

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (the “Agreement”) is entered into as of July 12, 2017, by and between (i) the Federal Housing Finance Agency (“FHFA” or “Plaintiff”), as Conservator of the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Federal National Mortgage Association (“Fannie Mae,” and, together with Freddie Mac, “the GSEs”), Freddie Mac, and Fannie Mae, on the one hand, and (ii) The Royal Bank of Scotland Group plc, RBS Holdings USA Inc., RBS Securities Inc. (f/k/a Greenwich Capital Markets, Inc.), RBS Financial Products Inc. (f/k/a Greenwich Capital Financial Products, Inc.), RBS Acceptance Inc. (f/k/a Greenwich Capital Acceptance, Inc.), and Financial Asset Securities Corp. (collectively, the “RBS Corporate Defendants”), Joseph N. Walsh III, Carol P. Mathis, Robert J. McGinnis, John C. Anderson, and James M. Esposito (collectively, the “RBS Individual Defendants,” and, together with the RBS Corporate Defendants, the “RBS Defendants”), on the other. The RBS Defendants, together with FHFA and the GSEs, are referred to herein as the “Settling Parties,” with each a “Settling Party.”¹

WHEREAS, on September 6, 2008, the Director of FHFA placed Fannie Mae and Freddie Mac into conservatorships pursuant to the Housing and Economic Recovery Act of 2008;

WHEREAS, on or about September 2, 2011, FHFA, in its capacity as Conservator for Fannie Mae and Freddie Mac, commenced an action against the RBS Defendants in the United States District Court for the District of Connecticut, captioned *Federal Housing Finance Agency v. The Royal Bank of Scotland Group plc, et al.* (D. Conn., Case No. 3:11-CV-01383 (AWT)) (the “RBS Action”);

WHEREAS, on or about February 1, 2012, FHFA served an Amended Complaint in the RBS Action;

WHEREAS, in consideration of the releases, limitations, and other terms and conditions provided for in this Agreement, and other good and valuable consideration, the RBS Corporate Defendants have determined that they are prepared to pay five billion and five hundred million U.S. dollars (\$5,500,000,000) in settlement of all claims asserted in the RBS Action and relating to the Covered Securities (as defined below) on the terms set forth herein, and FHFA has determined it is prepared to accept such amount in exchange for such settlements, releases, limitations, and terms and conditions;

WHEREAS, the Settling Parties have now agreed to fully and finally compromise, resolve, dismiss, discharge and settle each and every one of the Released Claims against each and every one of the Released Persons in the RBS Action, and to dismiss the RBS Action with prejudice;

NOW, THEREFORE, for good and valid consideration, the receipt and sufficiency of which is hereby acknowledged by all Settling Parties hereto, the Settling Parties agree as follows:

¹ All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in Paragraph 1 herein.

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

a. “Affiliate” means, with respect to any specified Person, any other Person that, at the time of determination, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person, where “control” means, as to any Person, the power to direct or cause the direction of the management, policies, or practices of such Person, whether through the ownership of voting securities, by contract, or otherwise. The terms “controlled by” and “under common control with” have correlative meanings.

b. “Covered Securities” means any and all residential mortgage-backed securities (other than those issued by Fannie Mae, Freddie Mac, or the Government National Mortgage Association) issued, sponsored, sold, or underwritten by any RBS Corporate Defendant between January 1, 2004 and December 31, 2008, including but not limited to the certificates listed in Exhibit A, which list is intended by the Settling Parties to include all securities for which FHFA has brought claims against the RBS Defendants in the RBS Action.

c. “Effective Date” means the earliest business day by which the Settlement Payment, as defined below, has been received in full by both GSEs, as evidenced by confirmation of the wire transfers pursuant to the written instructions of FHFA.

d. “Execution Date” means the date upon which the last Settling Party signs and executes this Agreement, whether made in multiple counterparts, by facsimile, or .pdf.

e. “LIBOR Claims” means any claims relating to the London Interbank Offered Rate, whether associated with the Covered Securities or any other securities.

f. “Nomura Action” means the case captioned *Federal Housing Finance Agency v. Nomura Holdings America, Inc., et al.*, (S.D.N.Y. Case No. 11 Civ. 6201 (DLC); 2d Cir. App. Nos. 15-1872 & 15-1874).

g. “Non-Settling Defendants” means all defendants in the Nomura Action that are not Released Defendant Persons.

h. “Person” means an individual, corporate entity, partnership, association, joint stock company, limited liability company, estate, trust, government entity (or any political subdivision or agency thereof) and any other type of business or legal entity; provided, however, that nothing in this definition or its use in this Agreement shall be construed to bind any governmental agency/entity other than FHFA solely in its capacity as Conservator for Fannie Mae and Freddie Mac, and the GSEs.

i. “Protective Order” means the Stipulated Protective Order, so ordered by the court in the RBS Action on or about January 29, 2013.

j. “Released Claims” means, collectively, the Released Plaintiff Claims and the Released Defendant Claims.

