

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:)	
)	AA-EC-2016-68
)	
Wells Fargo Bank, N.A.)	
Sioux Falls, South Dakota)	

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller” or “OCC”), through his national bank examiners, has examined the affairs of Wells Fargo Bank, N.A., Sioux Falls, South Dakota (hereinafter the “Bank”), and has identified: (1) violations of the Servicemembers Civil Relief Act (“SCRA”), 50 U.S.C. §§ 3901-4043, and (2) deficiencies in the Bank’s program for compliance with the SCRA. The OCC has informed the Bank of the findings resulting from its examinations.

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a Stipulation and Consent to the Issuance of a Consent Order, dated September 29, 2016 (“Stipulation”), that is accepted by the Comptroller. By this Stipulation, which is incorporated by reference, the Bank has consented to the issuance of this Consent Cease and Desist Order (“Order”) by the Comptroller. The Bank has committed to taking all necessary and appropriate steps to remedy the deficiencies and to enhance the Bank’s compliance with the SCRA. The Bank has begun implementing procedures to remediate the violations of law addressed in this Order.

ARTICLE I

COMPTROLLER'S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) Between approximately 2007 and 2014, the Bank failed to apply the six percent interest rate cap to certain servicemember¹ obligations and liabilities, in violation of 50 U.S.C. § 3937(a)(1).

(2) Between approximately 2006 and 2011, the Bank failed to accurately disclose some servicemembers' military status in certain affidavits filed in those servicemembers' eviction proceedings, in violation of 50 U.S.C. § 3931(b)(1).

(3) Between approximately 2007 and 2016, the Bank failed to obtain court orders prior to repossessing certain servicemembers' automobiles, in violation of 50 U.S.C. § 3952(a)(1).

(4) The Bank's SCRA compliance program has exhibited deficiencies and weaknesses that contributed to the violations of law described in Paragraphs (1) through (3).

(5) The Bank's conduct, as evidenced by the violations of the SCRA and compliance deficiencies described in Paragraphs (1) through (4) of this Article, involved violations of law.

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(b), the Comptroller hereby ORDERS that:

¹ As used in this Order, the term "servicemember" is the same as defined by the SCRA, 50 U.S.C. § 3911(1).

ARTICLE II

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of the effective date of this Order, the Board shall appoint a Compliance Committee of at least three (3) members of which a majority shall be directors who are not employees or officers of the Bank or any of its subsidiaries or affiliates. The Compliance Committee shall be responsible for monitoring and overseeing the Bank's compliance with the provisions of this Order. The Compliance Committee shall meet at least quarterly and maintain minutes of its meetings at which compliance with this Order is discussed.

(2) Within ninety (90) days of the effective date of this Order, and thereafter within thirty (30) days after the end of each quarter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail the actions taken to comply with each Article of this Order, and the results and status of those actions. The progress report shall include information sufficient to validate compliance with this Order.

(3) Upon receiving the Compliance Committee's report, the Board shall forward a copy of the report, with any additional comments by the Board, to the Examiner-in-Charge within ten (10) days of the first Board meeting following receipt of such report, unless additional time is granted by the Examiner-in-Charge through a written determination of no supervisory objection. The Deputy Comptroller for Large Bank Supervision ("Deputy Comptroller") may, in writing, discontinue the requirement for progress reports or modify the reporting schedule.

ARTICLE III

COMPREHENSIVE ACTION PLAN

(1) Within sixty (60) days of the effective date of this Order, the Bank shall submit to the Examiner-in-Charge, for review and written determination of no supervisory objection by the Deputy Comptroller, a plan containing a complete description of the actions that are necessary and appropriate to achieve compliance with Articles IV through VIII of this Order (“Action Plan”). In the event the Deputy Comptroller or the Examiner-in-Charge asks the Bank to revise the Action Plan, the Bank shall promptly make the requested revisions and resubmit the Action Plan to the Examiner-in-Charge for review and determination of no supervisory objection. Following non-objection to the Action Plan by the Deputy Comptroller, the Bank shall not take any action that would constitute a significant deviation from, or material change to, the requirements of the Action Plan or this Order, unless and until the Bank has received a prior written determination of supervisory non-objection from the Deputy Comptroller.

