluntarily participating in coordinated supervisory processes under this Agreement and the Framework retains all sovereign rights and independent authorities granted by state law. Nothing in this Agreement shall be legally binding on any State Regulator.

## **ARTICLE 3. STATE COORDINATING COMMITTEE**

**Section 3.1 Establishment of the Committee.** The Parties hereby create the State Coordinating Committee or SCC to coordinate the supervision of Multi-State Non-Depository Entities.

**Section 3.2 Composition of SCC.** The SCC shall consist of a primary and secondary representative of each State Regulator Association. Representatives are not required to be association board members or officers, however, representatives must at all times be a member of a State Regulator Association that is a signatory to this Agreement and the 2011 MOU. Additionally, each representative to the SCC must at all times be from a State Regulator signatory to the 2011 MOU.

**Section 3.3 Member Characteristics.** In general, appointments to the SCC should be made of individuals who are commissioners or deputy commissioners or equivalent positions and who are responsible for non-depository supervision and hold sufficient authority within their respective State Regulator agency to be able to independently make supervisory and policy decisions equivalent to an executive level authority. Further, appointments should strive for geographic diversity, and where possible, avoid duplication or cross-over of state committee roles (e.g. an individual serving on both the SCC and the MMC). Members should be able to travel as necessary for in person meetings.

**Section 3.4 Voting.** Any member of the SCC may request a vote on a decision before the SCC. In the event of a vote, each State Regulator Association shall hold a single vote. Four (4) of six (6) associations shall constitute a quorum for voting, however, a quorum is not required to transact business not requiring a vote. A simple majority of votes shall carry any issue.

**Section 3.5 Replacement of SCC Members.** While continuity of membership is encouraged, each State Regulator Association may replace, remove, or substitute any member of the SCC appointed by such association at its discretion or when necessary to fill a vacancy on the SCC.

**Section 3.6 Responsibilities.** The SCC will have the following responsibilities:

- (a) Establish its own procedures for operations in accordance with this Agreement and the Framework, including meetings, SCC governance, establishing sub-committees, task forces or work groups, and any other administrative functions necessary for the ordinary conduct of business.
- (b) Act as a voice of leadership on behalf of the State Regulator Associations and the state non-depository supervision system to advance supervisory and regulatory policy among State Regulators and federal counterparts.
- (c) Those responsibilities set forth for the SCC in the Framework.
- (d) Establish information sharing protocols in compliance with Article 4 of this Agreement.
- (e) Serve as a coordinating body for any committees formed under other agreements of the Parties to this Agreement as covered under Section 5.2 and such other agreements.

- (f) Make reports at least quarterly to each Party through the Party's SCC representative.
- (g) Annually publish a report to State Regulators.

#### **ARTICLE 4. INFORMATION SHARING AND CONFIDENTIALITY**

**Section 4.1 Information Sharing.** The Parties to this Agreement agree that information sharing, including information sharing conducted by committees formed through this and other agreements of the Parties to this Agreement, shall be governed by any applicable state and/or federal laws and by paragraph IV.D. of the 2011 MOU, except that this agreement shall not supersede any other State Regulator agreements.

**Section 4.2 Presumption of Protection.** The Parties to this Agreement agree that information shared under Section 4.1 and governed under paragraph IV.D. of the 2011 MOU shall be presumed to be protected unless otherwise specified in writing by the originating Party of the shared information.

**Section 4.3 Confidentiality.** The Parties to this Agreement agree that information shared or received under this Agreement shall be governed by the confidentiality provisions of paragraph V. of the 2011 MOU.

#### **ARTICLE 5. RESPONSIBILITY FOR COORDINATION**

**Section 5.1 Role of SCC Under the Framework.** The SCC shall fulfill the responsibilities and duties contained in the Framework either independently or through committees or other groups formed under other agreements of State Regulators or the Parties to this Agreement.

**Section 5.2 Role of SCC as the State Coordinating Body.** The SCC shall serve as a coordinating body for certain committees through this agreement formed for the purpose of multi-state supervision under other agreements of the Parties. The SCC shall conduct such coordination under operating procedures developed in concert with the committees and their related association chartering bodies (e.g. the SCC, CSBS, AARMR and the MMC shall agree on operating procedures between the SCC and the MMC).

**Section 5.3 Role of State Regulator Associations.** State Regulator Associations agree to support the work of the SCC and the coordinated goal of this Agreement to the fullest extent possible, as appropriate to the resources available to the State Regulator Association and the benefits derived by the State Regulator Association from this Agreement.

#### **Article 6. CONFERENCE OF STATE BANK SUPERVISORS**

**Section 6.1 Role of CSBS Staff as Agent.** Pursuant to the 2011 MOU, "The Conference of State Bank Supervisors ("CSBS") represents various State authorities (each a "State Regulator") that supervise institutions and other persons engaged in the offering and provision of consumer financial products and services." Pursuant to the Framework, CSBS is understood by the CFPB and State Regulators to be an agent of State Regulators, providing support and facilitation to the State Regulators in the coordination efforts under the Framework.

**Section 6.2 Role of CSBS Staff as Support to the SCC and State Regulators.** Support to the SCC and State Regulators will be provided by CSBS staff upon request and direction of the SCC, and approval of the CSBS Board. Support shall include administrative, technical, technological, strategic, logistic and funding support.

**Section 6.3 Role of CSBS Staff in Information Interchange.** CSBS staff, at the request and direction of the SCC, will provide a secure medium of supervisory information exchange among State Regulators and between the State Regulators and appropriate federal agencies, including the Consumer Financial Protection Bureau.

**Section 6.4 Role of CSBS Staff in Supervisory Process Development and Training.** CSBS staff, at the request and direction of the SCC, will assist in the development of supervision processes and regulator training.

**ARTICLE 7. EXECUTION, ENFORCEABILITY, OTHER AGREEMENTS**

**Section 7.1 Execution.** The terms of this Agreement shall become effective when all State Regulator Associations have executed the original or a counterpart signature page to this Agreement.

**Section 7.2 No Private Right of Action.** This Agreement is intended as a good faith commitment between the Parties and shall not afford any private right of action of any Party against another Party.


**Section 7.3 Amendment.** Any Party to this Agreement may propose an amendment at any time, but this Agreement may be amended only by a written instrument signed by all Parties to the Agreement.


**Section 7.4 Termination.** Any Party to this Agreement may withdraw from the Agreement at any time by giving written notice of the withdrawal or termination to all other Parties, provided that adherence to the Confidentiality Sections of the Agreement shall survive a party's withdrawal from this Agreement.


**ARTICLE 8. MISCELLANEOUS**


**Section 8.1 Survival.** This Agreement shall survive any change in the identity of the executive in charge of any State Regulator Association.


**Section 8.2 Severability.** If any provision of this Agreement or the application thereof to any person or circumstances is held invalid or illegal, such invalidity or illegality shall not affect other provisions or applications of this Agreement which can be given effect without the invalid or illegal provision or application, and to this end, the provisions of this Agreement are declared to be severable.


 9/24/13  
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AARMR                      date

 9/30/13  
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MTRA                      date

 9/30/13  
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NACARA                      date

 10/7/13  
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CSBS                      date

 10/1/13  
\_\_\_\_\_  
NACCA                      date

 9/27/13  
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NASCUS                      date