

**MEMORANDUM OF UNDERSTANDING
CONCERNING THE SHARING OF INFORMATION RELATED TO FHA-APPROVED
MORTGAGEES SUBJECT TO STATE REGULATION**

Introduction and Purpose

This Memorandum of Understanding (*MOU*) is entered into between the Conference of State Banking Supervisors (*CSBS*)¹, and the U.S. Department of Housing and Urban Development (*HUD*).

This MOU sets forth the agreement between CSBS and HUD (collectively, *the Parties*) with respect to their sharing, consistent with law, of information in connection with their responsibilities related to or affecting state-regulated mortgage companies and/or mortgage servicers who are also participants in HUD's FHA mortgage insurance program (hereinafter, the *Mortgage Participants*).

I. Information Sharing

- A. To the extent the providing Party (*the Provider*) deems it appropriate and necessary to permit the Parties to fulfill their respective responsibilities related to or affecting the Mortgage Participants, the Provider may, in its discretion, share information, including Non-public Information (as defined in this MOU), in any form (including oral), with the other Party (*the Recipient*).
- B. *Non-public Information* subject to this MOU shall be all information that a Provider provides to a Recipient pursuant to this MOU, unless the Provider expressly consents or designates the information as publicly available or as no longer Non-public Information subject to this MOU. For purposes of this MOU, Non-public Information also includes all information that the Provider has provided to the Recipient to date in connection with the Investigation/Legal Proceeding/Negotiation. Disclosure of such information is governed by this MOU and otherwise applicable state and federal law.
- C. The Parties will make best efforts to provide, as soon as reasonably possible, copies of relevant reviews, records or other information (collectively, *records*) that will aid in each of the Parties' fulfillment of its responsibilities related to or affecting the Mortgage Participants. The Parties agree to cooperate and coordinate on the media and format of such copies of records, as well as the process for providing such copies to the Recipient, in order to maintain the accuracy of the records and promote the

¹ CSBS enters into this MOU pursuant to its authority under Section IV of the CSBS-AARMR Nationwide Cooperative Protocol for Mortgage Supervision (May 1, 2009), Section 3.5 of the CSBS-AARMR Nationwide Cooperative Agreement for Mortgage Supervision (May 1, 2009) (both the Protocol and Agreement are located at <http://www.csbs.org/regulatory/Cooperative-Agreements/Pages/Agreements.aspx>, and Section 4(E) of the NMLS State Agency Terms of Use (April 2012). <http://mortgage.nationwidelicensingsystem.org/about/policies/NMLS%20Document%20Library/State%20Agency%20Terms%20of%20Use.pdf>.

efficient use of resources of the Parties.

II. Ownership and Confidentiality of Non-public Information

The Parties agree as follows:

1. All Non-public Information provided by the Provider to the Recipient remains the record or property of the Provider, and may not be shared or disclosed outside of the Recipient without the prior written permission of the Provider, except as permitted by this MOU.
2. The Recipient agrees to establish and maintain such safeguards as are necessary and appropriate to protect the confidentiality of the Non-public Information provided pursuant to this MOU, as well as any information derived therefrom. These safeguards include:
 - a. restricting access to the Non-public Information obtained pursuant to this MOU to only those of its officers, employees, contractors, or agents who have a *bona fide* need for such information in carrying out the responsibilities of the Party in connection with the Investigation/Negotiation;
 - b. informing those persons who are provided access to such Non-public Information of their responsibilities under this MOU;
 - c. establishing appropriate physical safeguards for maintaining the confidentiality of the Non-public Information; and
 - d. to the extent that the Non-public Information includes personally identifiable information or is information subject to the Privacy Act of 1974, 5 U.S.C. §552a, ensuring that the Non-public Information is also protected as required by the Privacy Act and the applicable information security standards, including National Institute of Standards and Technology, Special Publication 800-122 "Guide to Protecting the Confidentiality of Personally Identifiable Information," Federal Information Security Management Act of 2002 (FISMA), HUD Handbook 2400.25, "Information Security Policy."
3. Unless prohibited by law or otherwise provided in this MOU, the Recipient shall:
 - a. promptly notify the Provider in writing of any legally enforceable demand or request from a third party for Non-public Information of the Provider (including but not limited to, a subpoena, court order, request pursuant to the Freedom of Information Act ("FOIA"), or a request by the U.S. Government Accountability Office); provide a copy of the request or demand to the Provider for its consideration and advise the requester of such action; provide the Provider a reasonable opportunity to respond to the demand or request; and assert all such reasonable and appropriate legal exemptions or privileges that the Provider may request be asserted on its behalf;