(2) The Board shall ensure that the Bank achieves and thereafter maintains compliance with this Order, including, without limitation, successful implementation of the Action Plan. The Board shall further ensure that, upon implementation of the Action Plan, the Bank achieves and maintains an effective and sustainable enterprise-wide SCRA Compliance Program required by Article IV of this Order. In order to comply with these requirements, the Board shall:

- (a) require the timely reporting by the Bank of such actions directed by the Board to be taken under this Order;

- (b) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (c) require corrective action be taken in a timely manner for any non-compliance with such actions.

(3) The Action Plan shall specify timelines for completion of each of the requirements of Articles IV through VIII of this Order. The timelines in the Action Plan shall be consistent with any deadlines set forth in this Order.

ARTICLE IV

SCRA COMPLIANCE PROGRAM

(1) Within sixty (60) days of the effective date of this Order, the Bank shall develop a written program to ensure the Bank's compliance with the SCRA ("SCRA Compliance Program"). The Board shall approve and cause the Bank to submit this SCRA Compliance Program to the Examiner-in-Charge for prior determination of supervisory non-objection. The SCRA Compliance Program shall require, at a minimum:

- (a) Adequate written policies and procedures to ensure compliance with the SCRA and the Bank's related standards, including, but not limited to:
 - (i) uniform standards and processes for identifying customers eligible for SCRA benefits and protections;
 - (ii) uniform standards and processes for determining whether a servicemember who submits a request for SCRA benefits or protections is eligible for such benefits or protections for any customer account, including, but not limited to, any

credit cards, mortgages, home equity loans, motor vehicle finance loans, consumer loans and lines of credit accounts, and commercial lending accounts where the servicemember is personally liable, that the borrower may have (collectively, “Accounts”), not just the Account that is the subject of the request;

- (iii) policies and procedures for notifying a servicemember of the Bank’s denial to provide SCRA benefits or protections;
- (iv) processes to ensure that all factual assertions made in affidavits of military service filed by the Bank or on behalf of the Bank are accurate, complete, and reliable;
- (v) procedures for when searches of the Department of Defense Manpower Data Center (“DMDC”) database must be conducted before filing and obtaining a default judgment on an Account, or making a determination of eligibility for SCRA benefits or protections;
- (vi) procedures for initiating and pursuing a waiver under a written agreement, as provided in 50 U.S.C. § 3918, and other applicable law; and
- (vii) consistent procedures for application of state laws that provide more benefits or protection to servicemembers than those provided by the SCRA.

- (b) The development and implementation of written policies and procedures governing documentation and record retention requirements, which shall include:
- (i) written procedures and processes to ensure that the requirements of this subparagraph, are consistently applied, and complied with, throughout the Bank.
 - (ii) written procedures requiring that the Bank obtain and maintain sufficient documentation to evidence: (1) the dates of military service for servicemembers who request SCRA benefits or who are otherwise potentially entitled to SCRA protection; (2) the method, date, and results of military status verifications prior to seeking or obtaining a default judgment on an Account of a servicemember covered by the SCRA; (3) dates of any correspondence with a servicemember covered by the SCRA; and (4) the calculation of benefits or protections provided to the servicemember pursuant to the SCRA.
 - (iii) written procedures and processes for documenting the basis of the Bank's determination of an Account's eligibility for SCRA benefits or protections or of the Bank's denial of such benefits or protections.
 - (iv) the establishment of an effective record retention system to assure the maintenance and accessibility of complete

records within the Bank that demonstrates its compliance with the SCRA and the requirements of this Paragraph.

- (c) The development of standard internal guidance, guidelines, and formats that convey complete and accurate information regarding the SCRA that is to be used by all Bank senior management, irrespective of their duties, and Covered Bank Employees, as that term is defined in Paragraph (3) of this Article.
- (d) Written policies and procedures for conducting periodic reviews and updating, as applicable, the guidance, guidelines, and formats required by Paragraph (1)(c) of this Article.
- (e) Written policies and procedures to ensure that risk management, quality control, internal audit, and corporate compliance have the requisite authority and status within the Bank so that deficiencies in the SCRA policies, procedures, or processes are identified and properly remedied.
- (f) A system of ongoing monitoring and testing by senior management within their line of business to:
 - (i) ensure compliance with the SCRA, the SCRA Compliance Program, and the SCRA Training Program as defined in Paragraph (3) of this Article;
 - (ii) verify that the policies and procedures described in Paragraphs (1)(a) and (1)(b) of this Article are being

