

EXHIBIT D

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.: 1:13-cv-21189-KMW (Williams)

**CONSUMER FINANCIAL
PROTECTION BUREAU,**

Plaintiff,

v.

**UNITED GUARANTY
CORPORATION,**

Defendant.

FINAL CONSENT JUDGMENT AND ORDER

Plaintiff, the Consumer Financial Protection Bureau (“CFPB” or “Bureau”), has filed a Complaint for Permanent Injunction and Other Relief (the “Complaint”), pursuant to Section 1054 of the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C. § 5564, and Sections 8 and 16 of the Real Estate Settlement Procedures Act (“RESPA”), 12 U.S.C. §§ 2607, 2614.

The Complaint alleges that defendant United Guaranty Corporation (“United Guaranty” or “Defendant”) has violated Section 8 of the Real Estate Settlement Procedures Act (“RESPA”), 12 U.S.C. § 2607.

The parties, by and through their respective counsel, have agreed to entry of this Proposed Final Consent Judgment and Order (“Order”) by this Court, without trial or adjudication of any issue of fact or law, to settle and resolve all matters of dispute arising from

the conduct alleged in the Complaint. Defendant waives all rights to seek judicial review or otherwise challenge or contest the validity of this Order, and Defendant waives any right that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412. Defendant has waived service of the Summons and Complaint.

The parties having requested the Court to enter this Order, it is therefore ORDERED, ADJUDGED, and DECREED as follows:

FINDINGS

1. This Court has jurisdiction of the subject matter of this case and has jurisdiction over Defendant. Venue in this District is proper.
2. The Complaint states a claim upon which relief may be granted under Section 8 of RESPA, 12 U.S.C. § 2607, and Sections 1054 and 1055 of the CFPA, 12 U.S.C. §§ 5564 and 5565.
3. The Bureau and United Guaranty stipulate and agree to entry of this Order, without trial or final adjudication of any issue of fact or law, to settle and resolve all matters in dispute arising from the conduct of the Defendant alleged in the Complaint to the date of entry of this Order. This settlement does not settle or resolve any matters not alleged in the Complaint. United Guaranty has consented to entry of this Order without admitting or denying any of the allegations set forth in the Complaint.
4. The parties intend that this Order a) not be an adjudication of any fact or legal conclusion, and b) not have any preclusive effect in any other action or proceeding. By agreeing

to the entry of this Order, United Guaranty is not making any evidentiary admissions of liability for the specific practices alleged in the Complaint.

5. The relief provided in this Order is appropriate and available pursuant to Sections 1054 and 1055 of the CFPA, 12 U.S.C. §§ 5564 and 5565, and Sections 8 and 16 of RESPA, 12 U.S.C. §§ 2607 and 2614.

6. Entry of this Order is in the public interest.

DEFINITIONS

For the purpose of this Order:

A. “Captive Mortgage Reinsurance Arrangement” shall refer to any contract, agreement, or other business arrangement to which United Guaranty is or was a party, pursuant to which a Lender or Lender affiliate reinsures any portion of mortgage insurance provided by United Guaranty on any federally related mortgage loan, as defined by RESPA and its implementing regulations, in exchange for a percentage of premiums paid for that mortgage insurance coverage, and any actions necessitated by, attendant or ancillary to the execution of such an agreement and its provisions, including but not limited to (1) the referral of borrowers to United Guaranty in connection with loans originated by Lenders, (2) the creation or operation of one or more Lender affiliates to provide reinsurance services to United Guaranty or other mortgage insurance providers, (3) the receipt by or through such Lender affiliate or affiliates of some portion of the premiums paid by borrowers to United Guaranty or other forms of payment in connection with such loans, and (4) any other services provided pursuant to such an agreement.

B. The “Company” or “United Guaranty” means United Guaranty Corporation and its successors and assigns, by whatever names they might be known.

C. “Captive Trust” means any trust used in connection with a Captive Mortgage Reinsurance Arrangement to which United Guaranty is a party, including any accounts, funds, or property held in the name of such trust.

