

**CSBS/AARMR NATIONWIDE COOPERATIVE
AGREEMENT
FOR MORTGAGE SUPERVISION**

MAY 1, 2009

TABLE OF CONTENTS

Article 1.	Definitions
Article 2	Statement of Purpose
	Section 2.1 Intent
	Section 2.2 Coordinated Goals
	Section 2.3 Responsibilities
Article 3	Committee on Multi-State Mortgage Supervision (“MMC”)
	Section 3.1 Establishment of the MMC
	Section 3.2 Composition of MMC.
	Section 3.3 Term of the MMC.
	Section 3.4 Replacement of MMC Members
	Section 3.5. Responsibilities
	Section 3.6 Chairperson of the MMC
	Section 3.7 Meetings
Article 4	Information Sharing
	Section 4.1 Request for Information
	Section 4.2 Providing Information
	Section 4.3 Confidentiality
	Section 4.4 Subpoenas to the Receiving State Regulator
	Section 4.5 Sharing with Concurrent Examination Teams
Article 5	Responsibility for Examination
	Section 5.1 Role of MMC
	Section 5.2 Role of State Regulators
	Section 5.3 Home State Regulators
Article 6	Responsibility for Enforcement
	Section 6.1 Support to State Regulators
	Section 6.2 Role of State Regulators
Article 7	Parties
	Section 7.1 Representations and Warranties
	Section 7.2 Change in Power or Authority
Article 8	Execution, Enforceability, Other Agreements, and Termination
	Section 8.1 Execution
	Section 8.2 Binding and Enforceable
	Section 8.3 Other Agreements
	Section 8.4 Amendment; Termination
Article 9	Miscellaneous
	Section 9.1 Captions.
	Section 9.2. Waiver
	Section 9.3 Survival
	Section 9.4 Severability

ARTICLE 1. DEFINITIONS

For purposes of this Agreement:

1. **“Committee,”** or Multi-State Mortgage Committee (“MMC”) means the body created under Article 3 of this Agreement.
2. **“Concurrent Examination”** means an examination of a Multi-State Mortgage Entity (“MME”) under a Supervisory Program developed for such MME, whereby one or more State Regulators conduct parallel but separate examinations from the Joint Examination.
3. **“Concurrent Examination State Regulator”** means a State Regulator who has not agreed to the Confidentiality Sections of this Agreement.
4. **“Concurrent Examination Team”** means a State Regulator examination team conducting a Concurrent Examination.
5. **“Confidential Supervisory Information”** means information the disclosure of which would violate any confidentiality statutes, regulations or policies applicable to State Regulators.
6. **“Confidentiality Sections”** means Sections 4.3, 4.4 and 4.5 of this Agreement.
7. **“Coordinated Goals”** means the goals stated in Section 2.2 of this Agreement.
8. **“Examiner-In-Charge” or “EIC”** means an examiner assigned by the MMC to lead a Supervisory Team or the examiner leading a Concurrent Examination Team.
9. **“Examination Team”** means an examination team assigned to a specific MME examination, investigation or other related assignment. An Examination Team may be comprised of a team of examiners or other personnel from multiple states or a single state’s examiners or other personnel authorized to conduct a multi-state examination or investigation. An Examination Team may be either a Joint Examination Team or a Concurrent Examination Team.
10. **“Home State Regulator”** means a State Regulator that has jurisdiction over a MME and is located in the state where the MME has its headquarters.
11. **“Joint Examination”** means an examination of a Multi-State Mortgage Entity under a Supervisory Program developed for such MME conducted by two or more State Regulators that have agreed to the Confidentiality Sections of this Agreement and that share information and combine examination and other resources under a single MMC-appointed EIC.