k. “Released Defendant Claims” means any and all claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, interests, debts, expenses, charges, penalties, sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature and description whatsoever (“Claims”) arising out of or in any way relating to the Covered Securities or any Repurchase Claim, (1) whether disclosed or undisclosed, known or unknown, accrued or unaccrued, matured or not matured, perfected or not perfected, choate or inchoate, liquidated or not liquidated, fixed or contingent, ripened or unripened; (2) whether at law or equity, whether based on or arising under state, local, foreign (if any), federal, statutory, regulatory, common or other law or rule and upon any legal theory (including, but not limited to, claims arising under the federal and state securities laws), no matter how asserted; (3) that previously existed, currently exist, or exist in the future; and (4) that were, could have been, or may be asserted by or on behalf of any or all of the Releasing Defendant Persons against any or all of the Released Plaintiff Persons in the RBS Action, in any federal or state court, or in any other court, tribunal, arbitration, proceeding, administrative agency or other forum; provided, however, that the Released Defendant Claims do not include (1) any Claims or defenses in the Nomura Action by the Releasing Defendant Persons against any other defendant therein, FHFA, Freddie Mac, or Fannie Mae; (2) any LIBOR Claims or defenses; (3) any claims or defenses against any Person other than the Released Plaintiff Persons; (4) any claims or defenses against any governmental entity or agency other than FHFA, solely in its capacity as Conservator of the GSEs; or (5) any claims to enforce this Agreement. The RBS Defendants reserve the right to assert any and all applicable arguments or defenses (including but not limited to mitigation, reduction or offset of damages) to any Claim in the Nomura Action, any LIBOR Claims concerning the Covered Securities, and any claims of any governmental entity or agency other than FHFA, and FHFA and the GSEs reserve the right to contest any such arguments or defenses.

l. “Released Defendant Persons” means each of the RBS Defendants, along with each of the RBS Defendants’ respective past and/or present Affiliates, subsidiaries, parents, general partners, limited partners and any Person in which any RBS Defendant has or had a controlling interest, and each such Person’s past and/or present principals, administrators, predecessors, successors, assigns, members, parents, subsidiaries, employees, officers, managers, directors, partners, limited partners, investment bankers, representatives, estates, divisions, financial advisors, estate managers, insurers and reinsurers; provided, however, that the Released Defendant Persons does not include any indemnitor of any RBS Defendant based solely on such indemnification relationship, any Non-Settling Defendant, or any Non-Settling Defendants’ past and/or present Affiliates, subsidiaries, and parents.

m. “Released Persons” means collectively the Released Plaintiff Persons and the Released Defendant Persons.

n. “Released Plaintiff Claims” means any and all claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, interests, debts, expenses, charges, penalties, sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature and description whatsoever arising out of or in any way relating to the Covered Securities or any Repurchase Claim, (1) whether disclosed or undisclosed, known or unknown, accrued or unaccrued, matured or not matured, perfected or not perfected, choate or inchoate, liquidated or

not liquidated, fixed or contingent, ripened or unripened; (2) whether at law or equity, whether based on or arising under state, local, foreign (if any), federal, statutory, regulatory, common or other law or rule and upon any legal theory (including, but not limited to, claims arising under the federal and state securities laws), no matter how asserted; (3) that previously existed, currently exist, or exist in the future; and (4) that were, could have been, or may be asserted by or on behalf of any or all of the Releasing Plaintiff Persons against any or all of the Released Defendant Persons in the RBS Action, in any federal or state court, or in any other court, tribunal, arbitration, proceeding, administrative agency or other forum; provided, however, that the Released Plaintiff Claims do not include (1) any Claims in the Nomura Action, including Claims against RBS Securities Inc. in the Nomura Action and any other defendant therein; (2) any LIBOR Claims; (3) any claims against any Person other than the Released Defendant Persons, including the Non-Settling Defendants; (4) any claims of any governmental entity or agency other than FHFA, solely in its capacity as Conservator of the GSEs; or (5) any claims to enforce this Agreement. FHFA and the GSEs reserve the right to assert any and all applicable arguments in relation to any Claim in the Nomura Action, any LIBOR Claims, and any claims of any governmental entity or agency other than FHFA, solely in its capacity as Conservator of the GSEs, or the GSEs concerning the Covered Securities, and the RBS Defendants reserve the right to contest any such arguments.

o. “Released Plaintiff Persons” means each of: FHFA, solely in its capacity as Conservator of the GSEs; the GSEs; and each and all of the GSEs’ respective past and/or present principals, Affiliates, subsidiaries, parents, general partners, limited partners and any Person in which FHFA or the GSEs have or had a controlling interest, and each such Person’s past and/or present administrators, predecessors, successors, assigns, members, parents, subsidiaries, employees, principals, officers, managers, directors, partners, limited partners, investment bankers, representatives, estates, divisions, financial advisors, and assigns. “Released Plaintiff Person” does not include any governmental entity or agency other than FHFA, solely in its capacity as Conservator of the GSEs.