D. “Lender(s)” means any and all entities that offer or provide residential mortgage loans.

E. “Captive Reinsurer” means any Lender or affiliate thereof that reinsures mortgage insurance pursuant to a Captive Mortgage Reinsurance Arrangement.

ORDER

I. PROHIBITED CONDUCT

IT IS THEREFORE ORDERED THAT that United Guaranty, its affiliates, officers, agents, representatives, and employees, and all other persons or entities in active concert or participation with it who receive actual notice of this Order by personal service or otherwise, directly or through any corporation, subsidiary, division, or other device, are hereby permanently restrained and enjoined from:

A. Except as otherwise expressly provided herein, participating in any Captive Mortgage Reinsurance Arrangement (“Arrangement”) for a period of ten years from the date of entry of this Order, by:

1. Entering into any such new Arrangement;
2. Revising, or agreeing to revise, including by failing to object upon being given notice, any existing Arrangement without the prior written consent of the Bureau,

except that such consent shall not be necessary in the case of purely ministerial or clerical changes, provided that the Bureau is given a copy of all documents reflecting any such changes no fewer than thirty (30) days before they take effect; or

3. Obtaining reinsurance from a Captive Reinsurer on any new mortgage transactions after the date of entry of this Order.

Nothing in this Order shall be construed, however, as preventing the ceding of premiums on policies originated as of, and subject to Arrangements already in existence as of, the date of entry of this Order.

B. Giving any thing of value to any person pursuant to an agreement that mortgage insurance business shall be referred by such person to United Guaranty, in violation of Section 8 of RESPA, 12 U.S.C. § 2607, and its implementing regulations.

C. Failing to comply with any provision of RESPA, 12 U.S.C. § 2601 *et seq.*, and its implementing regulations.

IT IS FURTHER ORDERED THAT United Guaranty, its affiliates, officers, agents, servants, representatives, and employees, and all persons in active concert or participation with it who receive actual notice of this Order by personal service or otherwise, will:

D. Relinquish to the CFPB any and all rights possessed by United Guaranty to receive, claim, or utilize any funds held in any Captive Trust pursuant to any existing Captive Mortgage Reinsurance Arrangement, except for the purpose of reimbursing United Guaranty for reinsurance claims that have accrued or will accrue under the terms of any Captive Mortgage Reinsurance Arrangement; for the purpose of obtaining reinsurance credit against loss reserves;

or for the purpose of paying United Guaranty ceding commissions due under any such Arrangement in force as of the date of entry of this Order.

IT IS FURTHER ORDERED THAT United Guaranty, its officers, agents, servants, and employees, hereby waive any and all claims or defenses of United Guaranty to resist enforcement of or monitoring for compliance with this Order on the ground that the CFPB lacks authority to undertake such enforcement or monitoring.

II. CIVIL MONEY PENALTY

IT IS FURTHER ORDERED that by reason of the alleged violations of law or regulations as set forth in the Complaint, and after taking into account the appropriateness of the penalty with respect to the financial resources and good faith of United Guaranty, the gravity of the conduct by United Guaranty, the severity of the risks to and losses of consumers, the history of previous conduct by United Guaranty, and such other matters as justice may require, pursuant to section 1055(c) of the CFPB, 12 U.S.C. § 5565(c): United Guaranty shall pay a total civil money penalty of \$4,500,000 to the CFPB within thirty (30) days after the date of entry of this Order, in accordance with section 1017(d) of the CFPB, 12 U.S.C. § 5497(d), as directed by the CFPB. United Guaranty shall pay such civil money penalty itself, and is prohibited from seeking or accepting indemnification from such payment from any third party.

III. NOTIFICATION AND REPORTING REQUIREMENTS

A. CIVIL INVESTIGATIVE DEMANDS

IT IS FURTHER ORDERED that, in connection with any Civil Investigative Demand (“CID”) or subpoena issued in any investigation, enforcement action, or civil action of the Bureau related to or associated with the transactions or the occurrences that are the subject of the Complaint, United Guaranty shall respond on an expedited basis to any such CID or subpoena.

