

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

In the Matter of:)
Home Loan Investment Bank, F.S.B.)
Warwick, Rhode Island)

AA-NE-2012-146

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”), through his authorized representative, has supervisory authority over Home Loan Investment Bank, F.S.B., Warwick, Rhode Island (“Bank”).

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 October 11, 2012, that is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Order (“Order”) by the Comptroller.

Pursuant to the authority vested in him by 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE I

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of the date of this Order, the Board shall establish a Compliance Committee comprised of at least three (3) directors, of which no more than one (1) shall be an employee or controlling shareholder of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee and, in the event of a

change of the membership, the name of any new member shall be submitted in writing to the Assistant Deputy Comptroller. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order.

(2) The Compliance Committee shall meet at least quarterly.

(3) The Compliance Committee shall ensure that the Bank conducts periodic audits to ensure compliance with each provision of this Order.

(4) Within forty five (45) days of the end of each fiscal quarter after the effective date of this Order, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) a description of the actions needed to achieve full compliance with each Article of this Order;
- (b) actions taken to comply with each Article of this Order;
- (c) the results and status of those actions; and
- (d) the status of any audits completed and the remedial actions required by any audit evaluating compliance with this Order.

(5) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of receiving such report.

ARTICLE II

BOARD TO ENSURE COMPETENT MANAGEMENT

(1) The Board shall ensure that the Bank has competent management in place on a full-time basis to carry out the Board's policies, ensure compliance with this Order, applicable

laws, rules and regulations, and manage the day-to-day operations of the Bank in a safe and sound manner.

(2) Within ninety (90) days of the date of this Order, the Board shall review the capabilities of the Bank's management to perform present and anticipated duties and the Board will determine whether management changes will be made.

(3) The Board shall ensure that the Bank has sufficient processes, management, personnel, and control systems to effectively implement and adhere to all provisions of this Order, and that the Bank's management and personnel have sufficient training and authority to execute their duties and responsibilities under this Order.

(4) Prior to the appointment of any individual to an executive officer position, the Board shall submit to the Assistant Deputy Comptroller the following information:

- (a) a written notice containing the information set forth in 12 C.F.R. § 163.570 and regulatory guidance related thereto;
- (b) a written statement of the Board's reasons for selecting the proposed officer; and
- (c) a written description of the proposed officer's duties and responsibilities.

The Assistant Deputy Comptroller shall have the power to disapprove the appointment of the proposed new officer. Appointments of senior executive officers, as defined in 12 C.F.R. § 163.555, are subject to the requirements set forth in 12 C.F.R. Part 163, Subpart H – Notice of Change of Director or Senior Executive Officer. For individuals that are not senior executive officers, the requirement to submit information and the prior disapproval provisions of this Paragraph are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and does not require the Comptroller or the Assistant Deputy Comptroller to complete his review and act on any such

information or authority within ninety (90) days. The lack of disapproval of such individual shall not constitute an approval or endorsement of the proposed officer.

ARTICLE III
STRATEGIC PLAN

(1) Within sixty (60) days of the date of this Order, the Board shall develop a written Strategic Plan for the Bank covering at least a three-year period. The Strategic Plan shall establish objectives for the Bank's overall risk profile, to improve earnings performance, liquidity, growth, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy, to reduce classified and special mention assets, product line development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives.

- (2) At a minimum, the Strategic Plan must include:
- (a) plans and strategies to restructure the Bank's operations, strengthen and improve the Bank's earnings, and achieve positive core income and profitability;
 - (b) strategies for ensuring that the Bank has the financial and personnel resources necessary to implement and adhere to the strategic plan, adequately support the Bank's risk profile, maintain compliance with applicable regulatory capital requirements, comply with this Order, and maintain appropriate levels of liquidity;

- (c) quarterly pro forma financial projections (balance sheet, regulatory capital ratios, income statement, classified assets, special mention assets, and key financial ratios) and budget; and
- (d) identification of all relevant assumptions made in formulating the strategic plan and retention of documentation supporting such assumptions.

(3) Prior to adoption by the Board, a copy of the Strategic Plan shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Revisions to the Bank's Strategic Plan shall be submitted to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. The Board shall review and update the Bank's Strategic Plan at least annually, and more frequently if necessary, or as required by the Assistant Deputy Comptroller in writing. At the next Board meeting following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection, the Board shall adopt and the Bank, subject to Board review and ongoing monitoring, shall implement and thereafter ensure adherence to the Strategic Plan and any amendments and revisions thereto.