p. “Releasing Defendant Persons” means each of the RBS Defendants and each and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, agents, heirs, estates, assigns or transferees, immediate and remote, and any other Person who has the right, ability, standing or capacity to assert, prosecute or maintain on their behalf any of the Released Defendant Claims, whether in whole or in part.

q. “Releasing Persons” means, collectively, the Releasing Plaintiff Persons and the Releasing Defendant Persons.

r. “Releasing Plaintiff Persons” means each of FHFA, solely in its capacity as Conservator of the GSEs; the GSEs; and each and all of FHFA and the GSEs’ respective successors in interest, predecessors, representatives, trustees, executors, administrators, agents, heirs, estates, assigns or transferees, immediate and remote, and any other Person who has the right, ability, standing or capacity to assert, prosecute or maintain on their behalf any of the Released Plaintiff Claims, whether in whole or in part; provided, however, that nothing in this definition or its use in this Agreement shall be construed to bind or constitute a release by any governmental agency/entity other than FHFA solely in its capacity as Conservator of the GSEs.

s. “Repurchase Claim” means any Claim (including, without limitation, any claim under any Pooling and Servicing Agreement, Assignment and Recognition Agreement, or Mortgage Loan Purchase Agreement) alleging any breach or violation of any representation or warranty as to loans originated, purchased, acquired, transferred, or securitized regarding, or collateralizing, the Covered Securities, including but not limited to claims for failure to notify of breaches of such representations and warranties.

2. Settlement Payment.

a. In consideration for the Releasing Plaintiff Persons’ execution of this Agreement and the release of claims as set forth below, and for other good and valid consideration, the receipt and sufficiency of which is hereby acknowledged, The Royal Bank of Scotland Group plc shall pay or cause to be paid a one-time, lump sum payment of five billion and five hundred million dollars (\$5,500,000,000) (the “Settlement Payment”), payable to Freddie Mac and Fannie Mae, in an allocation to be determined solely by FHFA (with the allocation among various claims to be determined solely by FHFA), which counsel for FHFA shall specify to counsel for the RBS Corporate Defendants in writing no later than five (5) business days after the Execution Date. Counsel for FHFA shall also provide to counsel for the RBS Corporate Defendants, on or before the Execution Date, wire instructions, W-9 forms, and any other documentation reasonably requested by the RBS Corporate Defendants to process the Settlement Payment. The Royal Bank of Scotland Group plc shall make the Settlement Payment, or cause it to be made, on the fifteenth (15th) business day immediately following the Execution Date; provided, however, that The Royal Bank of Scotland Group plc may pay part (though not all) of the Settlement Payment prior to such date but no earlier than the thirteenth (13th) business day immediately following the Execution Date.

b. Receipt of the Settlement Payment by Freddie Mac and Fannie Mae shall constitute a full and valid discharge of the payment obligation pursuant to this Agreement and in connection with the settlement of the RBS Action contemplated herein.

3. Full Consideration. The Settling Parties agree that, apart from the Settlement Payment and the releases and covenants provided in Paragraphs 10 and 11 below, Plaintiff and the Releasing Plaintiff Persons are not entitled to any other payments or consideration from any of the Released Defendant Persons in respect of the Released Claims.

4. No Admission of Liability. This Agreement does not constitute an admission by any of the RBS Defendants of any liability or wrongdoing whatsoever, including, but not limited to, any liability or wrongdoing with respect to any of the allegations that were or could have been raised in the RBS Action. To the contrary, the RBS Defendants vigorously deny the allegations in the RBS Action. This Agreement also does not constitute an admission by FHFA or the GSEs that they would not have been able to successfully prosecute their claims in the RBS Action, and in fact FHFA and the GSEs firmly believe in the merit of each of their allegations in the RBS Action. The Settling Parties agree that this Agreement is the result of a compromise within the provisions of the Federal Rules of Evidence, and any similar statutes or rules. The Settling Parties further agree that this Agreement shall not be used or admitted in any proceeding for any purpose including, but not limited to, as evidence of liability or wrongdoing by any RBS Defendant, nor shall it be used for impeachment purposes, to refresh recollection, or any other

evidentiary purpose; provided, however, that this sentence shall not apply to any claims to enforce this Agreement.

5. Additional Conditions:

a. No later than one (1) business day after the Execution Date, the Settling Parties shall jointly file a motion to stay all proceedings in the RBS Action pending dismissal, in the form attached hereto as Exhibit C-1.

b. No later than one (1) business day after the Effective Date, the Settling Parties shall jointly file a stipulation of voluntary dismissal with prejudice of the RBS Action pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), in the form attached hereto as Exhibit C-2.

6. Stand-down and Tolling Agreement. As of the Effective Date, the agreement identified in Exhibit B hereto shall be completely and irrevocably rescinded. For the avoidance of doubt, such rescission shall have the effect of terminating the agreement as of November 29, 2013 and rendering any tolling period thereunder null and void. Without limiting the generality of the foregoing, and for the further avoidance of doubt, it is expressly understood and agreed by and between the Settling Parties that as of the Effective Date neither any Settling Party nor any other Person, including without limitation (i) any trustee, and (ii) any certificateholder, shall have any right to rely on any provision of the agreement identified in Exhibit B hereto for any purpose.