- followed and are effective in detecting and preventing violations of the SCRA; and
- (iii) ensure consistent adherence to the guidance, guidelines, and formats described in Paragraph (1)(c) of this Article.
- (g) Reporting, on at least a monthly basis, by the senior manager responsible for conducting the monitoring and testing required by Paragraph (1)(f) of this Article, the findings from the monitoring and testing to a specified risk manager who is independent of that particular line of business.
- (h) A system of ongoing monitoring and testing to:
- (i) ensure the Bank's compliance, across all lines of business, with the SCRA, the SCRA Compliance Program, and the SCRA Training Program as defined in Paragraph (3) of this Article; and
 - (ii) verify that the policies and procedures described in Paragraphs (1)(a) through (1)(g) of this Article are being followed and are effective in detecting and preventing violations of the SCRA.
- (i) Periodic reporting of the results of the internal monitoring and testing to the Compliance Committee.
- (j) Measures to ensure that policies, procedures, and processes are updated on an ongoing basis as necessary to incorporate any changes in the SCRA or applicable state laws.

(k) An enterprise-wide customer complaint management program to capture, identify, and address SCRA-related complaints, to include guidance for relevant lines of business in handling SCRA-related customer complaints.

(2) Upon receipt of a determination of supervisory non-objection to the SCRA Compliance Program submitted pursuant to Paragraph (1) of this Article, the Board shall adopt, and thereafter ensure that the Bank implements and adheres to, the SCRA Compliance Program. Any proposed changes to or deviations from the approved SCRA Compliance Program shall be submitted in writing to the Deputy Comptroller for prior supervisory review and non-objection.

(3) Within thirty (30) days of receiving a supervisory non-objection to the SCRA Compliance Program, the Bank shall develop a written program to ensure that all Covered Bank Employees, as defined herein, receive training on the requirements of the SCRA, all applicable state laws, and the SCRA Compliance Program as well as on identifying violations of the SCRA (“SCRA Training Program”). For the purpose of this Paragraph, “Covered Bank Employees” refers to all Bank employees responsible for developing, implementing, and/or ensuring adherence to, the SCRA Compliance Program, including employees who are responsible for conducting the monitoring and testing required by Paragraphs (1)(f) and (1)(h) of this Article, and Bank employees involved in providing customer service to servicemembers in connection with the servicing of their Accounts or in servicing servicemembers’ Accounts. At a minimum, the SCRA Training Program shall require that:

- (a) The training is provided by individuals or an entity with the requisite knowledge and expertise.
- (b) The training is conducted:
 - (i) on at least an annual basis for all Covered Bank Employees whose responsibilities have not substantially changed since his or her previous SCRA training and who are not new hires;
 - (ii) within a reasonable time frame from the date of hire for a new hire who is a Covered Bank Employee; and
 - (iii) within a reasonable time frame from the date of change in responsibilities for any Covered Bank Employee whose responsibilities have substantially changed such that his or her previous SCRA training is not specific to his or her new responsibilities.
- (c) The training is specific to the Covered Bank Employee's responsibilities.
- (d) Enhanced training is provided to Covered Bank Employees in the Bank's Legal, Internal Audit, and Compliance units, and to senior management in each line of business.

(4) The Board shall ensure that there is oversight of the SCRA Compliance Program required by this Article by the Bank's senior risk managers, senior management, and the Board.

ARTICLE V

REMEDATION FOR ELIGIBLE SCRA-PROTECTED SERVICEMEMBERS

(1) The Bank shall make full remediation in accordance with the Remediation Plan required by this Article to all Eligible Servicemembers as defined in Subparagraph (a) of Paragraph (2) of this Article.