12. **“Joint Examination State Regulator”** means a State Regulator who has agreed to the Confidentiality Sections of this Agreement.
13. **“Joint Examination Team”** means an examination team assigned to conduct a joint examination.
14. **“Multi-State Mortgage Committee” (“MMC”)** means the body created under Article 3 of this Agreement.
15. **“Multi-State Mortgage Entity” (“MME”)** means any multi-state, non-depository mortgage business with operations in two or more states identified by the MMC as a MME for purposes of this Agreement and the Nationwide Cooperative Protocol for Mortgage Supervision (“Protocol”). At the discretion of the MMC, MME may also include multi-jurisdictional entities under the supervisory authority of more than one regulatory body. For example: the MMC may determine for the purposes of multi-jurisdiction coordination under this Agreement to identify an institution operating under the authorities of both a State Regulator and the Office of Housing and Urban Development, the Veterans Administration, the Federal Trade Commission, or other agency with supervisory or law enforcement authority as a MME.
16. **“Nationwide Cooperative Protocol for Mortgage Supervision” or “Protocol”** means the guidelines adopted by State Regulators on December 5, 2007, as may be modified from time to time, to provide for improved coordinated examination and supervision of Multi-State Mortgage Entities.
17. **“Non-Confidential Information”** means information not covered and protected under the Confidentiality Sections of this Agreement. Non-Confidential Information is information, the disclosure of which would not violate confidentiality laws, regulations or policies applicable to State Regulators.
18. **“State Regulator”** means a state regulatory agency with legal jurisdiction over one or more Multi-State Mortgage Entities.
19. **“Supervisory Program”** means a program of regulatory supervision for a Multi-State Mortgage Entity designed to achieve the Coordinated Goals established in this Agreement and the Protocol. The Supervisory Program includes examination scheduling, on-site examination, off-site monitoring and review, complaint reporting and profiling, report follow up, and where necessary, supervisory action.

ARTICLE 2. STATEMENT OF PURPOSE

Section 2.1. Intent. On December 5, 2007, the State Regulators adopted the Nationwide Cooperative Protocol for Mortgage Supervision (the “Protocol”), the supervision guidelines for Multi-State Mortgage Entities (MMEs). The Protocol was designed to assist state mortgage regulators by outlining a basic framework for the coordination and supervision of MMEs.

Section 2.2 Coordinated Goals. The goals of the parties to this Agreement are to: (a) protect consumers; (b) ensure the safety and soundness of MMEs; (c) identify and prevent mortgage fraud; (d) supervise and examine in a seamless, flexible and risk-focused manner; (e) minimize regulatory burden and expense; and (f) foster consistency, coordination and communication among the State Regulators.

Section 2.3 Responsibilities. The parties recognize that the various State Regulators have independent and individual responsibility for the supervision of MMEs, and that the best way to fulfill those responsibilities with respect to MMEs is through a coordinated supervision process. The parties to this agreement agree to cooperate and to use best efforts to assure that each of their respective interests, authorities, and responsibilities are fulfilled through the implementation of the Protocol.

ARTICLE 3. COMMITTEE ON MULTI-STATE MORTGAGE SUPERVISION

Section 3.1 Establishment of the Committee. The parties recognize that coordination of the supervision of MMEs is best handled by a committee comprised of State Regulators, which shall be known as the MMC.

Section 3.2 Composition of MMC. The MMC shall consist of ten representatives of Joint Examination State Regulators, five of which are appointed by the Conference of State Bank Supervisors (“CSBS”) and five of which are appointed by the American Association of Residential Mortgage Regulators (“AARMR”). No two MMC appointments shall be from the same State Regulator. All MMC members must at all times be from a State Regulator that is a Joint Examination State Regulator.

Section 3.3 Term of the MMC. Except as provided in clause (a) below, the term of each State Regulator representative shall be for a period of two years. The terms of the initial State Regulator representatives shall be as follows: (a) four representatives, two appointed by CSBS and two appointed by AARMR, shall serve an initial term of three years; and (b) six representatives, three appointed by CSBS and three appointed by AARMR, shall serve an initial term of two years.

Section 3.4 Replacement of MMC Members. CSBS and AARMR may replace, remove, or substitute any member of the MMC appointed by such association at its discretion or when necessary to fill a vacancy on the MMC.