7. Repurchase Claims.

a. No later than five (5) business days after the Effective Date, FHFA or the GSEs will withdraw and rescind any notices of breach or repurchase demands that FHFA or the GSEs have made to any trustee(s) relating to any of the Covered Securities, with the exception of any notices of breach or repurchase demands against originators that FHFA and/or the GSEs have already made to any trustee of HVMLT 2007-2, HVMLT 2007-7, and OOMLT 2006-3.

b. With respect to the Covered Securities, FHFA and the GSEs agree (i) not to direct or indemnify any action, claim, or demand by a trustee against any RBS Corporate Defendant; (ii) to abstain from any vote regarding continuation of litigation, any instigation of future litigation, and/or any future directions to take actions adverse to any RBS Corporate Defendant with respect to any Repurchase Claims; and (iii) not to directly or indirectly initiate, agitate for, or otherwise aid, any action, claim or demand, whether directly or through a trustee or any other third party with respect to any Repurchase Claims. The obligations in this paragraph 7(b) are in addition to FHFA's and the GSEs' obligations under paragraph 7(a) and do not alter or limit the obligations under paragraph 7(a) in any way.

8. Release by the Releasing Plaintiff Persons. In exchange for the Settlement Payment and the release provided by the Releasing Defendant Persons, each and every one of the Releasing Plaintiff Persons shall upon the Effective Date: (a) have and be deemed by operation of law to have completely, fully, finally and forever dismissed, released, relinquished and discharged with prejudice each and every one of the Released Defendant Persons from any and all of the Released Plaintiff Claims; (b) forever be barred and enjoined from filing, commencing, intervening in, instituting, maintaining, prosecuting, or seeking relief (including, but not limited

to, filing an application or motion for preliminary or permanent injunctive relief) in any other lawsuit, arbitration or other proceeding in any jurisdiction that asserts any of the Released Plaintiff Claims against any or all of the Released Defendant Persons; and (c) have and be deemed to have covenanted not to sue any of the Released Defendant Persons with respect to any of the Released Plaintiff Claims.

9. Covenants by the Releasing Plaintiff Persons. Effective upon the Execution Date, FHFA, as Conservator for the GSEs, and the GSEs, on behalf of themselves and all of the Releasing Plaintiff Persons, hereby covenant and agree that:

a. No Releasing Plaintiff Person shall commence, assert, file or initiate any Released Plaintiff Claim, including (but not limited to) by way of third-party claim, cross-claim or counterclaim or by right of representation or subrogation, against any of the Released Defendant Persons.

b. No Releasing Plaintiff Person shall participate in bringing or pursuing any Released Plaintiff Claim against any Released Defendant Person.

10. Release by the Releasing Defendant Persons. In exchange for the release provided by the Releasing Plaintiff Persons and the dismissal with prejudice of the RBS Action, each and every one of the Releasing Defendant Persons shall upon the Effective Date: (a) have and be deemed by operation of law to have completely, fully, finally and forever dismissed, relinquished, released and discharged with prejudice each and every one of the Released Plaintiff Persons from any and all of the Released Defendant Claims; (b) forever be barred and enjoined from filing, commencing, intervening in, participating in, instituting, maintaining, prosecuting, or seeking relief (including, but not limited to, filing an application or motion for preliminary or permanent injunctive relief) in any other lawsuit, arbitration or other proceeding in any jurisdiction that asserts any of the Released Defendant Claims against any or all of the Released Plaintiff Persons; and (c) have and be deemed to have covenanted not to sue any of the Released Plaintiff Persons with respect to any of the Released Defendant Claims.

11. Covenants by the Releasing Defendant Persons. Effective upon the Execution Date, the RBS Defendants, on behalf of themselves and all of the Releasing Defendant Persons, hereby covenant and agree that:

a. No Releasing Defendant Person shall commence, assert, file or initiate any Released Defendant Claim, including (but not limited to) by way of third-party claim, cross-claim or counterclaim or by right of representation or subrogation, against any of the Released Plaintiff Persons.

b. No Releasing Defendant Person shall participate in bringing or pursuing any Released Defendant Claim against any Released Plaintiff Person.

12. Release of Unknown Claims. Each of the Settling Parties acknowledges that it has been advised by its attorneys concerning, and is familiar with, California Civil Code Section 1542 and expressly waives any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar,

comparable, or equivalent to the provisions of the California Civil Code Section 1542, including that provision itself, which reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

The Settling Parties acknowledge that inclusion of the provisions of this Section to this Agreement was a material and separately bargained for element of this Agreement. Each Settling Party agrees that California law is not applicable to this Agreement, and none of the Settling Parties consents to the jurisdiction of a California court nor the application of California law to adjudicate any disputes under this Agreement. Rather, and as reflected in Paragraph 21 below, the Settling Parties have agreed that this Agreement is governed by and shall be construed in accordance with the laws of the State of New York without regard to conflicts of law principles.

13. Protective Order. The obligations and benefits conferred in the Protective Order, governing confidentiality of information and documents, shall remain in effect after the Effective Date.