(2) For the purposes of this Order, the following definitions shall apply:

- (a) “Eligible Servicemember” includes any servicemember, as that term is defined in 50 U.S.C. § 3911(1) who, between 2006 and 2016, was harmed by an Interest Rate Limitation Violation, Default Judgment Protection Violation, or Repossession Protection Violation.
- (b) “Interest Rate Limitation Violation” includes any servicemember Account, for which the servicemember incurred the obligation or liability prior to military service, bearing interest at a rate in excess of the 6-percent per year rate cap during the period of military service, and for a member of a Reserve Component, as of the date of the member’s receipt of the orders, as set out in 50 U.S.C. § 3937(a)(1) and § 3917(a).
- (c) “Default Judgment Protection Violation” includes any eviction proceeding in violation of 50 U.S.C. § 3931(b)(1).
- (d) “Repossession Protection Violation” includes any repossession of an automobile in violation of 50 U.S.C. § 3952(a).

(3) The reimbursement paid to each Eligible Servicemember shall be specified in the Remediation Plan required by Paragraph (4) of this Article.

(4) Within forty-five (45) days of the effective date of this Order, the Bank shall develop a Board-approved remediation plan (“Remediation Plan”) and submit it to the Examiner-in-Charge for prior determination of no supervisory objection by the Deputy Comptroller. The Remediation Plan shall include the following:

- (a) A description of the methods used and the time necessary to compile a list of potential Eligible Servicemembers.
- (b) A description of the procedures used to remediate financial injury and make restitution to each Eligible Servicemember as required by Paragraph (1) of the Article.
- (c) A description of the methods used to calculate the amount of reimbursement to be paid to each Eligible Servicemember as required by this Article.
- (c) A description of the procedures for the issuance and tracking of reimbursement payments to Eligible Servicemembers.
- (d) With regard to Eligible Servicemembers who receive reimbursement required by this Article, a description of procedures for requesting that:
 - (i) all three (3) major credit bureaus delete trade lines, remove negative entries, and/or update balances, as appropriate, for Eligible Servicemembers; and
 - (ii) with regard to Accounts sold to unaffiliated third parties such third parties request that all three (3) major credit bureaus

delete trade lines, remove negative entries, and/or update balances, as appropriate, for Eligible Servicemembers.

- (e) A description of the procedures for monitoring compliance with the Remediation Plan.
- (f) Validation of the methodology of the Remediation Plan.

(5) The Bank represents that it has implemented procedures to remediate and has begun to remediate Eligible Servicemembers prior to the entry of this Order. As part of the Remediation Plan required by this Article, the Bank shall document and provide an accounting of amounts the Bank has already reimbursed to Eligible Servicemembers.

(6) Upon receipt of a determination of no supervisory objection to the Remediation Plan, the Board or Compliance Committee shall ensure that the Bank implements and adheres to the Remediation Plan. Any proposed changes to or deviations from the Remediation Plan after receipt of supervisory non-objection shall be submitted in writing to the Deputy Comptroller for prior supervisory review and non-objection.

ARTICLE VI

ASSESSMENT OF REMEDIATION

(1) Within sixty (60) days from the completion of reimbursement under the Remediation Plan, as detailed in Article V, the Bank shall review and assess compliance with the terms of the Remediation Plan (“Remediation Review”).

(2) The Remediation Review shall include an assessment of the Remediation Plan and the methodology used to determine the population of Eligible Servicemembers, the amount of reimbursement for each Eligible Servicemember, the procedures used to issue and track reimbursement payments, the procedures used for deleting trade lines, removing negative entries, and/or updating balances with the credit reporting agencies.

(3) The Remediation Review shall be completed and summarized in a written report (the “Remediation Review Report”), which shall be completed within sixty (60) days of completion of the Remediation Review. Within ten (10) days of its completion, the Remediation Review Report shall be submitted to the Examiner-in-Charge and the Compliance Committee.

(4) Any (including all draft and finalized) communications, workpapers, or work product related to the Remediation Review shall be made available to the OCC immediately upon request of the Examiner-in-Charge.

ARTICLE VII

INTERNAL AUDIT

(1) Within sixty (60) days of this Order, the Bank shall develop a written SCRA Audit Program. The Board or the Compliance Committee shall approve and cause the Bank to submit this SCRA Audit Program to the Examiner-in-Charge for prior supervisory non-objection. At a minimum, the SCRA Audit Program shall include:

- (a) written policies and procedures for conducting audits of the Bank’s compliance with the SCRA and the SCRA Compliance Program required by Article IV of this Order. These policies and procedures shall specify the frequency, scope and depth of these audits.
- (b) a written plan for testing the calculations used by the Bank for calculating the amount of the SCRA benefits or protections that the Bank has provided to servicemembers eligible for the benefits under the SCRA.