(4) Until the Strategic Plan, or any revisions thereto, required under this Article has been submitted by the Bank for OCC review, the Bank has received a written determination of no supervisory objection from the OCC, and the Strategic Plan is being implemented by the Bank, the Bank shall not significantly deviate from the products, services, asset composition and size, funding sources, structure, operations, policies, procedures, and markets of the Bank that existed before this Order without first obtaining the OCC's prior written determination of no supervisory objection to such significant deviation. Any request to the OCC for prior written determination of no supervisory objections to a significant deviation must be submitted to the

Assistant Deputy Comptroller at least thirty (30) days in advance of the significant deviation and shall include:

- (a) an assessment of the adequacy of the Bank's management, staffing levels, organizational structure, financial condition, capital adequacy, funding sources, management information systems, internal controls, and written policies and procedures with respect to the proposed significant deviation, and
- (b) the Bank's evaluation of its capability to indentify, measure, monitor, and control the risks associated with the proposed significant deviation.

(5) For the purposes of this Article, once the Bank has received no supervisory objection to its Strategic Plan, changes that may constitute a significant deviation from the Strategic Plan include, but are not limited to, a change in the Bank's products, services, asset composition and size, funding sources, structure, operations, policies, procedures, and markets, any of which, alone or in the aggregate, may have a material impact on the Bank's operations or financial performance; or any other changes in personnel, operations, or external factors that may have a material impact on the Bank's operations or financial performance.

(6) If the OCC determines, in its sole judgment, that the Bank has failed to submit an acceptable Strategic Plan as required by paragraph (1) of this Article or has failed to implement or adhere to the Bank's specific, measurable, and verifiable objectives included in the strategic plan, for which the OCC has taken no supervisory objection pursuant to paragraph (3) of this Article, then within fifteen (15) days of receiving written notice from the OCC of such fact, the Board shall develop and shall submit to the OCC for its review and prior determination of no supervisory objection, a revised Strategic Plan.

(7) Failure to submit a timely, acceptable Strategic Plan may be deemed a violation of this Order, in the exercise of the OCC's sole discretion.

ARTICLE IV

CAPITAL PLAN

(1) Effective immediately, the Bank shall achieve and thereafter maintain the following minimum capital ratios as defined in 12 C.F.R. Part 167:

- (a) Total capital at least equal to thirteen percent (13%) of risk-weighted assets,
and
- (b) Tier 1 capital at least equal to nine percent (9%) of adjusted total assets.

(2) The requirement in this Order to meet and maintain a specific capital level means that the Bank may not be deemed to be "well capitalized" for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 165 pursuant to 12 C.F.R. § 165.4(b)(1)(iv).

(3) Within sixty (60) days of the date of this Order, the Board shall forward to the Assistant Deputy Comptroller for review, pursuant to paragraph (4) of this Article, a written Capital Plan for the Bank, consistent with the Strategic Plan pursuant to Article III, to ensure the Bank remains appropriately capitalized to support its risk profile, complies with regulatory capital requirements, and complies with the OCC Bulletin 2012-16 (Guidance for Evaluating Capital Planning and Adequacy) (June 7, 2012). Within five (5) days of receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection, the Board shall adopt and the Bank, subject to Board review and ongoing monitoring, shall implement and thereafter ensure adherence to the Capital Plan. At a minimum, the Capital Plan must:

- (a) include specific plans for the maintenance of adequate capital that may in

- no event be less than the requirements of paragraph (1) of this Article;
- (b) a description of how the Bank will achieve and maintain capital adequacy, beyond ownership capital injections, including in a stressed scenario;
 - (c) identification of any limits to the Bank's primary capital sources;
 - (d) identification of any limitations or contingencies on the estate trusts that would prevent them from injecting capital into the Bank;
 - (e) contingency plans that identify alternative methods should the primary sources of capital not be available;
 - (f) specific plans detailing how the Bank will comply with restrictions or requirements set forth in this Order, including the restrictions regarding brokered deposits in 12 C.F.R. § 337.6; and
 - (g) establish cushions over the Tier 1 and total risk based capital ratio minimums established pursuant to subparagraph (a) of this paragraph that would trigger when the Board would begin the process of acquiring additional capital.

