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State of New Hampshire

Banking Department

53 Regional Drive, Suite 200
Concord, New Hampshire 03301

Telephone: (603) 271-3561
FAX: (603) 271-1090 or (603) 271-0750

May 21, 2019

His Excellency, Governor Christopher T. Sununu
And the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the New Hampshire Banking Department to enter into a **sole source** contract with the Conference of State Bank Supervisors Education Foundation (Vendor No. 170735), 1129 20th Street, N.W., Washington, D.C., 20036, for an amount not to exceed \$25,000 for the purpose of accrediting the Banking Department through CSBSEF. The contract is effective upon Governor and Council approval through December 31, 2024. 100% Other Funds

Funds are available for payment of the fees and expenses associated with this contract from the account entitled Banking Division contingent on budget approval for Fiscal Years 2020-2023, as follows:

010-072-072--20460000-026-500251

AU	Class	FY19	FY20	FY21	FY22	FY23	Total
2046	026-500251	\$17,000	\$2,000	\$2,000	\$2,000	\$2,000	\$25,000

EXPLANATION

The contract the Conference of State Bank Supervisors Education Foundation ("CSBSEF") is requested as **sole source** because this program is the only such accreditation program available for state bank regulators. No statewide contract is available to provide the services contemplated by the contract.

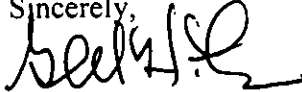
The Conference of State Bank Supervisors Education Foundation ("CSBSEF") is the only regulator focused accreditation organization that supports state bank regulators in the supervision of the banking industry. CSBSEF performs audits to accredit state bank regulators. This accreditation process helps standardize regulatory processes, demonstrates the regulator has satisfied accepted principles for bank supervision, and strengthens state regulation through the application of these shared standards. The majority of state banking regulators are accredited

through the CSBSEF program. The Banking Department has not been accredited under the Bank Accreditation Program and seeks to obtain accreditation at this time.

The Bank Accreditation Program involves a comprehensive review of the critical elements that assure a bank regulator's ability to discharge its responsibilities through an investigation of its administration and finances, personnel policies and practices, training programs, examination policies and practices, supervisory procedures, and statutory powers. In setting high standards, CSBSEF is supporting public interest goals by identifying highly competent bank regulators and strengthening the capabilities of all agencies.

Under the terms of the contract, CSBSEF agrees to provide an evaluation of the Banking Department that includes an in-depth review of the Banking Department's policies, procedures, and operations to determine if it meets the standards set forth by the CSBSEF Performance Standards Committee. The contract provides for the payment of dues by the Banking Department on a yearly basis of \$2,000 through December 31, 2024, and a one-time reimbursement of vendor direct expenses associated with evaluating the Banking Department for compliance with the accreditation program in an amount not to exceed \$15,000. Any and all payments to CSBSEF are contingent upon the availability and continued appropriation of funds, and in no event shall the Banking Department be liable for any payments in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the Banking Department shall have the right under the contract to withhold payment until such funds become available, if ever.

The contract has been approved by the Attorney General as to form and execution and the Department has verified that the necessary funds are available. Subsequent to Governor and Council approval, a copy of the fully executed contract will be on file at the Banking Department.

Sincerely,


Gerald H. Little
Bank Commissioner

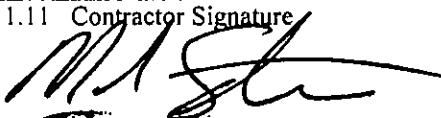
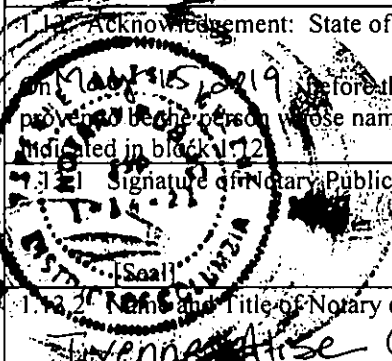
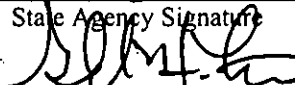
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

