

**MEMORANDUM OF UNDERSTANDING
CONCERNING THE SHARING OF INFORMATION RELATED TO THE
ESTABLISHMENT OF THE
BUREAU OF CONSUMER FINANCIAL PROTECTION**

I. Introduction and Purpose

Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (*the Dodd-Frank Act or Act*) establishes the Bureau of Consumer Financial Protection (*the Bureau*), an independent bureau with authority to regulate the offering and provision of consumer financial products or services under Federal consumer financial laws as set forth in the Dodd-Frank Act. Both the Board of Governors of the Federal Reserve System (*the Board*) and the U.S. Department of the Treasury (*the Treasury*) have responsibilities related to or affecting the establishment of the Bureau.

Therefore, this Memorandum of Understanding (*MOU*) sets forth the agreement between the Board and the Treasury, for itself and on behalf of the Bureau, (collectively, *the Agencies or the Parties*), with respect to their sharing, consistent with law, of non-public information in connection with their responsibilities related to or affecting the establishment of the Bureau.

II. Information Sharing

1. To the extent the providing Agency (*the Provider*) deems appropriate and necessary to permit the Agencies to fulfill their respective responsibilities related to or affecting the establishment of the Bureau, including setting up the Bureau and preparing for the transfer of certain consumer financial protection functions to the Bureau ("*the Bureau-related provisions*"), the Provider may, in its discretion, share information, such as personnel information and other Non-public Information (as defined in this MOU), in any form (including oral), with the other Agency (*the Recipient*).

2. Except as provided in paragraph (3) of this section, *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. For purposes of this MOU, Non-public Information also includes all non-public information that the Provider has provided to the Recipient to date in connection with the Bureau-related provisions of the Dodd-Frank Act. Further, for purposes of this MOU, information of the Board includes any information of one or more Federal Reserve Banks. With respect to examination-related information shared pursuant to this MOU, all such information that is provided shall be deemed to be Non-public Information and may be employed by the Recipient only for the purposes of planning, developing, enhancing, or conducting its or the Bureau's supervisory activities, if any. Non-public Information shall not include any complaint, inquiry, or allegation regarding any financial product or service submitted to the Bureau or the Treasury in any form by an individual consumer (*consumer complaint*) and which the Bureau or the Treasury provides to the Board.

3. After the designated transfer date under section 1062 of the Act, information provided to the Bureau by the Board under this MOU related to a function transferred from the Board to the Bureau shall be the agency records of both the Board and the Bureau, unless on a timely basis, the Board designates the record as also including information that concerns functions of the Board which are not transferred to the Bureau. To the extent records transferred to the Bureau include information concerning functions not transferred to the Bureau, such information shall continue to be a record of the Board and the Bureau shall continue to protect that information as Non-public Information of the Board. All other records transferred to the Bureau shall be the property of the Bureau, either solely or jointly, and therefore, no longer Non-public Information of the Board pursuant to this MOU. The Parties anticipate and agree, however, that the Bureau will adopt rules providing for the confidential treatment of such records.

4. To facilitate the planning and preparation for the establishment and performance of the Bureau's supervisory and enforcement functions and to assure that no interruption in supervision occurs as a result of the transfer of supervisory functions from the Board to the Bureau, the Board will make its best efforts to provide to the Bureau prior to the designated transfer date copies of records related to a supervisory or enforcement function to be transferred from the Board to the Bureau. The Bureau and the Board shall establish a schedule for the provision of such records to the Bureau prior to the designated transfer date. Copies of records related to such supervisory or enforcement functions shall be provided to the extent that the Board, in consultation with the Bureau, as appropriate, deems they are records necessary for the Bureau's use in planning or preparation for the establishment and performance of its supervisory or enforcement functions. After the designated transfer date under section 1062 of the Act, the Board shall timely provide to the Bureau copies of records related to other functions transferred from the Board to the Bureau to the extent that the Board, in consultation with the Bureau, as appropriate, deems they are records necessary for the Bureau's use in its performance or support of such other functions. 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 Bureau, in order to retain the accuracy of the records and promote the efficient use of resources of the agencies.

III. Permissible Uses and Confidentiality

The Parties agree as follows:

1. All Non-public Information provided by the Provider to the Recipient remains the property of the Provider. This MOU is not intended to and does not alter, waive, or compromise the discretion of the Provider to determine the information it will share under this MOU.
2. Except as permitted by this MOU, Non-public Information may not be shared outside of the Recipient without the prior written permission of the Provider.

