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

I. Parties

The Consumer Financial Protection Bureau ("CFPB"), established by the Consumer Financial Protection Act ("CFP Act") (Pub. L. No. 111-203, 12 U.S.C. § 5301 et seq.), is an independent bureau with authority to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws as set forth in the CFP Act.

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.

II. Purpose

The CFPB and the CSBS and the other signatories hereto (collectively, "the parties") enter into this memorandum of understanding ("MOU") to establish the framework for the parties, consistent with law, to establish and enhance the cooperative relationship between the CFPB and State Regulators contemplated by the CFP Act and to preserve the confidential nature of the information the parties share by and among themselves. This MOU may be referred to as the "Information-Sharing MOU."

III. Definitions

For purposes of this MOU:

"Confidential Supervisory Information" means any information collected or maintained and owned by a party to this MOU which relates to the supervision of, or any enforcement action involving, an institution or other person engaged in the offering or provision of consumer financial products or services. Confidential Supervisory Information includes without limitation any information so designated by the Provider (as hereafter defined), regardless of whether the information had been generated or disclosed by another person.

"MMC" means the Multi-State Mortgage Committee of the CSBS and the American Association of Residential Mortgage Regulators.

"Nonpublic Information" means Confidential Supervisory Information or Personal Information (as hereafter defined), or both.

"Personal Information" means the name, address, or other personally identifiable information relating to any consumer, including without limitation any information so designated by the Provider (as hereafter defined) of the information.

"Provider" or "Recipient" means any party to this MOU that provides or receives Nonpublic Information, as applicable.

IV. Cooperation.

To the extent permitted by applicable law, including but not limited to the Privacy Act (5 U.S.C. 552a) and the Right to Financial Privacy Act (12 U.S.C. 3401 et seq.):

A. Examination Procedures and Related Information. The CFPB and the CSBS will consult with respect to the practices used by the State Regulators in examining providers of consumer financial products and services. For this purpose, the CSBS will endeavor to provide to the CFPB information furnished to it by the State Regulators, the MMC, and/or other relevant multi-state bodies in a mutually agreeable format, regarding the development and implementation of examination processes, including examination manuals, standardized information requests, and onsite and offsite examination procedures (including, but not limited to, procedures for "horizontal" examinations of multiple persons engaged in a similar line of business, procedures used to assess the risks of multi-state mortgage-related entities, the use of compliance examination software, and planned examination schedules).

B. Supervision and Enforcement Cooperation. The parties will work together, to the greatest possible extent, in order to—

(i) promote consistent standards for compliance examinations;

(ii) efficiently use resources of the CFPB and the State Regulators, including through the development of a framework for coordinating supervisory activities;

(iii) promote efficient information sharing between the CFPB and the State Regulators;

(iv) effectively enforce Federal consumer financial laws and State consumer protection laws; and

(v) minimize the regulatory burden on providers of consumer financial products and services operating in multiple States.

C. Training. The parties will consult on, exchange information relating to, and/or jointly develop training programs provided to examiners with respect to the standards, procedures, and practices used by the CFPB and State Regulators, respectively, to conduct compliance examinations. In carrying out this paragraph (C), the CFPB and the CSBS shall meet, no less frequently than annually, to discuss developments in training programs for examiners.

D. Confidential Supervisory Information and Personal Information. The parties may exchange Confidential Supervisory Information and Personal Information, including information derived from Confidential Supervisory Information or from consumer complaints. In this regard, the parties will work together as necessary to develop any additional policies and processes for sharing such information to enable them to carry out their respective duties under applicable law, to the extent permitted under applicable law or agreement and in a manner consistent with the purposes described in paragraph B. of this section.

V. Confidentiality.

The Parties agree that all Nonpublic Information obtained by a Recipient from a Provider shall be treated as confidential or proprietary information of, or relating to, a person and shall be protected against unauthorized use or disclosure as follows:

A. Recipient of Nonpublic Information will use such information only for purposes directly related to the planning or exercise of its regulatory, supervisory, or enforcement authority. Except as otherwise permitted under this MOU, a Recipient may not disclose any Nonpublic Information without the prior written approval of the Provider, which shall not be unreasonably denied.