14. Representations and Warranties. Each Settling Party represents and warrants that:

a. It has the full legal authority, right, and capacity to enter into this Agreement on its behalf and to bind the Settling Party to perform its obligations hereunder, including any third-party authorization necessary to release the claims being released hereunder. This Agreement has been duly and validly executed and delivered by such Settling Party and, assuming due authorization, execution and delivery by the other Settling Parties, constitutes a legal, valid and binding obligation of such Settling Party, enforceable against such Settling Party in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies;

b. The execution and delivery of this Agreement, the performance by such Settling Party of its obligations hereunder and the consummation of the transactions contemplated hereby, will not: (i) result in the violation by such Settling Party of any statute, law, rule, regulation or ordinance or any judgment, decree, order, writ, permit, or license of any governmental or regulatory authority applicable to such Settling Party; or (ii) require such Settling Party to obtain any consent, approval or action of, make any filing with or give any notice to any person, which action has not already been undertaken and accomplished by such Settling Party;

c. It has not assigned, subrogated, pledged, loaned, hypothecated, conveyed, or otherwise transferred, voluntarily or involuntarily, to any other person or entity, the Released Claims, or any interest in or part or portion thereof, specifically including any rights arising out of the Released Claims; and

d. It has read and understands this Agreement and it has had the opportunity to consult with its attorneys before signing it.

15. (a) Each RBS Defendant represents that (i) it is not an Affiliate of Freddie Mac; and (ii) it does not individually, or in the aggregate with other RBS Defendants, own 10 percent or more of any class of Freddie Mac stock.

(b) Each RBS Defendant represents that (i) it is not an Affiliate of Fannie Mae; and (ii) it does not individually, or in the aggregate with other RBS Defendants, own 10 percent or more of any class of Fannie Mae stock.

16. Other than as specifically set forth in this Agreement, nothing herein prohibits, restricts, or limits FHFA or the GSEs from receiving any benefits deriving from, or exercising any rights appurtenant to, the GSEs' ownership of interests in the Covered Securities in the ordinary course, including, without limitation, the right to receive or assign payments from their investments in the Covered Securities or to sell or otherwise dispose of their interests in the Covered Securities after the Effective Date.

17. By signing this Agreement, each Settling Party, or its counsel as applicable, represents and warrants that it has full authority to enter into this Agreement and to bind itself, or its client, to this Agreement.

18. This Agreement constitutes the entire agreement to settle and resolve the claims that are the subject of this Agreement among the Settling Parties and overrides and replaces all prior negotiations and terms proposed or discussed, whether in writing or orally, about that subject matter. No modification of this Agreement shall be valid unless it is in writing, references this Agreement, and is signed by all Settling Parties.

19. All parties hereto submit to the personal jurisdiction of the United States District Court for the District of Connecticut for purposes of implementing and enforcing the settlement embodied in this Agreement. The Settling Parties otherwise expressly reserve their jurisdictional rights to any action, suit or proceeding commenced outside the terms of this Agreement.

20. Each of the Settling Parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments, and to take all such action as the other Settling Parties may reasonably request in order to effectuate the intent and purposes of, and to carry out the terms of, this Agreement.

21. This Agreement is governed by and shall be construed in accordance with the laws of the State of New York without regard to choice of law or conflicts of law principles.

22. Each Settling Party shall bear its own costs and expenses in the RBS Action, including any and all legal and expert fees, incurred in connection with this Agreement and the RBS Action.

23. Notices required by this Agreement shall be communicated by email and any form of overnight mail or in person to:

Philippe Z. Selendy (philippeselendy@quinnemanuel.com)
Jordan A. Goldstein (jordangoldstein@quinnemanuel.com)
Quinn Emanuel Urquhart & Sullivan, LLP
51 Madison Avenue, 22nd Floor
New York, New York 10010

*Attorneys for Plaintiff Federal Housing Finance Agency,
Fannie Mae, and Freddie Mac*

Thomas C. Rice (trice@stblaw.com)
Andrew T. Frankel (afrankel@stblaw.com)
Alan C. Turner (aturner@stblaw.com)
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017

Attorneys for the RBS Defendants

24. This Agreement is the result of arm's-length negotiation between the Settling Parties, and all Settling Parties, including through their counsel, have contributed substantially and materially to the preparation of this Agreement. No provision of this Agreement shall be interpreted or construed against any Settling Party because that Settling Party or its legal representative drafted that particular provision. Any captions and headings contained in this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

25. Upon the Execution Date, this Agreement is binding upon and shall inure to the benefit of the Settling Parties, their successors, assigns, heirs, executors, legal representatives and administrators.

26. Third Party Beneficiaries. Except to the extent otherwise provided herein with respect to Released Persons, nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever.

27. Non-Waiver.

a. Any failure by any Settling Party to insist upon the strict performance by any other Settling Party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and such Settling Party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Agreement to be performed by such other Settling Party.

b. No waiver, express or implied, by any Settling Party of any breach or default in the performance by the other Settling Party of its obligations under this Agreement shall be deemed or construed to be a waiver of any other breach, whether prior, subsequent or contemporaneous, under this Agreement.