- (c) a written plan for testing whether SCRA benefits or protections were timely applied, as required by the SCRA.
- (e) written policies and procedures for expanding its sampling when exceptions based on potential violations of the SCRA are detected.
- (f) comprehensive written procedures for providing the training required by the SCRA Training Program required by Article IV of this Order to all Covered Bank Employees, as defined in Paragraph 3 of Article IV of this Order, in Internal Audit.

(2) Upon receipt of a determination of supervisory non-objection to the SCRA Audit Program submitted pursuant to Paragraph (1) of this Article, the Board shall adopt, and thereafter ensure that the Bank implements and adheres to, the SCRA Audit Program. Any proposed changes to or deviations from the SCRA Audit Program shall be submitted in writing to the Examiner-in-Charge for prior supervisory review and non-objection.

ARTICLE VIII

SCRA REPORTS

(1) In addition to the reporting requirements of Article II of this Order, within sixty (60) days of this Order, and thereafter within thirty (30) days after the end of each quarter, the Bank shall monitor and report, in writing, to the Compliance Committee:

- (a) the number of denials of SCRA benefit or protections requests received (“SCRA requests”);
- (b) discussion of trends in the level of the denials of SCRA requests;
- (c) the volume of SCRA benefits or protections provided, in terms of number of customers and dollar amounts, if available; and
- (d) the volume of customer complaints involving the SCRA.

(2) Within ten (10) days of receiving the written reports required by Paragraph (1) of this Article, the Compliance Committee shall forward copies of the reports to the Examiner-in-Charge.

ARTICLE IX

APPROVAL, IMPLEMENTATION, AND REPORTS

(1) The Bank shall submit the written plans, programs, policies, and procedures required by this Order for review and determination of no supervisory objection to the Examiner-in-Charge within the applicable time periods set forth in Articles IV through VIII. The Board shall ensure that the Bank submits the plans, programs, policies, and procedures to the Examiner-in-Charge for prior written determination of no supervisory objection. In the event the Deputy Comptroller or Examiner-in-Charge asks the Bank to revise the plans, programs, policies, or procedures, the Bank shall promptly make necessary and appropriate revisions and resubmit the materials to the Examiner-in-Charge for review and determination of no supervisory objection. Upon receiving written notice of no supervisory objection from the Examiner-in-Charge, the Board shall ensure that the Bank implements and thereafter adheres to the plans, programs, policies, and procedures.

(2) During the term of this Order, the required plans, programs, policies, and procedures shall not be amended or rescinded in any material respect without a prior written determination of no supervisory objection from the Examiner-in-Charge.

(3) During the term of this Order, the Bank shall revise the required plans, programs, policies, and procedures as necessary to incorporate new, or changes to, applicable legal requirements and supervisory guidelines.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plans, programs, policies, and procedures required by this Order.

(5) All communication regarding this Order shall be sent to:

(a) Bradley Linskens
Examiner-in-Charge
OCC National Bank Examiners
343 Sansome Street, Suite 1150
San Francisco, CA 94104

or such other individuals or addresses as directed by the OCC.

ARTICLE X

OTHER PROVISIONS

(1) Although this Order requires the Bank to submit certain actions, plans, programs, and policies for the review or prior written determination of no supervisory objection by the Deputy Comptroller or Examiner-in-Charge, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) This Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, based on the violations of law described in the Comptroller's Findings set forth in Article I of this Order. The Comptroller releases and discharges the Bank from all potential liability for a cease and desist order that has been or might have been asserted by the Comptroller based on the

violations described in Article I of this Order, to the extent known to the Comptroller as of the effective date of the Order. Nothing in the Stipulation or the Order, however, shall prevent the Comptroller from:

- (a) instituting enforcement actions, other than a cease and desist order, against the Bank based on the findings set forth in Article I of this Order;
- (b) instituting enforcement actions against the Bank based on any other findings;
- (c) instituting enforcement actions against the Bank's institution-affiliated parties based on the findings set forth in Article I of this Order, or any other findings; or
- (d) utilizing the findings set forth in Article I of this Order in future enforcement actions against the Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

Further, nothing in the Stipulation or this Order shall affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of the Stipulation or this Order.