(4) Prior to adoption by the Board, a copy of the Capital Plan shall be submitted to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. The Board shall review and update the Bank's Capital Plan at least annually, and more frequently if necessary, or if required by the Assistant Deputy Comptroller in writing. Revisions to the Bank's Capital Plan shall be submitted to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. At the next Board meeting following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection, the Board shall adopt and the Bank, subject to Board review and ongoing monitoring, shall implement and

thereafter ensure adherence to the Capital Plan and any amendments or revisions thereto.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE V

CRITICIZED ASSET REDUCTION PLAN

(1) Within sixty (60) days of the date of this Order, the Board shall develop a Criticized Asset Reduction Plan that addresses the high level of problem assets and is designed to restore asset quality to a satisfactory condition. At a minimum, the Criticized Asset Reduction Plan must:

- (a) establish quarterly targets for reductions in classified and special mention assets that are consistent with the Strategic Plan;
- (b) require problem loan reports that are current and include actions to improve the quality of the credit or otherwise resolve the problem asset, including:
 - (i) an identification of the expected sources of repayment;
 - (ii) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable;
 - (iii) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations;and

- (iv) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment;
- (c) identify prudent loan restructuring opportunities and workout efforts to improve the collectability of problem loans and reduce the risk of loss; and
- (d) provide for diligent and close oversight by the Bank to ensure all workout options are fully considered to improve each problem asset, as well as the aggregate level of problem assets.

(2) Prior to adoption by the Board, a copy of the Criticized Asset Reduction Plan shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Revisions to the Bank's Criticized Asset Reduction Plan shall be submitted to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. The Board shall review and update the Bank's Criticized Asset Reduction Plan at least annually, and more frequently if necessary, or as required by the Assistant Deputy Comptroller in writing. At the next Board meeting following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection, the Board shall adopt and the Bank, subject to Board review and ongoing monitoring, shall implement and thereafter ensure adherence to the Criticized Asset Reduction Plan and any amendments and revisions thereto.

(3) The Board, or a designated committee, shall conduct a review, on at least a monthly basis, to determine:

- (a) the status of each criticized asset or criticized portion thereof that equals or exceeds \$500,000 dollars;
- (b) management's adherence to the program adopted pursuant to this Article;

- (c) the status and effectiveness of the written program; and
- (d) the need to revise the program or take alternative action.

A copy of each review and Loan Committee minutes shall be forwarded to the Assistant Deputy Comptroller on a monthly basis.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VI

CONTINGENCY FUNDING PLAN

(1) Within sixty days (60) of the date of this Order, the Board must ensure that the Contingency Funding Plan (“CFP”) is maintained, up-to-date, and comprehensive so that it is an effective liquidity risk management tool in the event of a crisis. The Board must perform at least an annual review of the CFP and update the CFP as necessary to ensure that it is consistent with regulatory guidance on CFPs contained in the Comptroller's Handbook for Liquidity (June 2012).

- (2) At a minimum, the CFP:
- (a) must be updated to define crisis scenarios (moderate and critical);
 - (b) the scenarios must be quantified to reflect the impact on liquidity and effects on earnings and capital from taking different actions to address liquidity crises; and
 - (c) must include well defined limits to trigger implementation of the CFP.

ARTICLE VII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days of the date of this Order, the Board must ensure that management effectively implements and adheres to its Allowance Policy and methodology, consistent with OCC Bulletin 2006-47 (Interagency Policy Statement on the Allowance for Loan and Lease Losses). At a minimum, the Board must ensure that:

- (a) management obtains updated valuations tailored to the underlying properties to accurately measure for impairment of collateral dependent commercial loans;
- (b) management properly documents the narrative supporting the qualitative factor adjustments used in the ASC 450-20 allocation in compliance with the Bank's policy and interagency guidance, including adequate support for the risk elements considered;
- (c) require an internal audit of compliance with the Board approved ALLL Policy, interagency guidance, and the Bank's process to calculate the ALLL by March 31, 2013;
- (d) management's actual practices for evaluating ALLL adequacy is consistent with the Bank's written policy and procedures; and
- (e) the Board reviews and approves the ALLL balance and analysis quarterly.

ARTICLE VIII

FORECLOSURE POLICY

(1) Within sixty (60) days of the date of this Order, the Board shall review, adopt, and ensure that management implements and thereafter adheres to a comprehensive Foreclosure Policy consistent with OCC Bulletin 2011-29 (Foreclosure Management) and OCC Bulletin 2011-49 (Foreclosure Properties: Guidance on Potential Issues with Foreclosed Residential Properties). The Foreclosure Policy must address, and the Bank must apply the Foreclosure Policy to all residential loans, including those in its own portfolio and those it services for others.

At a minimum, the Foreclosure Policy shall address:

- (a) audit and quality control standards;
- (b) affidavit and notarization practices;
- (c) documentation practices; and
- (d) a self-assessment process to identify and address legal, compliance, and other significant risks.