I. IDENTIFICATION.

1.1 State Agency Name New Hampshire Banking Department		1.2 State Agency Address 53 Regional Drive, Suite 200 Concord, NH 03301	
1.3 Contractor Name Conference of State Bank Supervisors Education Foundation		1.4 Contractor Address 1129 20th Street, N.W., Washington, D.C., 20036	
1.5 Contractor Phone Number (202) 296-2840	1.6 Account Number 02-72-72-720510-20460000-026-500251	1.7 Completion Date December 31, 2024	1.8 Price Limitation \$ 25,000
1.9 Contracting Officer for State Agency Gerald Little, Commissioner		1.10 State Agency Telephone Number (603) 271-3561	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Michael Stevens, Executive Vice President	
1.13 Acknowledgement: State of <u>SS</u> , County of <u>District of Columbia</u> I, <u>Notary</u> , on <u>May 15, 2019</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.14 Signature of Notary, Public or Justice of the Peace  <u>Terrence Arise Greene</u>			
1.15 Name and Title of Notary or Justice of the Peace <u>Terrence Arise Greene, Industry Coordinator</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory <u>Gerald H. Little, Commissioner</u>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <u>Scott P. Walker</u> On: <u>5/20/2019</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. **ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate ; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

EXHIBIT A
SCOPE of SERVICES, PAYMENT TERMS and ADDITIONAL PROVISIONS
STATE OF NEW HAMPSHIRE ACCREDITATION CONTRACT

This contract (the "Agreement"), made and entered by and between the New Hampshire Banking Department (hereinafter called "Department"), 53 Regional Drive, Suite 200, Concord, N.H., 03301, and the Conference of State Bank Supervisors Education Foundation (CSBSEF), 1129 20th Street, N.W., Washington, D.C., 20036, (hereinafter called "Vendor"), this ____ day of May, 2019.

(1) Services: The Vendor agrees to provide an evaluation of the Department, as described in Attachment A – "CSBS Accreditation Program Summary." Such attached description shall be adopted as part of this Agreement.

(2) Compensation: Any and all payments to the Vendor are contingent upon the availability and continued appropriation of funds, and in no event shall the Department be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the Department shall have the right to withhold payment until such funds become available, if ever.

Subject to the conditions above, the Department shall make payments to Vendor as follows:

(a) The Annual Bank Accreditation Fee for the Department is \$2,000.00, which is due each year of this contract, including option periods, if applicable. If the Department does not obtain Bank accreditation, this fee would no longer be assessed.

(b) The Department shall reimburse Vendor for direct expenses incurred during the accreditation process, which shall not exceed \$15,000.00.

(3) Billing: Vendor shall submit invoices as follows:

(a) The Annual Bank Accreditation Fee will be invoiced on or about April 1st of each year.

(b) After completion of the accreditation on-site review of the Department, Vendor shall submit a bill for services rendered within sixty (60) days of the completion of the on-site review.

(4) Term: The term of this contract shall be for the period beginning on the date this Agreement is signed by both parties and terminating on the thirty-first day of December, 2024, unless terminated earlier in accordance with Section (6).

(5) Certification: The Vendor certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the State of any state or government, nor has the Vendor made an admission of guilt of such conduct which is a matter of record, nor has any official, agent or employee of the Vendor been so convicted nor made such admission of bribery on behalf of the firm and pursuant to the direction or authorization of a responsible official of the firm.

(6) Termination: This contract may be terminated by either party upon ten (10) days written notice. Upon termination, and subject to the conditions provided for in Section (2) of the Agreement, the Vendor shall be paid for work satisfactorily completed or cost incurred prior to the date of termination.

(7) Work Product: All documents, including reports and all other work products produced by the Vendor under this contract, shall become and remain the property of the State and of the Vendor.

(8) Confidentiality: The parties agree that the Department's records relating to investigations, examinations and any other matter that is confidential by law, will be the subject of review under the Accreditation process but shall not be disclosed to any third party by the Vendor except as provided herein.

(9) Nondisclosure: No confidential communication or document received by the Vendor or the Department pursuant to this Agreement shall be disclosed to anyone unless the Department and Vendor consent to, in writing, in advance of such disclosure.

(10) No Waiver of Privilege: Any communication of information, whether written, oral, electronic, or any other form, between the parties to this Agreement does not waive and shall not be deemed a waiver of any claim of privilege.

(11) Notice of Potential Disclosure: If any communication or document under this Agreement is subject to any order, subpoena, discovery request, or other form of compulsory process in any mechanism, or to any public access, Freedom of Information request, or Right-to-Know request, the party subject to the request or compulsory process: (1) shall immediately notify in writing all parties to this Agreement of the request so that any notified party may take such action as it deems appropriate to preserve and assert all applicable privileges; (2) shall cooperate with the parties to this Agreement in preserving and asserting any privileges; and (3) to the fullest extent possible under the law, and if requested, shall return any communications or documents to the party that made the communication or document or otherwise refrain from disclosing such communication or document pending a determination regarding disclosure by a court or other tribunal of competent jurisdiction.

(12) Choice of Law: This contract shall be governed in all respects by the laws of the State of New Hampshire.

