

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

In the Matter of

METLIFE, INC.
New York, New York

Docket No. 12-053-CMP-HC

Order of Assessment of a Civil
Money Penalty Issued Upon Consent
Pursuant to the Federal Deposit
Insurance Act, as Amended

WHEREAS, MetLife, Inc., New York, New York (“MetLife”), a registered bank holding company, owns and controls MetLife Bank, National Association, Bridgewater, New Jersey (the “Bank”), a national bank;

WHEREAS, MetLife, through the Bank, indirectly engages in the business of servicing residential mortgage loans for the Bank, U.S. government-sponsored entities (the “GSEs”), and various investors;

WHEREAS, with respect to the residential mortgage loans it services, the Bank initiates and handles foreclosure proceedings and loss mitigation activities involving nonperforming residential mortgage loans, including activities related to special forbearances, repayment plans, modifications, short refinances, short sales, cash-for-keys, and deeds-in-lieu of foreclosure (collectively, “Loss Mitigation”);

WHEREAS, as part of a horizontal review of various major residential mortgage servicers conducted by the Board of Governors of the Federal Reserve System (the “Board of Governors”), the Federal Deposit Insurance Corporation, the Office of the Comptroller of the

Currency (the “OCC”), and the Office of Thrift Supervision, examiners from the Federal Reserve Bank of New York (the “Reserve Bank”) and the OCC reviewed certain residential mortgage loan servicing and foreclosure-related practices at the Bank;

WHEREAS, on April 13, 2011, the Bank and the OCC entered into a consent order to address areas of alleged weakness identified by the OCC in loan servicing, Loss Mitigation, foreclosure activities, and related functions (the “OCC Consent Order”);

WHEREAS, in the OCC Consent Order, the OCC made findings, which the Bank neither admitted nor denied, that there were unsafe or unsound practices with respect to the manner in which the Bank handled various foreclosure and related activities;

WHEREAS, the OCC’s findings also raised concerns that MetLife did not adequately assess the potential risks associated with these activities;

WHEREAS, as evidenced by the findings in the OCC Consent Order, MetLife allegedly failed to provide effective oversight with respect to the loan servicing, Loss Mitigation, foreclosure activities, and related functions of the Bank, including the Bank’s risk management, audit, and compliance programs, vendor management, document execution practices, and staffing and managerial resources as they pertain to those activities and related functions;

WHEREAS, on April 13, 2011, the Board of Governors and MetLife entered into a Consent Order to address the concerns raised by the OCC Consent Order and requiring MetLife to take specific measures to address those concerns (the “Board Consent Order”);

WHEREAS, the conduct which was the subject of the Board Consent Order allegedly constitutes unsafe or unsound practices in conducting the affairs of MetLife relating to the Bank within the meaning of section 8 of the Federal Deposit Insurance Act, as amended (12 U.S.C. § 1818) (the “FDI Act”);

WHEREAS, the Board of Governors issues this Order of Assessment of a Civil Money Penalty Issued Upon Consent (the “Consent Assessment Order”) against MetLife in conjunction with the Board Consent Order;

WHEREAS, MetLife has taken steps to comply with the Board Consent Order and continues to take additional steps;

WHEREAS, MetLife has consented to the assessment of a civil money penalty in the amount of \$3,200,000 by the Board of Governors (the “CMP”) pursuant to section 8(b)(3) and (i)(2)(B) of the FDI Act (12 U.S.C. §§1818(b)(3) and 1818(i)(2)(B)) for allegedly unsafe or unsound practices described above, which penalty shall be remitted by the Board of Governors under the conditions set forth in this Consent Assessment Order;

WHEREAS, pursuant to delegated authority, Nicholas D. Latrenta, Executive Vice President and General Counsel, is authorized to execute this Consent Assessment Order on behalf of MetLife, and consent to compliance with each and every applicable provision of this Consent Assessment Order by MetLife and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the FDI Act (12 U.S.C. §§ 1813(u) and 1818(b)(3)), and waiving any and all rights that MetLife may have pursuant to section 8 of the FDI Act (12 U.S.C. § 1818), including, but not limited to: (i) the issuance of a notice of assessment of civil money penalty; (ii) a hearing for the purpose of taking evidence on any matters set forth in this Consent Assessment Order; (iii) judicial review of this Consent Assessment Order; (iv) contest the issuance of this Consent Assessment Order by the Board of Governors; and (v) challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of this Consent Assessment Order or any provision hereof.