B. Each party agrees to establish and maintain such safeguards as are necessary and appropriate to protect the confidentiality of the Nonpublic Information provided pursuant to this MOU. These safeguards include:

(i) restricting access to the Nonpublic Information obtained pursuant to this MOU to only those of its officers, employees, and agents who have a *bona fide* need for such information in planning or carrying out the regulatory, supervisory, or enforcement responsibilities of the party;

(ii) informing those persons who are provided access to such Nonpublic Information of their responsibilities under this MOU;

(iii) establishing appropriate physical safeguards for maintaining the confidentiality of the Nonpublic Information; and

(iv) to the extent that the Nonpublic Information is Personal Information or is information subject to the Privacy Act of 1974, 5 U.S.C. § 552a, taking appropriate steps to protect the Nonpublic Information as required by the Privacy Act and the applicable information security standards.

C. Each party agrees to assert any appropriate legal exemption or privilege available under applicable law to protect Nonpublic Information from public disclosure.

D. Nothing in this MOU shall prevent a party from complying with a legally valid and enforceable order of a State court or a court of the United States or, if compliance is deemed compulsory, a request or demand from a duly authorized committee or one of the established entities of the

United States Senate or House of Representatives, or disclosing Nonpublic Information to the extent required by law.

E. Unless otherwise provided in this MOU, the Recipient shall:

(i) promptly notify the Provider in writing of any legally enforceable demand or request for Nonpublic Information of the Provider (including, but not limited to, a subpoena, court order, oral question, interrogatory, request pursuant to the Freedom of Information Act or State freedom of information law, or request by the U.S. Government Accountability Office); provide the Provider a reasonable opportunity to respond to the demand or request prior to complying with the demand or request; and assert such appropriate legal exemptions or privileges on behalf of the Provider as the Provider may reasonably request be asserted; and

(ii) consent to application by the Provider to intervene in any related action for the purpose of asserting and preserving any claims of confidentiality with respect to the Provider's Nonpublic Information.

F. The parties agree that sharing of Nonpublic Information pursuant to this MOU will not constitute public disclosure and in no way constitutes a waiver of confidentiality or of any applicable privileges, including the examination privilege, or waives or alters any provisions of any applicable laws relating to non-public information. The parties expressly reserve all evidentiary privileges and immunities applicable to the information shared under this MOU.

G. Nothing in this agreement is intended to supersede or abrogate any other information sharing and/or confidentiality agreement entered into between any two or more States.

VI. Effect of this MOU.

No provision of this MOU is intended to, and no provision of the MOU shall be construed to, limit or otherwise affect the authority of a party to administer, implement, or enforce any provision of Federal consumer financial law or State consumer protection law.

VII. Term.

This MOU is effective as to any State upon signature by CFPB, CSBS and the applicable State, and will remain in effect until superseded by the signed, mutual agreement of the parties. Any party may withdraw from or otherwise terminate its participation in this agreement not earlier than 30 days after written notice provided to the other parties. Notwithstanding termination of this MOU, Nonpublic Information shared under this MOU shall continue to be treated in accordance with the terms of this MOU and shall not be shared outside the terms of this MOU, except as required by applicable law, or as mutually agreed upon by the parties.

VIII. Amendments.

The parties to the MOU may from time to time amend this MOU in writing and such amendment, when executed by the CFPB, the CSBS and the applicable State, shall be applicable to such parties.

IX. Contacts.

As soon as practicable after execution of this MOU, each party will advise the other of the name, title, and contact information, including addresses and telephone and fax numbers, for the appropriate official(s) to contact for purposes of notices and exchanges of information. This contact information will be updated as appropriate.

X. Authority.

Each party to this MOU has requisite legal authority to enter into this MOU. In the event of any material change to its authority, a party will provide written notification to the other parties within ten (10) calendar days of any such change.

The Department of the Treasury,
acting on behalf of
The Consumer Financial Protection Bureau

1/4/2011

Date

Conference of State Bank Supervisors

1/4/2011

Date

Other Signatories

(State Banking Commissioners or

Other Appropriate State Officials)

Separately Attached

Memorandum of Understanding

Between

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On the Sharing of Information for Consumer Protection Purposes

[NAME]
[TITLE]
[STATE AGENCY] CALIFORNIA DFI

1/13/11

Date