28. This Agreement may be executed in multiple counterparts, which shall be deemed an original but all of which together shall constitute one and the same instrument. Signatures exchanged by facsimile or .pdf shall be valid and effective as original signatures.

29. All of the exhibits attached to this Agreement are material and integral parts hereof and are hereby incorporated by reference as if fully set forth herein.

30. The Settling Parties and their respective counsel agree to cooperate fully with one another in order to effect the consummation of the settlement of the RBS Action.

IN WITNESS WHEREOF, the Settling Parties execute this Settlement Agreement as of the date first above referenced with the intent to be bound by its terms and conditions.

Dated: July 12 2017

**FEDERAL HOUSING FINANCE
AGENCY, as conservator for THE
FEDERAL NATIONAL MORTGAGE
ASSOCIATION and THE FEDERAL
HOME LOAN MORTGAGE
CORPORATION**

By:



Alfred M. Pollard
General Counsel

**THE ROYAL BANK OF SCOTLAND
GROUP PLC**

By: _____

RBS HOLDINGS USA INC.

By: _____

RBS SECURITIES INC.

By: _____

RBS FINANCIAL PRODUCTS INC.

By: _____

RBS ACCEPTANCE INC.

By: _____

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CORPORATION**

By: _____
Alfred M. Pollard
General Counsel

**THE ROYAL BANK OF SCOTLAND
GROUP PLC**

By: _____
James M. Esposito
Authorized Signatory

RBS HOLDINGS USA INC.

By: _____
James M. Esposito
General Counsel

RBS SECURITIES INC.

By: _____
James M. Esposito
General Counsel

RBS FINANCIAL PRODUCTS INC.

By: _____

RBS ACCEPTANCE INC.

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James M. Esposito
General Counsel

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By: _____
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**THE ROYAL BANK OF SCOTLAND
GROUP PLC**

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By: _____

RBS SECURITIES INC.

By: _____

RBS FINANCIAL PRODUCTS INC.

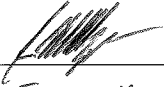
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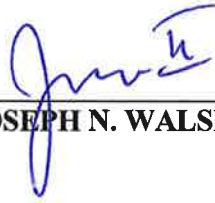
Kay Leakey
Managing Director

RBS ACCEPTANCE INC.

By: _____

FINANCIAL ASSET SECURITIES CORP.

By: 
James M. Esposito
General Counsel



JOSEPH N. WALSH III

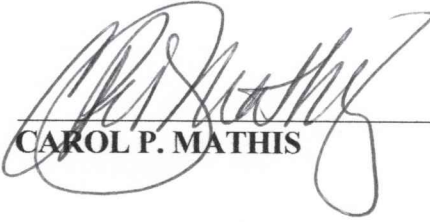
CAROL P. MATHIS

ROBERT J. MCGINNIS

JOHN C. ANDERSON

JAMES M. ESPOSITO

JOSEPH N. WALSH III



CAROL P. MATHIS

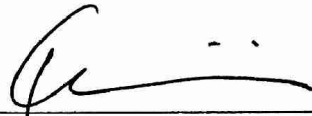
ROBERT J. MCGINNIS

JOHN C. ANDERSON

JAMES M. ESPOSITO

JOSEPH N. WALSH III

CAROL P. MATHIS

A handwritten signature in black ink, appearing to read 'R. McGinnis', written over a horizontal line.