NOW, THEREFORE, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issues of fact or law herein, and without this Consent Assessment Order constituting an admission or denial by MetLife of any allegation made or implied by the Board of Governors in connection with this matter, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted or extended hearings or testimony, it is hereby ORDERED by the Board of Governors, pursuant to sections 8(b)(3) and (i)(2)(B) of the FDI Act (12 U.S.C. §§1818(b)(3) and 1818(i)(2)(B)), that:

1. MetLife is hereby assessed a CMP in the amount of \$3,200,000 to be paid as provided in this Consent Assessment Order.

2. If MetLife and/or the Bank (individually, a “MetLife Party” or collectively, the “MetLife Parties”) enter into an agreement with the United States Department of Justice and/or with one or more of the Attorneys General of various states regarding potential civil claims against a MetLife Party for conduct, among other things, in connection with the servicing of mortgage loans by the Bank under which a MetLife Party agrees to provide consumer relief, which may include mortgage principal reductions or other assistance to residential mortgage borrowers (the “Settlement Agreement”), pursuant to section 8(i)(2)(F) of the FDI Act (12 U.S.C. § 1818(i)(2)(F)), the Board of Governors shall remit up to \$3,200,000 of the CMP by an amount equivalent to the aggregate dollar value of consumer relief provided by a MetLife Party pursuant to such Settlement Agreement (“Borrower Assistance”) and that portion of any payments made by a MetLife Party to the United States that go directly to various agencies of the federal government (the “Federal Payments”) pursuant to any Settlement Agreement, under the following conditions:

(i) The Settlement Agreement is entered into no later than June 30, 2013;

(ii) The Borrower Assistance is provided for the remedial programs specified in the Settlement Agreement, which may include mortgage principal reductions or refinancing, or other assistance to residential mortgage borrowers, in accordance with the terms and conditions specified in the Settlement Agreement for such programs;

(iii) The amount of Borrower Assistance that must be provided under the Settlement Agreement is determined pursuant to a crediting mechanism specified in the Settlement Agreement, provided that no amount shall be remitted for purposes of this Consent Assessment Order for bonuses or incentives received by or credited to a MetLife Party under the Settlement Agreement;

(iv) Before a MetLife Party provides any Borrower Assistance, the remedial programs described in paragraph 2(ii) and the crediting mechanism described in paragraph 2(iii) are approved by the Reserve Bank;

(v) Any documents associated with the Borrower Assistance provided and Federal Payments made by a MetLife Party pursuant to the Settlement Agreement are made available to the Reserve Bank upon request;

(vi) On a quarterly basis beginning on execution of the Settlement Agreement and until the earlier of the date on which the Settlement Agreement's requirements pertaining to the Borrower Assistance and Federal Payments are fully satisfied or on which the CMP has been fully satisfied, MetLife submits to the Reserve Bank a detailed report and accounting on the Borrower Assistance provided and Federal Payments made pursuant to the Settlement Agreement and a certification by MetLife that any such Borrower Assistance provided and

Federal Payments made were provided and made in full compliance with the terms and conditions of the Settlement Agreement; and

(vii) Within the earlier of 30 days after full satisfaction of the terms and conditions of the Settlement Agreement's requirements pertaining to Borrower Assistance and Federal Payments or two years after the date of execution of the Settlement Agreement, MetLife submits to the Reserve Bank a certification that any Borrower Assistance provided and Federal Payments made pursuant to the Settlement Agreement were provided and made in full compliance with the terms and conditions of the Settlement Agreement.