(4) This Order is and shall become effective upon its execution by the Comptroller, through his authorized representative whose hand appears below. The Order shall remain effective and enforceable, except to the extent that, and until such time as, any provision of this Order shall be amended, suspended, waived, or terminated in writing by the Comptroller or his authorized representative.

(5) Any time limitations imposed by this Order shall begin to run from the effective date of this Order, as shown below, unless the Order specifies otherwise. The time limitations may be extended in writing by the Deputy Comptroller for good cause upon written application by the Board. Any request to extend any time limitation shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with the time limitation, and shall be accompanied by relevant supporting documentation. The Deputy Comptroller's decision regarding the request is final and not subject to further review.

(6) The terms and provisions of this Order apply to the Bank and its subsidiaries, even though those subsidiaries are not named as parties to this Order. The Bank shall integrate any activities done by a subsidiary into its plans, policies, programs, and processes required by this Order. The Bank shall ensure that its subsidiaries comply with all terms and provisions of this Order.

(7) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding the Comptroller or the United States. Without limiting the foregoing, nothing in this Order shall affect any action against the Bank or its institution-affiliated parties by a bank regulatory agency, the United States Department of Justice, or any other law enforcement agency.

(8) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 29th day of September, 2016.

/s/ Greg J. Coleman
Greg J. Coleman
Deputy Comptroller
Large Bank Supervision

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:)	
)	AA-EC-2016-68
)	
Wells Fargo Bank, N.A.)	
Sioux Falls, South Dakota)	
)	

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

WHEREAS, the Office of the Comptroller of the Currency (“OCC”), based upon information derived from the exercise of his regulatory and supervisory responsibilities, intends to issue a cease and desist order to Wells Fargo Bank, N.A., Sioux Falls, South Dakota (“Bank”), pursuant to 12 U.S.C. § 1818(b), for the Bank’s violations of the Servicemembers Civil Relief Act (“SCRA”), 50 U.S.C. §§ 3901-4043, and deficiencies in its compliance with the SCRA;

WHEREAS, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, through its duly elected and acting Board of Directors (the “Board”), has agreed to execute this Stipulation and Consent to the Issuance of a Consent Order (“Stipulation”), that is accepted by the OCC, through the duly authorized representative of the Comptroller of the Currency (“Comptroller”);

NOW, THEREFORE, in consideration of the above premises, it is stipulated by the Bank that:

ARTICLE I

JURISDICTION

(1) The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) The Bank is a “national banking association” within the meaning of 12 U.S.C. § 1813(q)(1)(A), and is chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*

(3) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q) and is therefore authorized to initiate and maintain this cease and desist action against the Bank pursuant to 12 U.S.C. § 1818(b).

ARTICLE II

CONSENT

(1) The Bank, without admitting or denying any wrongdoing, consents and agrees to issuance of the accompanying Consent Order by the OCC.

(2) The terms and provisions of the Consent Order apply to the Bank and all of its subsidiaries, even though those subsidiaries are not named as parties to the Consent Order.

(3) The Bank consents and agrees that the Consent Order shall be deemed an “order issued with the consent of the depository institution” pursuant to 12 U.S.C. § 1818(h)(2), and consents and agrees that the Consent Order shall become effective upon its execution by the OCC through the Comptroller’s duly authorized representative, and shall be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(i).

(4) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(b), and not as a matter of

contract law. The Bank expressly acknowledges that neither the Bank nor the OCC has any intention to enter into a contract.

(5) The Bank declares that no separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to consent to the issuance of the Consent Order and/or execute this Stipulation.

(6) The Bank expressly acknowledges that no officer, employee, or agent of the OCC has statutory or other authority to bind the United States, the United States Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer, employee, or agent of any of those entities to a contract affecting the OCC's exercise of its supervisory responsibilities.