- b. promptly notify the Provider in writing of any legally enforceable demand or request from a third party for Non-public Information of the Provider that would, if requested pursuant to the FOIA, be exempt from disclosure pursuant to Exemption 5 of the FOIA, 5 U.S.C. § 552(b)(5); provide a copy of the request or demand to the Provider for its consideration and advise the requester of such action; provide the Provider a reasonable opportunity to respond to the demand or request; and assert all such reasonable and appropriate legal exemptions or privileges that the Provider may request be asserted on its behalf; and
 - c. consent to a motion by the Provider to intervene in any related action for the purpose of asserting and preserving any claims of confidentiality with respect to any Non-public Information provided by the Provider.
- 4. Nothing in this MOU shall prevent a party from complying with a legally valid and enforceable subpoena, or United States federal court order compelling production of the Provider's Non-public Information or, if compliance is deemed compulsory, a request or demand from a duly authorized committee of the United States Senate or House of Representatives. To the extent permitted by law, the Recipient will advise the Provider of such a request, demand, subpoena, or order as promptly as is reasonably possible, and consult with the Provider on the response before complying with the request, demand, subpoena, or order. Recipient shall use its best efforts to ensure that the requestor secures an appropriate protective order or, if the requestor is a legislative body, use its best efforts to obtain the commitment or agreement of the legislative body that it will maintain the confidentiality of the information.
- 5. The Parties agree that sharing of Non-public Information pursuant to this MOU will not constitute public disclosure and is not intended to constitute a waiver of confidentiality or of any applicable privileges, nor waives or alters any provisions of any applicable state or federal laws relating to Non-public Information. The Parties expressly reserve all evidentiary privileges and immunities applicable to the information shared under this MOU.

IV. General Terms

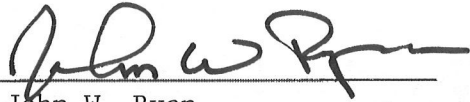
- A. This MOU is, in accordance with its terms, effective upon the signature by representatives of the Parties and remains effective until any party hereto provides written notice of its intent to terminate this MOU.
- B. The Parties to the MOU may from time to time amend this MOU in writing and such amendments, when executed by the Parties, shall then become a part of the MOU.
- C. This MOU contains the entire and exclusive agreement of the Parties with respect to its subject matter.
- D. This MOU may be executed in separate counterparts, each of which when executed and

delivered shall be deemed an original, and all of which taken together shall constitute one and the same MOU.

- E. 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 e-mail addresses, for the appropriate official(s) to contact for purposes of notices and exchanges of information. This contact information will be updated as appropriate.
- F. No provision of this MOU is intended to affect the parties' respective enforcement authority.

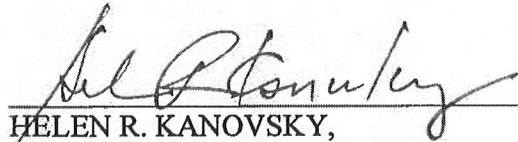
Signatures on following page

FOR THE CONFERENCE OF
STATE BANKING
SUPERVISORS



John W. Ryan,
President & CEO
Conference of State Bank Supervisors

FOR THE U.S. DEPARTMENT OF
HOUSING AND URBAN
DEVELOPMENT



HELEN R. KANOVSKY,
GENERAL COUNSEL,
U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

DATE: June 2, 2013

DATE: May 22, 2013