

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

In the Matter of:)	
)	
)	
Capital One Home Loans)	
McLean, Virginia)	AA-EC-08-87
An operating subsidiary of)	
)	
Capital One, N.A.,)	
McLean, Virginia)	
)	

STIPULATION AND CONSENT TO A CIVIL MONEY PENALTY

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”), through his National Bank Examiners, has supervisory authority over Capital One Home Loans, McLean, Virginia (“COHL”), an operating subsidiary of Capital One, N.A., McLean, Virginia (“Bank”);

WHEREAS, the Comptroller intends to initiate a civil money penalty action against COHL pursuant to section 102(f) of the Flood Disaster Protection Act, as amended, (“Flood Act”) (42 U.S.C. § 4012a(f)), based on COHL’s pattern and practice of violations of the Flood Act and 12 C.F.R. § 22.10 (relating to “Loans in Areas Having Special Flood Hazards”) due to its failure to timely provide notice to flood insurance providers of a change in loan servicer on approximately 443 occasions during the period October 1, 2007 through December 31, 2007;

WHEREAS, in the interest of cooperation and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter, COHL,

without admitting or denying any wrongdoing, desires to enter into this Stipulation and Consent Order (“Order”); and

NOW THEREFORE, in consideration of the above premises, it is stipulated by and between the Comptroller, through his duly authorized representative, and the Bank that:

Article I

JURISDICTION

(1) The Bank is a national banking association, chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.* Accordingly, the Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2) and is a “regulated lending institution” as that term is defined in 42 U.S.C. § 4003(a)(10).

(2) COHL is an operating subsidiary of the Bank and, as such, is subject to regulation and supervision by the Comptroller. *See* 12 C.F.R. § 5.34(e)(3).

(3) Pursuant to 42 U.S.C. §§ 4003(a)(5) and 4012a(f), the Comptroller is “the appropriate Federal entity for lending regulation” to maintain an enforcement proceeding against COHL for Flood Act violations.

Article II

ORDER FOR CIVIL MONEY PENALTY

The Bank hereby consents, and the Comptroller Orders that:

(1) The Bank shall pay a civil money penalty in the amount of one hundred twenty-five thousand dollars (\$125,000.00) upon execution of this Order.

(2) The Bank shall make payment in full by check made payable to the National Flood Insurance Program and shall deliver the payment to: Kevin Montgomery, National Flood Insurance Program, 7700 Hubble Drive, Room N198, Lanham, Maryland 20706. The docket number of this action shall be entered on the check.

(3) The Bank shall submit a copy of the check to the Director, Enforcement & Compliance Division, 250 E St., S.W., Washington, DC 20219.

(4) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§ 1818(h) and (i) and 42 U.S.C. § 4012a.

Article III

WAIVERS

- (1) By executing this Order, COHL waives:
 - (a) the right to the issuance of a Notice under 12 U.S.C. § 1818(i) and 42 U.S.C. § 4012a(f)(4) and recognizes that the letter dated August 4, 2008, from Grace E. Dailey, Deputy Comptroller for Large Bank Supervision, constitutes a valid substitute notice;
 - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19, and 42 U.S.C. § 4012a(f)(4);
 - (c) all rights to seek judicial review of this Order; and
 - (d) all rights in any way to contest the validity of this Order.

(2) COHL declares that no separate promise or inducement of any kind has been made by the Comptroller, his agents or employees to cause or induce COHL to agree to consent to the issuance of this Order and/or to execute this Order.

(3) It is hereby agreed that the provisions of this Order constitute a settlement of the civil money penalty proceeding contemplated by the Comptroller on the basis of COHL's violations of the Flood Act and regulation as described in the WHEREAS clauses hereof. However, the specific violations described herein may be used by the OCC in future enforcement actions to establish a pattern or practice of misconduct or the continuation of a pattern or practice of misconduct.

(4) It is further agreed that the provisions of this Order shall not be construed as an adjudication on the merits and, except as set forth above in paragraph (3) of this Article, shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any action affecting COHL if, at any time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

(5) COHL understands that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and that nothing herein constitutes, nor shall COHL contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

IN TESTIMONY WHEREOF, the undersigned have hereunto set their hands.