ROBERT J. MCGINNIS

JOHN C. ANDERSON

JAMES M. ESPOSITO

JOSEPH N. WALSH III

CAROL P. MATHIS

ROBERT J. MCGINNIS



JOHN C. ANDERSON

JAMES M. ESPOSITO

JOSEPH N. WALSH III

CAROL P. MATHIS

ROBERT J. MCGINNIS

JOHN C. ANDERSON



JAMES M. ESPOSITO

EXHIBIT A

Securitization	CUSIP	Securitization	CUSIP	Securitization	CUSIP
AHMA 2007-3	026935AA4	HVMLT 2006-5	41161MAB6	SVHE 2006-OPT4	83611YAA0
AHMA 2007-3	026935AH9	HVMLT 2006-6	41161UAC6	SVHE 2006-OPT5	83612CAA7
AMSI 2005-R9	03072SN92	HVMLT 2006-7	41161VAA8	SVHE 2007-1	83612PAA8
ARSI 2006-M3	03076MAA2	HVMLT 2006-8	41161GAA1	SVHE 2007-OPT1	83612TAA0
ARSI 2006-W5	04012XAA3	HVMLT 2006-9	41161XAA4	SVHE 2007-OPT2	83613DAA4
DSLA 2005-AR6	23332UFU3	HVMLT 2006-BU1	41161PG56	SVHE 2007-OPT3	83612KAA9
DSLA 2005-AR6	23332UGJ7	HVMLT 2006-BU1	41161PG64	SVHE 2007-OPT4	83613AAA0
DSLA 2006-AR2	23332QAA1	HVMLT 2006-CB1	41161PE41	SVHE 2007-OPT5	83613FAA9
DSLA 2006-AR2	23332QAB9	HVMLT 2007-1	41164MAA5	SVHE 2007-WMC1	83612NAA3
DSLA 2007-AR1	23333YAA3	HVMLT 2007-1	41164MAB3		
DSLA 2007-AR1	23333YAB1	HVMLT 2007-2	41164LAA7		
FFML 2005-FFH4	32027NWX3	HVMLT 2007-3	41164UAA7		
FFML 2006-FF16	320275AA8	HVMLT 2007-4	41164YAA9		
FFML 2006-FF8	320278AR5	HVMLT 2007-6	41165BAA8		
FHLT 2006-1	35729PNX4	HVMLT 2007-7	411640AA3		
FHLT 2006-2	35729PPU8	INABS 2007-B	43710EAA8		
FHLT 2006-3	35729MAA5	INABS 2007-B	43710EAB6		
FHLT 2006-A	35729RAA4	INDX 2006-AR35	45667SAK3		
FHLT 2006-D	35729VAA5	INDX 2006-AR6	456612AA8		
HELT 2007-FRE1	43710XAA6	INDX 2006-AR6	456612AB6		
HVMLT 2005-12	41161PVF7	MHL 2006-1	61915RBY1		
HVMLT 2005-13	41161PVZ3	NHEL 2007-2	66989EAA3		
HVMLT 2005-13	41161PWA7	NMFT 2006-MTA1	66988UAA8		
HVMLT 2005-15	41161PXF5	NSTR 2007-B	63860LAA8		
HVMLT 2005-15	41161PXG3	OOMLT 2005-4	68389FJD7		
HVMLT 2005-16	41161PA52	OOMLT 2006-1	68389FKL7		
HVMLT 2005-16	41161PYV9	OOMLT 2006-3	68389BAN3		
HVMLT 2006-1	41161PA60	OOMLT 2007-3	68402BAA4		
HVMLT 2006-1	41161PA78	OOMLT 2007-4	68403FAA4		
HVMLT 2006-10	41162CAA9	OOMLT 2007-5	68403HAA0		
HVMLT 2006-10	41162CAB7	OOMLT 2007-CP1	68402YAA4		
HVMLT 2006-12	41162DAA7	OOMLT 2007-FXD2	68403BAA3		
HVMLT 2006-14	41162NAA5	POPLR 2005-5	73316PHJ2		
HVMLT 2006-4	41161PL27	SVHE 2005-4	83611MJY5		
HVMLT 2006-4	41161PL35	SVHE 2005-OPT3	83611MHD3		
HVMLT 2006-4	41161PP98	SVHE 2005-OPT4	83611MJF6		
HVMLT 2006-4	41161PQ22	SVHE 2006-OPT1	83611MLR7		
HVMLT 2006-5	41161MAA8	SVHE 2006-OPT3	83611MPE2		

EXHIBIT B

1. First Franklin Mortgage Loan Trust, Series 2006-FF16 agreement between RBS and Fannie Mae, dated November 29, 2013.

EXHIBIT C-1

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT**

FEDERAL HOUSING FINANCE AGENCY,
AS CONSERVATOR FOR THE FEDERAL
NATIONAL MORTGAGE ASSOCIATION
AND THE FEDERAL HOME LOAN
MORTGAGE CORPORATION,

Plaintiff,

-against-

THE ROYAL BANK OF SCOTLAND
GROUP PLC; RBS HOLDINGS USA INC.;
RBS SECURITIES INC. (f/k/a GREENWICH
CAPITAL MARKETS, INC.); RBS
FINANCIAL PRODUCTS INC. (f/k/a
GREENWICH CAPITAL FINANCIAL
PRODUCTS, INC.); RBS ACCEPTANCE
INC. (f/k/a GREENWICH CAPITAL
ACCEPTANCE, INC.); FINANCIAL ASSET
SECURITIES CORP.; JOSEPH N. WALSH
III; CAROL P. MATHIS; ROBERT J.
MCGINNIS; JOHN C. ANDERSON; and
JAMES M. ESPOSITO,

Defendants.

3:11-cv-01383-AWT

JOINT MOTION TO STAY PROCEEDINGS

1. On July 12, 2017, Plaintiff Federal Housing Finance Agency (“FHFA”), as Conservator for the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Federal National Mortgage Association (“Fannie Mae” and, with Freddie Mac, the “GSEs”), and Defendants The Royal Bank of Scotland Group plc, RBS Holdings USA Inc., RBS Securities Inc. (f/k/a Greenwich Capital Markets, Inc.), RBS Financial Products Inc. (f/k/a Greenwich Capital Financial Products, Inc.), RBS Acceptance Inc. (f/k/a Greenwich Capital Acceptance,

Inc.), Financial Asset Securities Corp., Joseph N. Walsh III, Carol P. Mathis, Robert J. McGinnis, John C. Anderson, and James M. Esposito (collectively, the “RBS Defendants”) entered into a settlement agreement (the “Agreement”) to fully and finally resolve all claims in *Federal Housing Finance Agency v. The Royal Bank of Scotland Group plc, et al.*, No. 11 Civ. 1383 (AWT) (D. Conn.) (the “Action”).