B. DATA

IT IS FURTHER ORDERED that, to facilitate consumer redress, United Guaranty shall provide the Bureau or its designated agent, within thirty (30) calendar days after receiving a written request by the Bureau or its designated agent, with all information reasonably required to administer payment of any funds pursuant to Section 1017(d) of the CFPA. United Guaranty shall provide a complete electronically stored data set in a compatible format (as reasonably determined by the Bureau or its agent).

C. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purposes of monitoring compliance with this Order:

1. Within thirty (30) days of receipt of written notice from the CFPB, United Guaranty shall submit written reports, sworn to under penalty of perjury; produce documents for inspection and copying in the form and format by which they are maintained by United Guaranty; and make available a designated representative of United Guaranty to appear for deposition.
2. In addition, the CFPB is authorized to use any or all lawful means to monitor compliance with this Order, including, but not limited to, obtaining documents,

information, answers to questions, or sworn testimony from any person without further leave of the Court, and using any of the procedures available to the CFPB pursuant to the provisions of Section 1052 of the CFPA.

3. United Guaranty shall permit the CFPB to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The interview shall occur at a mutually agreeable time and place and the person interviewed may have counsel present upon their request.

D. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that for the purpose of assessing United Guaranty's compliance with this Order:

1. For a period of four (4) years from the date of entry of this Order, United Guaranty shall notify the CFPB of any changes in corporate structure that may affect compliance obligations arising under this Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order, expressly to include, without limitation, the sale of private mortgage insurance; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to such change, ***provided that***, with respect to any proposed change in the corporation about which United Guaranty learns less than thirty (30) days prior to the date such action is to take place, United Guaranty shall notify the CFPB as soon as it is practicable after obtaining such knowledge.

2. One-hundred eighty (180) days after the date of entry of this Order and annually on this date until such time as each and every one of the Captive Trusts are terminated, ended, or otherwise closed, United Guaranty shall provide a written report to the CFPB, sworn to under penalty of perjury, setting forth in detail the manner and form in which it has complied and is complying with this Order since entry of this Order, or during the most recent annual period, as appropriate. This report shall include, but not be limited to:
 - a) The balance of all funds held in any Captive Trust;
 - b) The amount of all payments, funds, or other disbursements received by United Guaranty during the preceding year (or, in the case of the first such report, six months) pursuant to any existing Captive Mortgage Reinsurance Arrangement for the purpose of reimbursement for reinsurance claims;
 - c) The amount of all payments, funds, or other disbursements that United Guaranty projects or anticipates it may claim within the subsequent year pursuant to any existing Captive Mortgage Reinsurance Arrangement for the purpose of reimbursement for reinsurance claims;
 - d) Confirmation that United Guaranty has exercised for the benefit of the CFPB any and all rights, if any, previously possessed by it under any Captive Mortgage Reinsurance Arrangement to obtain any other funds held within any Captive Trust, other than funds held within a Captive Trust for any purpose permitted in Section I.D above, notified all parties to the Captive Mortgage Reinsurance Arrangement that it has relinquished any continuing rights over

such funds to the CFPB, and the amount of any such funds obtained and delivered to the CFPB;

- e) The amount of all payments, funds, or other disbursement paid or ceded by United Guaranty pursuant to any existing Captive Mortgage Reinsurance Arrangement;
- f) The amount of all payments, funds, or other disbursements that United Guaranty projects or anticipates it may pay or cede within the subsequent year pursuant to any existing Captive Mortgage Reinsurance Arrangement;
- g) Any changes required to be reported under subparagraph 1 of this Section; and
- h) A copy of each acknowledgement of receipt of this Order, obtained pursuant to Section V of this Order.

3. For a period of ten (10) years from the date of entry of this Order, beginning one year from the date of entry of this Order, and each year thereafter, United Guaranty shall certify in writing to the CFPB that, since the date of entry of this Order, United Guaranty has complied with subsection A of Section I of this Order.