3. Pursuant to section 8(i)(2)(F) of the FDI Act (12 U.S.C. § 1818(i)(2)(F)), the Board of Governors shall also remit up to \$3,200,000 of the CMP, to the extent not remitted pursuant to paragraph 2 , by an amount equivalent to the aggregate amount of funds expended by MetLife on funding for nonprofit housing counseling organizations, approved by the U.S. Department of Housing and Urban Development, to provide counseling to borrowers who are at risk of or are in default or foreclosure, or to provide assistance to borrowers in connection with the independent foreclosure reviews required by the Board Consent Order and the OCC Consent Order, under the following conditions:

(i) At least 30 days prior to the making of any expenditures pursuant to this paragraph 3, MetLife submits to the Reserve Bank an acceptable written plan for making such expenditures, including the manner by which such expenditures shall be credited to MetLife (the "Plan to Fund Housing Counseling Organizations"); and

(ii) MetLife fully complies with the accepted Plan to Fund Housing Counseling Organizations.

4. No later than two years after the date of execution of any Settlement Agreement or, in the event there is no Settlement Agreement prior to June 30, 2013, two years after the date of execution of this Consent Assessment Order, MetLife shall pay any portion of the CMP that has not been remitted pursuant to paragraphs 2 or 3 of this Consent Assessment Order as of such date, plus interest on such portion calculated from the date of execution of this Consent Assessment Order at the rate set forth in 28 U.S. C. § 1961.

5. Payment of the CMP pursuant to paragraph 4 of this Consent Assessment Order shall be made by a Fedwire transfer to the Federal Reserve Bank of Richmond, ABA No. 051000033, to the order of the Board of Governors General Fund, FRB General Ledger Account number 220 400 010, which penalties the Board of Governors shall deposit on behalf of the Board of Governors into the United States Treasury as required by section 8(i)(2)(J) of the FDI Act, (12 U.S.C. § 1818(i)(2)(J)).

6. MetLife agrees that, in the event that MetLife completes currently planned actions as a result of which MetLife is no longer a bank holding company for purposes of the Bank Holding Company Act and such actions are completed before the time period for remitting or paying the CMP amounts pursuant to paragraphs 2, 3, or 4 of this Consent Assessment Order has expired, the Board shall continue to have the authority to enforce compliance with the terms of this Consent Assessment Order, including the payment of any CMP, after the date on which MetLife ceases to be a bank holding company.

Notices

7. All communications regarding this Order shall be sent to:

- (a) Mr. John G. Ricketti
Vice President
Federal Reserve Bank of New York
33 Maiden Lane
New York, New York 10045
- (b) Nicholas D. Latrenta
Executive Vice President and General Counsel
1905 Avenue of the Americas
New York, New York 10036

Miscellaneous

8. The provisions of this Consent Assessment Order shall be binding on MetLife and its institution-affiliated parties in their capacities as such, and their successors and assigns.

9. Each provision of this Consent Assessment Order shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank.

10. Notwithstanding any provision of this Consent Assessment Order, the Reserve Bank may, in its sole discretion, grant written extensions of time to MetLife to comply with any provision of this Consent Assessment Order.

11. Except as provided for in this Consent Assessment Order, the Board of Governors hereby releases and discharges MetLife and its affiliates, successors, and assigns from all potential liability that has been or might have been asserted by the Board of Governors based on the conduct that is the subject of this Consent Assessment Order, to the extent known to the Board of Governors as of the effective date of this Consent Assessment Order. The foregoing release and discharge shall not preclude or affect any right of the Board of Governors to determine and ensure compliance with the Board Consent Order or this Consent Assessment Order, or any proceedings brought by the Board of Governors to enforce the terms of the Board Consent Order or this Consent Assessment Order.

By Order of the Board of Governors effective this 6th day of August, 2012.

METLIFE, INC.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

By: /s/ Nicholas D. Latrenta
Nicholas D. Latrenta,
Executive Vice President
and General Counsel

By: /s/ Robert deV. Frierson
Robert deV. Frierson
Secretary of the Board