CONSENT ORDER FOR A CIVIL MONEY PENALTY

The Comptroller of the Currency of the United States of America (“Comptroller”), through his national bank examiners and other staff of the Office of the Comptroller of the Currency (“OCC”), has conducted examinations of Wells Fargo Bank, N.A., Sioux Falls, South Dakota (“Bank”). The OCC has identified deficiencies in the Bank’s enterprise-wide compliance risk management program that constituted reckless unsafe or unsound practices and resulted in violations of the unfair acts or practices provision of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1). The OCC has informed the Bank of the findings resulting from the 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 an Order for a Civil Money Penalty, dated April 20, 2018, that is accepted by the Comptroller (“Stipulation”). By this Stipulation, which is incorporated herein by reference, the Bank has consented to the issuance of this Consent Order for a Civil Money Penalty (“Order”) by the Comptroller.
ARTICLE I

COMPTROLLER’S FINDINGS

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

(1) Since at least 2011, the Bank has failed to implement and maintain a compliance risk management program commensurate with the Bank’s size, complexity and risk profile. The Bank’s failure to implement and maintain a satisfactory compliance risk management program has caused the Bank to engage in reckless unsafe or unsound practices and violations of law.

(2) In the course of its ongoing supervision of the Bank, the OCC has identified the following deficiencies and reckless unsafe or unsound practices with respect to the Bank’s compliance risk management program:

(a) Failure to establish effective first and second lines of defense as required by 12 C.F.R. Part 30, Appendix D and insufficient compliance audit;
(b) Inability to execute on a comprehensive plan to address compliance risk management deficiencies;
(c) Failure to fill mission-critical staffing positions for Wells Fargo Compliance, formerly known as the Regulatory Compliance Risk Management unit, with individuals who possess the requisite knowledge, skills, and abilities to perform assigned duties;
(d) Failure to implement a reliable compliance risk assessment and testing program;
(e) Inadequate reporting to the Board regarding compliance concerns, the regulatory landscape, and the Bank’s efforts to correct its compliance problems and address regulatory changes; and
(f) Failure to adequately develop and implement key elements of its compliance risk management program designed to ensure that the Bank addressed risks related to potential unfair or deceptive acts or practices since 2014.

(3) With respect to its enterprise-wide compliance risk management program, the Bank has previously identified and reported to the OCC certain of the deficiencies that are described in this Order. The Bank has begun corrective action, and has committed to taking all necessary and appropriate steps to remedy the deficiencies identified by the OCC and to establish an effective compliance risk management program.

(4) In addition to the reckless unsafe or unsound compliance risk management practices outlined in Paragraph (2) above, prior to June 2012, and continuing through October 2016, the Bank’s Dealer Services unit, and its vendor, caused the improper placement and/or maintenance of collateral protection insurance (“CPI”) policies on automobile loan accounts, and charged premiums, interest, and other fees on borrowers’ accounts where the borrowers had demonstrated adequate insurance under the terms of their automobile loan note/contract. The Bank, after appropriately placing CPI policies on some borrowers’ accounts, improperly maintained CPI policies on borrowers’ accounts after the borrowers had demonstrated that they had obtained adequate insurance on their vehicles.

(5) As a result of the Bank’s improper CPI placement practices, borrowers were improperly charged CPI premiums, interest, and fees, and suffered loan delinquencies due to increased loan payment amounts. In some cases, the Bank improperly repossessed vehicles from borrowers who had defaulted on their loans due to improperly placed or maintained CPI policies.

(6) The Bank’s aforementioned practices with respect to CPI constituted unfair acts or practices in or affecting commerce in violation of the unfair acts or practices provision of
Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1), and were unsafe or unsound.

(7) Beginning in at least September 2013 and continuing through March 2017, it was the Bank’s policy that if (a) a mortgage loan application did not close within its initial interest rate lock period in circumstances where the Bank was responsible for the failure of the loan to close and (b) the customer chose to extend the interest rate lock period, the extension fee was to be charged to the Bank, and not the customer. However, in a number of instances, the Bank charged customers mortgage interest rate lock extension fees even though the Bank had caused the loan closing to fail to occur within the mortgage interest rate lock period.

(8) As a result of the Bank’s mortgage interest rate lock extension fee practices, customers were improperly charged mortgage interest rate extension fees when the Bank should have borne those costs. The Bank’s mortgage interest rate lock extension fee practices constituted unfair acts or practices in or affecting commerce in violation of the unfair acts or practices provision of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1), and were unsafe or unsound.

(9) By reason of the foregoing conduct, the Bank engaged in reckless unsafe or unsound practices and violations of law that were part of a pattern of misconduct, and was unjustly enriched.

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

ORDER FOR A CIVIL MONEY PENALTY

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, 12 U.S.C. § 1818(i), the Comptroller orders, and the Bank consents to the following:

(1) The Bank shall make payment of a civil money penalty in the total amount of $500,000,000, which shall be paid upon the execution of this Order:

(a) If a check is the selected method of payment, the check shall be made payable to the Treasurer of the United States and shall be delivered to:
Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri 63197-9000.

(b) If a wire transfer is the selected method of payment, it shall be sent in accordance with instructions provided by the Comptroller.

(c) The docket number of this case (AA-EC-2018-16) shall be entered on the payment document or wire confirmation and a photocopy of the payment document or confirmation of the wire transfer shall be sent immediately, by overnight delivery, to the Director of Enforcement and Compliance, Office of the Comptroller of the Currency, 400 7th Street, S.W., Washington, D.C. 20219.