Section 3.5. Responsibilities. The MMC will have the responsibility to identify MMEs and to coordinate the supervision of MMEs according to a Supervisory Program as more fully described in the Protocol, as may be amended from time to time. Without limiting the generality of the foregoing, the MMC shall:

- (a) Establish procedures for operations in accordance with this Agreement and the Protocol, including meetings, MMC governance, and any other administrative functions necessary to the ordinary conduct of business.
- (b) Identify and maintain a list of MMEs;
- (c) Set examination schedules for MMEs and communicate schedules to State Regulators;
- (d) Establish the composition and staffing of Joint Examination Teams from available resources;
- (e) Establish a reporting and monitoring system for information on MMEs including the reporting of complaints against MMEs received by the various State Regulators;
- (f) Oversee the coordination between Joint Examination Teams and Concurrent Examination Teams, as appropriate;
- (g) Monitor the progress of Examination Teams;
- (h) Review and approve draft and final written reports of Joint Examinations, and distribute such reports to State Regulators participating in or authorized to participate in the Joint Examination.
- (i) Coordinate joint enforcement or supervisory action when necessary;
- (j) Establish procedures between the MMC and other parties, including AARMR and CSBS, to utilize resources to benefit the Examination Teams and the MMC in an efficient, effective, and confidential manner; and
- (k) Report to State Regulators on an annual basis as to the activities of the MMC.

Section 3.6 Chairperson of the MMC. At the Annual Meeting, as defined in Section 3.7 of this Agreement, of the MMC, the members of the MMC shall select a Chairperson to manage the operation of the MMC in fulfilling the purposes and obligations of this Agreement. The Chairperson shall have the responsibility for scheduling meeting dates and times and shall have primary responsibility for monitoring the Examination Teams between MMC meetings and any other activities necessary to the operation of the MMC.

Section 3.7 Meetings. The MMC shall meet in person at least once a year at a time and place selected by the MMC. One such meeting shall be designated as the Annual Meeting, and shall be the marking point for the start and end of terms of MMC members and the Chairperson. In addition, the MMC shall meet on a schedule set by the Chairperson with such frequency that the MMC can fulfill its responsibilities.

ARTICLE 4. INFORMATION SHARING

Section 4.1 Request for Information. Any Joint Examination State Regulator party to this Agreement may request from another State Regulator supervisory information, including Confidential Supervisory Information, related to a MME. A Concurrent Examination State Regulator party to this Agreement may request from another State Regulator Non-Confidential Information related to a MME. A request pursuant to this Agreement shall be made in writing and should be reasonably specific as to information sought. The State Regulator may request items related to a specific event, such as an examination report or list of complaints, or may make a standing request to obtain information related to a specific MME. The receiving State Regulator shall limit the use of any information obtained under this Agreement to purposes directly related to its supervisory authority.

Section 4.2 Providing Information. State Regulators shall comply with a request for supervisory information within a reasonable time to the fullest extent permitted by state law.

Section 4.3 Confidentiality. Confidential Supervisory Information shared under this Agreement shall be presumed to be protected unless otherwise specified by the originating State Regulator. A Joint Examination State Regulator that requests and/or receives Confidential Supervisory Information from another State Regulator agrees that, subject to compulsory legal disclosure described in Section 4.4, it will protect information obtained under this Agreement with the same level of confidentiality that applies to the information in the hands of the originating State Regulator.

Confidential Supervisory Information shared under this Agreement remains the property of the originating State Regulator and shall not be further disclosed by the recipient without the written permission of the originating State Regulator. Confidential Supervisory Information obtained under this Agreement should be returned or destroyed at the direction of the originating State Regulator.

Section 4.4 Subpoenas to the Receiving State Regulator. A Joint Examination State Regulator that is in possession of another State Regulator's Confidential Supervisory Information shall notify the originating State Regulator immediately upon receipt of a subpoena or other legal process by any court, legislative body, governmental agency, or any request from another person or entity not party to this Agreement that might require or compel disclosure of such Confidential Supervisory Information. Regardless of notification to, or response from the originating State Regulator, the Confidential Supervisory Information shall be protected as covered under Section 4.3. The receiving State Regulator agrees (i) to cooperate in asserting on the originating State Regulator's behalf all such legal privileges and exemptions as the originating State Regulator may request, and (ii) to cooperate in the preparation of any memoranda, requests for protective orders or pleadings deemed desirable by the originating State Regulator to protect Confidential Supervisory Information. The receiving State Regulator shall resist, to the extent practicable, production of the originating State Regulator's Confidential Supervisory Information, pending receipt of written consent from the originating State Regulator to the production of that information.