2. Under the terms of the Agreement, Plaintiff and the RBS Defendants (the “Parties”) agreed to jointly move for a stay of all proceedings in the Action within one business day of executing the Agreement, pending consummation of the settlement and dismissal of the Action.

3. In accordance with the terms of the Agreement, the Parties will jointly file a stipulation of voluntary dismissal with prejudice of the Action within one business day after the GSEs’ receipt of the Settlement Payment (as defined in the Agreement). The Parties anticipate that the full Settlement Payment will be made on or before August 2, 2017.

4. The Parties, therefore, request that the Court enter the enclosed proposed order granting the Parties’ Motion to Stay Proceedings.

Dated: July __, 2017
Hartford, Connecticut

Respectfully submitted,

By: DRAFT

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Attorneys for the RBS Defendants

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT**

FEDERAL HOUSING FINANCE AGENCY,
AS CONSERVATOR FOR THE FEDERAL
NATIONAL MORTGAGE ASSOCIATION
AND THE FEDERAL HOME LOAN
MORTGAGE CORPORATION,

Plaintiff,

-against-

THE ROYAL BANK OF SCOTLAND
GROUP PLC; RBS HOLDINGS USA INC.;
RBS SECURITIES INC. (f/k/a GREENWICH
CAPITAL MARKETS, INC.); RBS
FINANCIAL PRODUCTS INC. (f/k/a
GREENWICH CAPITAL FINANCIAL
PRODUCTS, INC.); RBS ACCEPTANCE
INC. (f/k/a GREENWICH CAPITAL
ACCEPTANCE, INC.); FINANCIAL ASSET
SECURITIES CORP.; JOSEPH N. WALSH
III; CAROL P. MATHIS; ROBERT J.
MCGINNIS; JOHN C. ANDERSON; and
JAMES M. ESPOSITO,

Defendants.

3:11-cv-01383-AWT

**[PROPOSED] ORDER GRANTING THE PARTIES' JOINT MOTION TO STAY
PROCEEDINGS**

The Court, having considered all materials submitted in favor of the Parties' July __, 2017 Joint Motion to Stay Proceedings, and finding good cause in support thereof,

IT IS HEREBY ORDERED that:

The Parties' Motion to Stay Proceedings is GRANTED, and the Action is stayed and shall remain stayed pending the joint submission of a stipulation of voluntary dismissal with prejudice, but in no event shall the stay extend beyond August 2, 2017 without further approval by the Court.

Dated: _____, 2017
Hartford, Connecticut

By: _____
The Honorable Alvin W. Thompson
United States District Court Judge

EXHIBIT C-2

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT**

FEDERAL HOUSING FINANCE AGENCY,
AS CONSERVATOR FOR THE FEDERAL
NATIONAL MORTGAGE ASSOCIATION
AND THE FEDERAL HOME LOAN
MORTGAGE CORPORATION,

Plaintiff,

-against-

THE ROYAL BANK OF SCOTLAND
GROUP PLC; RBS HOLDINGS USA INC.;
RBS SECURITIES INC. (f/k/a GREENWICH
CAPITAL MARKETS, INC.); RBS
FINANCIAL PRODUCTS INC. (f/k/a
GREENWICH CAPITAL FINANCIAL
PRODUCTS, INC.); RBS ACCEPTANCE
INC. (f/k/a GREENWICH CAPITAL
ACCEPTANCE, INC.); FINANCIAL ASSET
SECURITIES CORP.; JOSEPH N. WALSH
III; CAROL P. MATHIS; ROBERT J.
MCGINNIS; JOHN C. ANDERSON; and
JAMES M. ESPOSITO,

Defendants.

3:11-cv-01383-AWT

STIPULATION OF VOLUNTARY DISMISSAL WITH PREJUDICE

WHEREAS Plaintiff Federal Housing Finance Agency, as Conservator for the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association, and Defendants The Royal Bank of Scotland Group plc, RBS Holdings USA Inc., RBS Securities Inc. (f/k/a Greenwich Capital Markets, Inc.), RBS Financial Products Inc. (f/k/a Greenwich Capital Financial Products, Inc.), RBS Acceptance Inc. (f/k/a Greenwich Capital Acceptance, Inc.), Financial Asset Securities Corp., Joseph N. Walsh III, Carol P. Mathis, Robert J. McGinnis, John C. Anderson, and James M. Esposito have reached a settlement fully and finally

resolving and compromising all claims asserted in the above-captioned action (the “Action”) on the terms set forth in the Settlement Agreement dated July 12, 2017;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between the parties, through their undersigned counsel, that, pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), this Action shall be, and hereby is, dismissed with prejudice, each party to bear his, her or its own costs, except to the extent agreed among the parties.

Dated: _____, 2017
Hartford, Connecticut

By: DRAFT

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Attorneys for the RBS Defendants