(13) Unlawful Discrimination:

- A. Vendor agrees not to commit unlawful discrimination in employment as that term is used in relevant New Hampshire State Statutes and further agrees to take action to ensure that no unlawful discrimination is committed.

- B. Vendor agrees to prohibit discrimination and intimidation on account of race, creed, color, sex, religion, physical or mental handicap unrelated to ability, or national origin in employment under contracts for public building or public works.

(14) Conflict of Interest: Vendor agrees to comply with the provisions of New Hampshire State Statutes prohibiting conflict of interests.

(15) Re-accreditation: Department acknowledges that initial accreditation (or re-accreditation) does not create any guarantee of, or presumption toward, any subsequent re-accreditation and that each accreditation and each re-accreditation are independently conducted.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their duly authorized representatives.

Vendor: CSBS Education Foundation

By: 
Sr. Executive Vice President

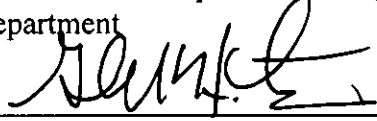
Address: 1129 20th Street, N.W., 9th Floor

City: Washington, D.C. 20036

FEIN#: 52-1347951

Date: 5/17/19

New Hampshire Banking

Department

Commissioner

Address: 53 Regional Drive, Suite 200

City: Concord, N.H. 03301

FEIN#: _____

Date: 5/20/19

ATTACHMENT A
Conference of State Bank Supervisors (CSBS)
Accreditation Program Summary

I. Introduction

The CSBS Accreditation Program (the Program) is administered by the CSBS Education Foundation (CSBSEF) and involves an in-depth review of an agency's policies, procedures, and operations to determine if it meets the standards set forth by the CSBSEF Performance Standards Committee (PSC). A state bank or mortgage regulatory agency seeking accreditation for the first time or seeking its five-year re-accreditation must complete the self-evaluation questionnaire (SEQ), which includes several sections broken into multiple topics. The state agency is asked to answer a series of questions and rate themselves against the corresponding standards. The state agency can add documentation to support its answers and ratings.

II. CSBS Accreditation Program Goals

It is the goal of the Program to encourage state banking and mortgage agencies to enhance their capability to supervise and regulate their state-chartered banks and mortgage licensees with a minimum of regulatory burden and cost, and to assist them in achieving that capability.

Specific goals of the Program include:

1. Provide guidance and assistance to state banking and mortgage agencies through self-evaluation and self-improvement.
2. Provide independent evidence of the capability of an accredited state banking or mortgage agency, in view of the interstate financial services environment.
3. Assist each agency by providing documentation that may help it obtain the resources necessary to assure the safety and soundness of state financial institutions.
4. Strengthen the dual banking system by demonstrating to Congress, the federal regulatory agencies, other state financial regulators and the public, the high level of capability of each accredited state banking and mortgage regulatory agency.
5. Share ideas and processes on state regulation as identified during the accreditation reviews.

The Program is voluntary and not required for membership in CSBS or for participation in CSBS or CSBSEF activities.

III. CSBS Accreditation Program Principles

The Program has two components – Bank Accreditation Program and Mortgage Accreditation Program; state agencies may seek accreditation through either or both programs. CSBSEF and the PSC have established principles for each program, as follows:

A. Bank Accreditation Program Principles

The bank accreditation program evaluates several principles as outlined below. The bank accreditation program is designed to determine if the state agency has:

1. The legal authority to charter, examine, supervise and regulate all state-chartered banks consistent with basic principles of safety and soundness, and protection of the public interest.
2. The demonstrated capability to conduct safety and soundness examinations of state-chartered banks within acceptable time limits. This capability should be supported by a combination of active monitoring and review of applicable federal examination reports and other methods in a manner consistent with state statutes, safety and soundness and the public interest.
3. Specialized capabilities as required in each state to assure safety and soundness of all state-chartered banks and full compliance with statutes.
4. Adequate qualified staff with expertise to charter, examine, supervise and regulate all state-chartered banks and to perform other departmental functions and responsibilities.
5. A policy, statutory or departmental, which requires an adequate examination frequency based on the risk profile of the state-chartered financial institutions, and the ability to meet the frequency policy.
6. Adequate statutory authority for the department to carry out its duties and responsibilities independently, including authority to take formal enforcement action(s).
7. Adequate funding to achieve all above-mentioned criteria.