(2) 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).
ARTICLE III

OTHER PROVISIONS

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

(2) This Order constitutes a settlement of the civil money penalty proceeding against the Bank contemplated by the Comptroller, based on the practices and 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 civil money penalty that has been or might have been asserted by the Comptroller based on the practices and violations described in Article I of this Order, to the extent known to the Comptroller as of the effective date of this Order. Notwithstanding this release, the OCC expects the Bank to expeditiously undertake all necessary and appropriate actions to achieve compliance with the Consent Order issued by the OCC pursuant to 12 U.S.C. § 1818(b) (OCC Order AA-EC-2018-15), and to avoid future violations of law and harm to consumers. The OCC expressly reserves its right to assess future civil money penalties, or take other supervisory and/or enforcement actions, including in circumstances where the OCC determines that the Bank is not making sufficient and sustainable progress towards implementation of an effective and sustainable enterprise-wide compliance risk management program. Such actions could include issuing a cease and desist order pursuant to 12 U.S.C. § 1818(b)(6) that imposes business restrictions and/or requires the Bank to make changes to its senior executive officers or any and/or all members of the Board. Moreover, nothing in this Order shall prevent the Comptroller from:
(a) Instituting enforcement actions, other than a civil money penalty, 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 this Order shall affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of this Order.

(3) 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 20\textsuperscript{th} day of April, 2018.

/s/Greg J. Coleman
Greg J. Coleman
Deputy Comptroller
Large Bank Supervision
STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER FOR A CIVIL MONEY PENALTY

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”), based upon information derived from the exercise of his regulatory and supervisory responsibilities, intends to initiate a civil money penalty proceeding against Wells Fargo Bank, N.A., Sioux Falls, South Dakota (“Bank”), pursuant to 12 U.S.C. § 1818(i), for deficiencies in the Bank’s enterprise-wide compliance risk management program that constituted reckless unsafe or unsound practices and resulted in violations of the unfair acts or practices provision of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1);

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 (“Board”), has agreed to execute this Stipulation and Consent to the Issuance of a Civil Money Penalty (“Stipulation”), that is accepted by the Comptroller, through his duly authorized representative;

NOW, THEREFORE, in consideration of the above premises, it is stipulated by 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.

(2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(i).

(3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(i).

ARTICLE II

CONSENT

(1) The Bank, without admitting or denying any wrongdoing, consents and agrees to issuance of the accompanying Consent Order for a Civil Money Penalty (“Order”) by the Comptroller.

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

(3) The Bank consents and agrees that the 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 Order shall become effective upon its execution by the Comptroller through his 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 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.

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

(6) The Bank expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States 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.

(7) The Order constitutes a settlement of the civil money penalty proceeding against the Bank contemplated by the Comptroller, based on the practices and violations of law described in the Comptroller’s Findings set forth in Article I of the Order. The Comptroller releases and discharges the Bank from all potential liability for a civil money penalty that has been or might have been asserted by the Comptroller based on the practices and violations described in Article I of the Order, to the extent known to the Comptroller as of the effective date of the Order. Notwithstanding this release, the OCC expects the Bank to expeditiously undertake all necessary and appropriate actions to achieve compliance with the Consent Order issued by the OCC pursuant to 12 U.S.C. § 1818(b) (OCC Order AA-EC-2018-15), and to avoid future violations of law and harm to consumers. The OCC expressly reserves its right to assess future civil money penalties, or take other supervisory and/or enforcement actions, including in circumstances where the OCC determines that the Bank is not making sufficient and sustainable
progress towards implementation of an effective and sustainable enterprise-wide compliance risk management program. Such actions could include issuing a cease and desist order pursuant to 12 U.S.C. § 1818(b)(6) that imposes business restrictions and/or requires the Bank to make changes to its senior executive officers or any and/or all members of the Board. Moreover, nothing in this Stipulation or the Order shall prevent the Comptroller from:

(a) Instituting enforcement actions, other than a civil money penalty, against the Bank based on the findings set forth in Article I of the 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 Order, or any other findings; or

(d) Utilizing the findings set forth in Article I of the 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 Order shall affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of this Stipulation or the Order.
ARTICLE III

WAIVERS

(1) The Bank, by executing this Stipulation and consenting to the Order, waives:

(a) Any and all rights to the issuance of a Notice of Charges pursuant to
12 U.S.C. § 1818(i);

(b) Any and all procedural rights available in connection with the issuance of
the Order;

(c) Any and all rights to a hearing and a final agency decision pursuant to
12 U.S.C. § 1818(i), 12 C.F.R. Part 19;

(d) Any and all rights to seek any type of administrative or judicial review of
the Order;

(e) Any and all claims for fees, costs or expenses against the Comptroller, or
any of his agents or employees, related in any way to this enforcement matter or
the 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;

(f) Any and all rights to assert this proceeding, this Stipulation, consent to the
issuance of the Order, and/or the issuance of the 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 Order.
ARTICLE IV

CLOSING

(1) The provisions of this Stipulation and the Order shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank 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.

(2) Nothing in this Stipulation or the Order shall preclude any proceedings brought by the Comptroller to enforce the terms of the Order, and nothing in this Stipulation or the 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 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, 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/Timothy J. Sloan___________________________    April 20, 2018    Date
Timothy J. Sloan

_/s/Theodore F. Craver, Jr._________________________    April 20, 2018    Date
Theodore F. Craver, Jr.

_/s/Karen B. Peetz_____________________________    April 20, 2018    Date
Karen B. Peetz

_/s/Maria R. Morris_____________________________    April 20, 2018    Date
Maria R. Morris

_/s/James H. Quigley______________________________    April 20, 2018    Date
James H. Quigley
Accepted by:

THE COMPTROLLER OF THE CURRENCY

By: /s/Greg J. Coleman ________________________ April 20, 2018
Greg J. Coleman
Deputy Comptroller
Large Bank Supervision

Date