ARTICLE IX

SERVICING ADVANCES

(1) The Board must ensure that management maintains internal controls that are (1) appropriate to the Bank's size; (2) appropriate to the nature, scope, and risk of its activities; and (3) provide for timely and accurate financial, operational, and regulatory reports.

(2) At a minimum, the Board must ensure that management:

- (a) develop, implements, and maintains effective written internal controls for all servicing advances for all loan types;
- (b) reconciles the Bank's general ledger and subledger accounts for servicer advances to source reports at least monthly; and
- (c) fully reconciles the general ledger and subledger accounts to source reports by December 31, 2012, and, if necessary, any unreconciled items are promptly reported to the Board and charged-off.

(3) The Audit Committee must oversee completion of an internal audit of servicing advances for loan servicing on both sold and securitized loans and submit the audit findings to the Board by December 31, 2012. At a minimum, the audit scope must:

- (a) review reconcilements that tie source documents, e.g. trustee reports, to the general ledger accounts for servicer advances;
- (b) review the effectiveness of internal controls over the reconciliation process for servicer advance accounts on the general ledger;
- (c) review the organization of general ledger accounts for possible improvements to tie the type of servicer advance with the entity for which the servicing is performed;
- (d) review cash flow analyses to evaluate collectability of nonrecoverable advances;
- (e) review servicing agreements, policies, and procedures related to securitized pools to determine if the Bank is adhering to its contractual servicing responsibilities as defined in the agreements.

(4) A copy of the final report must also be provided must be submitted to the

Assistant Deputy Comptroller within ten business days of receipt by the Audit Committee.

(5) Management must evaluate the collectability of nonrecoverable advances monthly for each securitization.¹ Any nonrecoverable advances that are deemed to be not collectible must be promptly reported to the Board and charged-off.

(6) Management must determine if the Bank's servicing practices provide credit support to the securitizations such that they would constitute implicit recourse as defined by OCC Bulletin 2002-20 (Interagency Guidance on Implicit Recourse in Asset Securitizations). If management determines that its servicing practices do constitute implicit recourse, the Bank must ensure that it is properly accounting for the securitizations and properly calculating regulatory capital. Management must provide the Board with its findings within 30 days of the completion of the internal audit required by Paragraph (3) of this Article. A copy of these findings must be provided to the Assistant Deputy Comptroller within ten business days of the Board's receipt.

(7) Management must determine if the Bank's nonrecoverable advances are subordinate to other claims as defined by OCC Bulletin 2002-20 (Interagency Guidance on Implicit Recourse in Asset Securitizations). If management determines that the nonrecoverable advances are subordinated to other claims, the management must ensure that it is properly risk weighting the nonrecoverable advances for risk based capital purposes. Management must provide the Board with its findings within 30 days of the completion of the internal audit required by Paragraph (3) of this Article. A copy of these findings must be provided to the Assistant Deputy Comptroller within ten business days of the Board's receipt.

¹ According to the Pooling and Servicing Agreements, nonrecoverable advances represent amounts advanced by the servicer that are not reimbursed from proceeds of the related residential mortgage. Nonrecoverable advances are reimbursed to the servicer from the cash-flow generated by the entire pool of securitized residential mortgages.

ARTICLE X

CLOSING

(1) Although the Board is by this Order required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Assistant Deputy Comptroller, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon it by the several laws of the United States of America 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) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Order in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, including the obligation to implement plans, policies or other actions, it is intended to mean that the Board shall:

- (a) ensure that the Bank has sufficient processes, management, personnel, and control systems to effectively implement and adhere to all provisions of this Order, and that the Bank's management and personnel have sufficient

training and authority to execute their duties and responsibilities under this Order;

- (b) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Order;
- (c) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Order;
- (d) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (e) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) 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 on the Comptroller or the United States.

(7) 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 11th day of October, 2012.

/s/ Michael P. Moriarty

Michael P. Moriarty
Assistant Deputy Comptroller
Boston Field Office

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

In the Matter of:)
Home Loan Investment Bank, F.S.B.)
Warwick, Rhode Island)

AA-NE-2012-146

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

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist proceedings against Home Loan Investment Bank, F.S.B., Warwick, Rhode Island (“Bank”) pursuant to 12 U.S.C. § 1818(b) through the issuance of a Notice of Charges for unsafe and unsound banking practices and regulatory violations relating to asset quality, earnings, internal controls, and management.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated October 11, 2012 (“Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

Article I

Jurisdiction

(1) The Bank is federal savings association examined by the Comptroller pursuant to the Home Owners’ Loan Act of 1933, as amended, 12 U.S.C. § 1461 *et seq* and is defined as a “savings association” within the meaning of 12 U.S.C. § 1813(b)(2).

