

**SETTLEMENT AGREEMENT BETWEEN
TERENCE C. SMITH AND THE FEDERAL HOUSING FINANCE AGENCY**


The Federal Housing Finance Agency (“FHFA”) and Terence C. Smith (“Mr. Smith,” together with FHFA, “the Parties”), the former President and Chief Executive Officer of the Federal Home Loan Bank of Dallas, Texas (“FHLBD”) have agreed to certain terms that will avoid the need for an administrative proceeding by FHFA regarding Mr. Smith’s former service at the FHLBD.

The Parties hereby agree as follows:

1. The Parties agree that FHFA has jurisdiction over Mr. Smith in the matter relating to his service at the FHLBD that is the subject of this SETTLEMENT AGREEMENT (“AGREEMENT”), pursuant to 12 U.S.C. 4631, 4636a, and 4502(11).
2. Not later than May 1, 2016, Mr. Smith shall: (a) pay to the FHLBD \$156,096.50 in a lump sum and by wire transfer for travel expenses he incurred between 2010 and 2013 and for which he was reimbursed by the FHLBD, and which he contends involved no wrongdoing; and (b) pay interest to the FHLBD of \$2,814.00 on this sum, for a payment totaling \$158,910.50. Mr. Smith shall not request or receive reimbursement or indemnification from the FHLBD for the payment described here. Mr. Smith shall not accept employment from or be directly or indirectly compensated for any work for, or for the benefit of, any Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association, commencing on the effective date of this AGREEMENT.
3. In the event Mr. Smith violates any terms of this AGREEMENT, upon notification of a specific violation from the FHLBD acting in good faith, he shall complete the requirements of this AGREEMENT, including making payments and ceasing activities, and pay the FHLBD \$50,000 in a lump sum by wire transfer not later than 90 days after the date on which FHLBD determines that a violation occurred, and that Mr. Smith has failed to provide information during such time to establish that a violation has not occurred. Mr. Smith shall promptly respond to any request from the FHLBD for documents that would be necessary to ensure Mr. Smith’s compliance with this AGREEMENT.
4. Nothing in this AGREEMENT shall affect: (1) the payment to Mr. Smith of his vested balances under the FHLBD’s Supplemental Executive Retirement Plan; (2) Mr. Smith’s FHLBD retiree health benefits; (3) the terms of Mr. Smith’s Separation Agreement with the FHLBD, dated September 27, 2013; or (4) any other preexisting right to payment or benefit, except as affected by Paragraphs 2 and 3 herein.
5. FHFA shall not undertake any further action against Mr. Smith in connection with the matters addressed by this AGREEMENT, except as provided in paragraph 3 herein.
6. This AGREEMENT is solely between the Parties and it does not limit in any way any action by any other federal, state, or local government agency or instrumentality.

7. In the event that a term of this AGREEMENT is found to be unenforceable, all the remaining terms of this AGREEMENT shall remain in full force and effect.
8. Mr. Smith shall not seek reimbursement from FHFA for any of the attorney's fees, costs or expenses he incurred in connection with this AGREEMENT.
9. Mr. Smith acknowledges that he has read this AGREEMENT and understands its premises and obligations. Furthermore, Mr. Smith acknowledges that no separate promise or inducement of any kind has been made by FHLBD or FHFA, or any agent or employee of FHLBD or FHFA to cause or induce him to enter into this AGREEMENT.
10. By signing this AGREEMENT, Mr. Smith hereby waives (a) the issuance of any notice required by law, regulation, or rule; (b) any and all procedural rights in connection with the issuance of this AGREEMENT; (c) all rights to seek any type of judicial or administrative review of this AGREEMENT; and (d) any and all rights to challenge or contest the validity of this AGREEMENT.
11. This AGREEMENT may be executed in counterparts.
12. This AGREEMENT is effective upon execution by the Parties.


Terence C. Smith


Alfred M. Pollard, General Counsel
on behalf of the Federal Housing
Finance Agency

DATED: 2/19/2016

DATED: 2-18-2016