3. 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:
 - (i) restricting access to the Non-public Information obtained pursuant to this MOU to only those of its officers and employees (including, for the Board, staff of the Federal Reserve Banks) who have a *bona fide* need for such information in carrying out the responsibilities of the Party (and, for the Board, the responsibilities of the Reserve Banks) in connection with the Bureau-related provisions of the Dodd-Frank Act;
 - (ii) informing those persons who are provided access to such Non-public Information of their responsibilities under this MOU;
 - (iii) establishing appropriate physical safeguards for maintaining the confidentiality of the Non-public Information; and,
 - (v) to the extent that the Non-public Information is 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."
4. The Recipient may share Non-public Information with its contractor (or consultant) only with the Provider's written permission, which permission will not be unreasonably withheld. The Recipient will identify the particular Non-public Information to be shared and request permission by letter or email to the Provider's point of contact. The Provider's grant of permission via email will serve as sufficient authorization. If the Provider grants permission for the sharing, the Recipient will require that the contractor agree, in writing, that it will: (i) safeguard the Non-public Information as set forth in paragraph (3) above; (ii) return, or certify to the Recipient, the destruction of all copies of the Non-public Information at the conclusion of its engagement with the Recipient; (iii) not use the Non-public Information for any purpose other than in connection with its engagement with the Recipient; and (iv) not disclose the Non-public Information outside of the contractor (other than to the Recipient) without the prior written approval of the Provider.
5. Unless prohibited by law or otherwise provided in this MOU, the Recipient shall:
 - (i) promptly notify the Provider in writing of any legally enforceable demand or request for Non-public Information of the Provider (including but not limited to, a subpoena, court order, request pursuant to the Freedom of Information Act, or a request by the U.S. Government Accountability Office); provide the Provider a reasonable opportunity to respond to the demand or request; and assert all such legal

exemptions or privileges on behalf of the Provider as the Provider may reasonably and appropriately request be asserted;

(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 Non-public Information;

(iii) not grant the demand or request for the Provider's Non-public Information or furnish it to any third party, or make public any of the information or any information derived therefrom, without the prior written approval of the Provider; and

(iv) if the request involves Non-public Information of the Provider transfer the request or demand to the Provider for its consideration and advise the requester of such action.

6. Nothing in this MOU shall prevent a party from complying with a legally valid and enforceable order of a federal court of the United States that compels 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, or order as promptly as is reasonably possible and consult with the Provider on the response before complying with the request, demand, 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.
7. 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, including the examination privilege, nor 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.

IV. General Terms

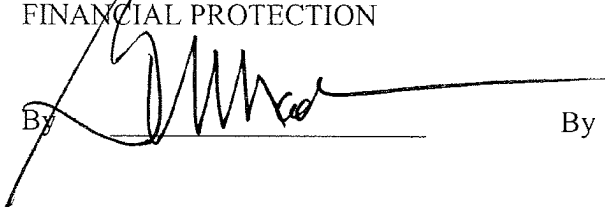
1. This MOU is effective upon the signature by representatives of the Parties and remains effective until either party provides written notice of its intent to terminate this MOU or until the date upon which the Director of the Bureau is confirmed by the Senate in accordance with section 1011 of the Dodd-Frank Act. The sharing of information under this MOU between the Board and the Bureau may continue after confirmation of the Director of the Bureau if the Director reaffirms, in writing, the Bureau's commitment to be bound by and to comply with the terms of this MOU.
2. Following the termination of this MOU, all Non-public Information provided pursuant to this MOU shall remain confidential and will continue to be protected as

set forth in this MOU. Except as permitted by this MOU, Non-public Information of the Board may not be shared outside of the Treasury or the Bureau without the Board's permission.

3. The Parties to the MOU may from time to time amend this MOU in writing and such amendments, when executed by both Parties, shall then become a part of the MOU.
4. This MOU contains the entire and exclusive agreement of the Parties with respect to its subject matter.
5. 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.
6. 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.

FOR THE U.S. DEPARTMENT
OF THE TREASURY
and on behalf of
THE BUREAU OF CONSUMER
FINANCIAL PROTECTION

By



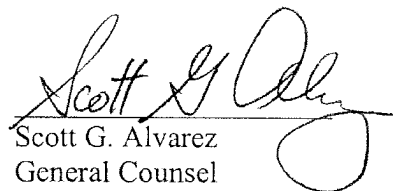
Department of Treasury

Date:

1/25/11

FOR BOARD OF GOVERNORS OF
THE FEDERAL RESERVE SYSTEM

By



Scott G. Alvarez
General Counsel

Date:

1/8/11