(7) The Consent Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the OCC, based on the practices described in the Comptroller's Findings set forth in Article I of the Consent Order. The OCC releases and discharges the Bank from all potential liability for a cease and desist order that has been or might have been asserted by the OCC based on the practices described in Article I of the Consent Order, to the extent known to the OCC as of the effective date of the Consent Order. Nothing in this Stipulation or the Consent Order, however, shall prevent the OCC from:

- (a) Instituting enforcement actions, other than a cease and desist order, against the Bank based on the findings set forth in Article I of the Consent Order;
- (b) Instituting enforcement actions against the Bank based on any other findings;

- (c) Instituting enforcement actions against the Bank's institution-affiliated parties based on the findings set forth in Article I of the Consent Order, or any other findings; or
- (d) Utilizing the findings set forth in Article I of the Consent Order in future enforcement actions against the Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

Further, nothing in this Stipulation or the Consent Order shall affect any right of the OCC to determine and ensure compliance with the terms and provisions of this Stipulation or the Consent Order.

ARTICLE III

WAIVERS

- (1) The Bank, by executing this Stipulation and consenting to the Consent Order, waives:
 - (a) Any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
 - (b) Any and all procedural rights available in connection with the issuance of the Consent Order;
 - (c) Any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(b) and (h), and 12 C.F.R. Part 19;
 - (d) Any and all rights to seek any type of administrative or judicial review of the Consent Order;
 - (e) Any and all claims for fees, costs, or expenses against the OCC, or any officer, employee, or agent of the OCC, related in any way to this

- enforcement matter or the Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412; and
- (f) Any and all rights to assert this proceeding, this Stipulation, consent to the issuance of the Consent Order, and/or the issuance of the Consent Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice, or any other governmental entity; and
 - (g) Any and all rights to challenge or contest the validity of the Consent Order.

ARTICLE IV

ELIGIBLE BANK – OTHER PROVISIONS

- (1) As a result of the Consent Order:
 - (a) The Bank is an “eligible bank” pursuant to 12 C.F.R. § 5.3(g)(5) for the purposes of 12 C.F.R. Part 5 regarding rules, policies, and procedures for corporate activities, unless otherwise informed in writing by the OCC;
 - (b) The Bank is not subject to the limitation of 12 C.F.R. § 5.51(c)(7)(ii) for the purposes of 12 C.F.R. § 5.51 requiring OCC approval of a change in directors and senior executive officers, unless otherwise informed in writing by the OCC;
 - (c) The Bank is not subject to the limitation on golden parachute and indemnification payments provided by 12 C.F.R. § 359.1(f)(1)(ii)(C) and

12 C.F.R. § 5.51(c)(7)(ii), unless otherwise informed in writing by the OCC;

- (d) The Bank’s status as an “eligible bank” remains unchanged pursuant to 12 C.F.R. § 24.2(e)(4) for the purposes of 12 C.F.R. Part 24 regarding community and economic development, unless otherwise informed in writing by the OCC; and
- (e) The Consent Order shall not be construed to be a “written agreement, order, or capital directive” within the meaning of 12 C.F.R. § 6.4, unless the OCC informs the Bank otherwise in writing.

ARTICLE V

CLOSING

(1) The provisions of this Stipulation and the Consent Order shall not inhibit, estop, bar, or otherwise prevent the OCC from taking any other action affecting the Bank if, at any time, the OCC deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

(2) Nothing in this Stipulation or the Consent Order shall preclude any proceedings brought by the OCC to enforce the terms of the Consent Order, and nothing in this Stipulation the Consent Order constitutes, nor shall the Bank contend that it constitutes, a release, discharge, compromise, settlement, dismissal, or resolution of any actions, or in any way affects any actions that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

(3) The terms of this Stipulation, including this paragraph, and of the Consent Order are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

/s/ Greg J. Coleman
Greg J. Coleman
Deputy Comptroller
Large Bank Supervision

9/29/16
Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of Wells Fargo Bank, N.A., Sioux Falls, South Dakota, have hereunto set their hands on behalf of the Bank.

/s/ John G. Stumpf
John G. Stumpf

September 29, 2016
Date

/s/ Lloyd H. Dean
Lloyd H. Dean

September 29, 2016
Date

/s/ Enrique Hernandez, Jr.
Enrique Hernandez, Jr.

September 29, 2016
Date

/s/ Cynthia H. Milligan
Cynthia H. Milligan

September 29, 2016
Date

/s/ Federico Peña
Federico F. Peña

September 29, 2016
Date

/s/ James H. Quigley
James H. Quigley

September 29, 2016
Date

/s/ Stephen Sanger
Stephen W. Sanger

September 29, 2016
Date