(2) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1813(c).

(3) Pursuant to 12 U.S.C. § 1813(q), the Comptroller is “the appropriate Federal banking agency” to initiate and maintain the proceeding against the Bank pursuant to 12 U.S.C. §1818(b).

Article II

Agreement

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

(2) The Bank further agrees that said Order shall be deemed an “order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i). Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(3) The Bank also expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any

officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(4) This Order shall cause the Bank to be designated as in "troubled condition," as set forth in 12 C.F.R. § 163.555, unless otherwise informed in writing by the Comptroller.

(5) Upon issuance of this Order:

(a) the Bank shall not declare or pay dividends or make any other capital distributions, as that term is defined in 12 C.F.R. § 163.141, without first filing an application pursuant to 12 C.F.R. § 163.143(a) and receiving the prior written approval of the Assistant Deputy Comptroller;

(b) the Bank shall comply with the prior notification requirements required by the 12 C.F.R. Part 163, Subpart H, and 12 U.S.C. § 1831i for changes in directors or senior executive officers, as defined in 12 C.F.R. § 163.555, by notifying the Assistant Deputy Comptroller at least thirty days before such change becomes effective;

(c) the Bank is restricted from making any "golden parachute payment", including severance payments and agreements relating thereto, within the meaning and subject to the restrictions of 12 U.S.C. § 1828(k) and 12 C.F.R. Part 359, except as may be permitted under the above-mentioned statute and regulation; and

(d) the Bank will not qualify for expedited treatment, pursuant to 12 C.F.R. § 116.5, unless otherwise informed in writing by the Assistant Deputy Comptroller.

Article III

Waivers

- (1) The Bank, by signing this Stipulation, hereby waives:
 - (a) 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 Order;
 - (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i) and 12 C.F.R. Part 109;
 - (d) all rights to seek any type of administrative or judicial review of the Order;
 - (e) any and all rights to challenge or contest the validity of the Order; and
 - (f) any and all claims for fees, costs, or expenses against the Comptroller, or any of his agents or employees, related in to this Stipulation and accompanying Order, and enforcement thereof, whether arising under common law, statute, regulation, or otherwise.

Article IV

Other Action

- (1) The Bank agrees that the provisions of this Stipulation and accompanying Order shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, the Comptroller deems it appropriate to do so to fulfill the responsibilities placed upon the Comptroller by law.

(2) The Bank agrees that nothing herein shall preclude any proceeding brought by the Comptroller to enforce the terms of this Stipulation and accompanying Order, and that nothing herein constitutes a waiver of any right, power, or authority of any other representative of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

Article V

Closing

(1) The Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b)(2) and expressly does not form, and may not be construed to form, a contract binding on the Comptroller.

(2) This Stipulation and accompanying Order constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

(3) The provisions of this Stipulation and accompanying Order are effective upon the date of the Order executed by the Comptroller, through his authorized representative, and shall remain effective and enforceable against the Bank and its successors in interest, except to the extent that, and until such time as, any provisions shall have been amended, suspended, waived, or terminated by the Comptroller.

(4) In the event that a section or provision of this Stipulation or the accompanying Order is deemed invalid or otherwise unenforceable by a court of competent jurisdiction, it is agreed that the same shall not affect any other section or provision of this Stipulation or the

accompanying Order, and the remaining provisions of this Stipulation and the accompanying Order shall remain in effect, unless the Comptroller in his sole discretion determines otherwise.

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

/s/ Michael P. Moriarty

10/11/2012

Michael P. Moriarty
Assistant Deputy Comptroller
Boston Field Office

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/ Lawrence E. Brown, Jr.	10/11/2012
_____ Lawrence E. Brown, Jr.	_____ Date
/s/ Paul A. Dougovito	10/11/2012
_____ Paul A. Dougovito	_____ Date
/s/ Daniel P. Forbes	10/11/2012
_____ Daniel P. Forbes	_____ Date
/s/ Michael E. Kelly	10/11/2012
_____ Michael E. Kelly	_____ Date
/s/ Edward Mazze	10/11/2012
_____ Edward Mazze	_____ Date
/s/ Brian Murphy	10/11/2012
_____ Brian Murphy	_____ Date
/s/ John Murphy	10/11/2012
_____ John Murphy	_____ Date