Section 4.5 Sharing with Concurrent Examination Teams. A Joint Examination Team shall not share Confidential Supervisory Information in its custody with a Concurrent Examination Team or Teams conducting a concurrent examination. Joint Examination Teams and Concurrent Examination Teams may share Non-Confidential Information and may work together to minimize the regulatory burden of examination, but the Joint Examination Team and Concurrent Examination Team must prepare separate reports of examination and confidential work papers to avoid inadvertent breaches of Confidential Supervisory Information.

Section 4.6 Designation as Joint Examination State Regulator or Concurrent Examination State Regulator. Each State Regulator signatory to this Agreement shall indicate on its signature page whether it is a Joint Examination State Regulator (i.e. able to agree to the Confidentiality Sections of this Article 4), or a Concurrent Examination State Regulator.

ARTICLE 5. RESPONSIBILITY FOR EXAMINATION

Section 5.1 Role of MMC. The MMC shall have responsibility for the identification of MMEs and the coordination of joint supervision of MMEs, as described in Section 3.5 of this Agreement and the Protocol, as may be amended from time to time.

Section 5.2 Role of State Regulators. Nothing in this Agreement shall prevent or limit a State Regulator in any way from the exercise of its lawful jurisdiction or authority over a MME. State Regulators shall endeavor to support the work of the MMC and the coordinated goals of this Agreement to the fullest extent possible, as appropriate to the resources available to the State Regulator and the benefits derived by the State Regulator from this Agreement.

Section 5.3 Home State Regulators. The Joint Examination Team shall contain at least one representative from the State Regulator in which the MME is headquartered, if so requested by the Home State Regulator, unless the Home State Regulator is a Concurrent Examination State Regulator.

ARTICLE 6. RESPONSIBILITY FOR ENFORCEMENT

Section 6.1 Support to State Regulators. The MMC shall, to the extent practicable, assist State Regulators contemplating enforcement actions against a MME by (a) coordinating communications among the State Regulators regarding any such action contemplated, and (b) facilitating the development and implementation of any joint or concurrent action requested by State Regulators.

Section 6.2 Role of State Regulators. Nothing in this Agreement shall prevent or limit a State Regulator in any way from the exercise of its lawful jurisdiction or authority over a MME, and no State Regulator is required to notify the MMC or other State Regulators prior to the filing of an enforcement action against a MME. State Regulators shall notify the MMC of an action filed against a MME within ten (10) days of taking such action.

ARTICLE 7. PARTIES

Section 7.1 Representations and Warranties. Each signatory State Regulator represents and warrants that he or she has all requisite power and authority to enter into and perform this Agreement and to the extent consistent with state law, any party acting within the scope of this Agreement shall be deemed to be acting within the scope of the signatory State Regulator's statutory authority.

Section 7.2 Change in Power or Authority. In the case there is any material change in the power or authority of any signatory State Regulator to perform this Agreement, such State Regulator shall give notice of the change to other State Regulators.

ARTICLE 8. EXECUTION, ENFORCEABILITY, OTHER AGREEMENTS

Section 8.1 Execution. The terms of this Agreement shall become effective when a State Regulator has executed the original or a counterpart signature page. Also, this Agreement is not intended to be limited to the original signatories, and other parties may sign after the initial execution of this document.

Section 8.2 Binding and Enforceable. This Agreement shall be binding and enforceable on the parties to the extent allowed by state law.

Section 8.3 Other Agreements. This Agreement is not intended to prevent the parties from entering into other agreements with individual parties, other State Regulators, federal regulatory authorities, federal or state law enforcement authorities, or the individual MMEs regarding the subject matter of this Agreement.

Section 8.4 Amendment; Termination. 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 each of the signatory State Regulators.

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 9. MISCELLANEOUS

Section 9.1 Captions. The captions in this Agreement are for convenience of reference only, do not constitute a part of this Agreement, and shall not affect the meaning or construction of any provision of this Agreement.

Section 9.2. Waiver. The waiver by any State Regulator of the performance of any provision of this Agreement shall not invalidate this Agreement, nor shall it be considered a waiver of any other provision.

Section 9.3 Survival. In absence of state law to the contrary, this Agreement shall survive any change in the identity of the executive in charge of any State Regulator.

Section 9.4 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.