4. For the purposes of this Order, United Guaranty shall, unless otherwise directed by the CFPB's authorized representatives, mail all written notification to the CFPB via Federal Express, to:

Consumer Financial Protection Bureau
ATTENTION: Enforcement Director
1700 G Street NW
Washington, D.C. 20552

RE: *CFPB v. United Guaranty*, File No. 2011-0024-02

IV. RECORD-KEEPING PROVISION

IT IS FURTHER ORDERED that, for a period of six (6) years from the date of entry of this Order, United Guaranty and its successors and assigns shall retain all records and documents necessary to demonstrate full compliance with this Order, including but not limited to:

A. All contracts reflecting reinsurance policies or arrangements sought or obtained by United Guaranty following the date of this Order, or otherwise in force as of the date of this Order.

B. All copies of acknowledgements of receipt of this Order required by Section V, and all reports submitted to the CFPB pursuant to Section III.

C. All customer files, including any records of customer complaints, on accounts including Captive Mortgage Reinsurance Arrangements.

D. All records of any reinsurance claims pursued by the Company under a Captive Mortgage Reinsurance Arrangement, the disposition of those claims, and a complete accounting of all funds received by United Guaranty in connection with those claims.

V. DISTRIBUTION OF ORDER

IT IS FURTHER ORDERED that, during the ten (10) years after entry of this Order, United Guaranty shall deliver a copy of this Order to all principals, officers, and directors. United Guaranty must also deliver copies of this Order to all of its employees, agents, and representatives who had responsibilities or business duties relating to Captive Mortgage Reinsurance Arrangements. United Guaranty must also deliver copies of this Order to all of its employees, agents, or representatives who are engaged in or otherwise responsible for

compliance with this Order. United Guaranty shall deliver this Order to current personnel within thirty (30) days after the date of service of this Order, and to new personnel or personnel whose responsibilities have changed to include duties covered by this Order, within thirty (30) days after the person assumes such position or responsibilities. United Guaranty must secure a signed and dated statement acknowledging receipt of this Order within thirty (30) days of delivery from all persons receiving a copy of this Order under this Section.

VI. ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that United Guaranty, within thirty (30) days of receipt of this Order as entered by the Court, must submit to the CFPB a duly sworn statement acknowledging receipt of this Order.

VII. RELEASE

The CFPB releases and discharges United Guaranty, and its affiliates, directors, officers, agents, servants and employees from all potential liability that has been or might have been asserted by the CFPB based on the captive mortgage reinsurance practices described in the Complaint, to the extent such practices occurred prior to the entry of this Order. Notwithstanding the foregoing, the practices alleged in the Complaint may be utilized by the CFPB in future enforcement actions against United Guaranty and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations, or to calculate the amount of any penalty. This release shall not preclude or affect any right of the CFPB to determine and ensure compliance with the terms and provisions of this Order, or to seek penalties for any violations thereof.

VIII. RETENTION OF JURISDICTION


IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

IX. FINAL JUDGMENT AND ORDER

The parties hereby consent to the terms and conditions of this Order as set forth above and consent to the entry thereof.

IT IS DONE AND ORDERED this 5th day of April, 2013 in Chambers in

Miami, Florida.



UNITED STATES DISTRICT JUDGE

Conformed Copies to:

All Parties

THE UNDERSIGNED HEREBY CONSENT TO ENTRY OF THIS ORDER

On behalf of Plaintiff Consumer Financial Protection Bureau

Kent Markus
Enforcement Director



Donald R. Gordon (Special Florida Bar Number #A5501854)

Kimberly J. Ravener

Navid Vazire

Crystal Sumner


Attorneys for Plaintiff

Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552
(202)435-7357

DATED April 4, 2013.


THE UNDERSIGNED HEREBY CONSENT TO ENTRY OF THIS ORDER

On behalf of Defendant United Guaranty



Brian M. Gould
Chief Operating Officer
United Guaranty Corporation

DATED 3/21, 2013.



William A. Burck
Attorney for Defendant United Guaranty Corporation

DATED 3/19, 2013.