B. Mortgage Accreditation Program Principles

In addition, the mortgage accreditation program evaluates several principles as outlined below. The program is designed to determine if the state agency has:

1. The legal authority to license, examine, supervise and regulate its state-licensed mortgage companies (lenders, brokers, or servicers) consistent with basic principles of consumer protection, effective management oversight and acceptable financial condition.
2. The demonstrated capability to conduct examinations of state-licensed mortgage companies within acceptable time limits. This capability should be supported by a combination of active monitoring, acceptable complaint processing procedures, review of applicable federal reports and other methods in a manner consistent with state statutes and consumer protection standards.
3. Specialized capabilities as required in each state to assure effective management oversight and acceptable financial condition of its state-licensed mortgage companies and full compliance with both state and federal statutes.
4. Adequate qualified staff with expertise to license, examine, supervise and regulate all state-licensed mortgage companies and to perform other state agency functions and responsibilities.

5. A policy or statutory authority which requires an adequate examination frequency based on the risk profiles of their state-licensed mortgage companies, and the ability to meet the frequency policy.
6. Adequate statutory authority for the state agency to carry out its duties and responsibilities independently, including authority to take formal enforcement action in addition to revocation of a license.
7. Adequate funding to achieve all above-mentioned criteria.

IV. Minimum Passing Scores

A passing score requires a minimum score of 55% on the SEQ, 55% on each applicable examination/supervision sections (section 3 through 7), and 50% on each of the other sections (sections 1 and 2). The sections of the SEQ include:

1. Administration and Finance
2. Personnel and Training
3. Bank Examination Policies and Procedures
4. Bank Examination Capabilities
5. Bank Supervision and Legislation
6. Mortgage Examination Program
7. Mortgage Supervision and Legislation

The scoring system is a tool used by the state agency and the Review Team to determine if the state agency meets the requirements of the Program. The final decision of accreditation is made by the PSC, based on the overall adequacy of the state agency to abide by the principles of the Program listed above. State agencies with scores that do not meet the minimum passing score(s) may be denied accreditation or subject to corrective action for a defined period of time, as determined by the PSC.

V. Accreditation Program Governance

To promote consistent and disciplined decisions, the Program involves actions or decisions by several different groups. These groups include:

Conference of State Bank Supervisors (CSBS)

For more than 110 years, CSBS has been uniquely positioned as the only national organization dedicated to protecting and advancing the nation's dual-banking system. Through CSBSEF, CSBS provides technical training needs for state banking and mortgage regulatory agencies. CSBSEF established the PSC to conduct the Program and supports the functions and decisions of the PSC.

CSBSEF Board of Trustees

The CSBSEF Board of Trustees is the governing body of CSBSEF which oversees the professional development programs including the Program. Final decisions of the PSC may be appealed to the CSBSEF Board of Trustees.

Performance Standards Committee

The PSC is a committee of CSBSEF and is the “center of power” for the Program. The PSC is assisted by the Senior Director of Accreditation and a Senior Program Administrator-Accreditation, who provide administrative, organizational and technical support for the Program.

The PSC encourages and recognizes high levels of capability and performance by state banking and mortgage regulatory agencies. The PSC offers the SEQ to help state banking and mortgage agencies examine and improve themselves even if they do not currently seek accreditation. The PSC reviews the Program format, content, standards and procedures and revises as necessary including. The PSC approves the Review and Audit Teams members to carry out the Program and determines the duties and functions of the teams. The PSC receives the reports and findings developed by the Review and Audit Teams (as provided in Section VI below).

While the PSC has final decision-making authority, it works jointly with the State Supervisory Processes Committee (SSPC) in the development and revision of accreditation standards. In addition, other committees within CSBS are encouraged to submit suggestions to the PSC or the SSPC for enhancements to the accreditation program.

The American Association of Residential Mortgage Regulators (AARMR) advises the PSC on mortgage accreditation matters through its representatives on the PSC. Hence, the mortgage accreditation program is also known as the AARMR / CSBS Mortgage Accreditation Program.

VI. Accreditation Program Steps

The accreditation process is comprised of the following steps:

1. The state banking and/or mortgage agency arranges for an on-site visit with the CSBSEF accreditation staff.
2. The state agency completes the SEQ.
3. The state agency submits the following documents:
 - a. The agency's completed SEQ and related exhibits.
 - b. A contract, including attachments, stating legal considerations between CSBSEF and the state agency.

4. The CSBSEF accreditation staff assigns three to five review team members to conduct an onsite evaluation. The Team evaluates and scores the same SEQ as the agency and determines, whether the agency's self-ratings are justified. The Review Team then issues a recommendation.
5. The methods used for making the determination include staff interviews, document verification and reviews of policies and procedures. Perhaps the most important task during the on-site evaluation is the examination of the state agency's work product (e.g., examination reports, enforcement actions, and correspondence). At the on-site review conclusion, the Review Team will conduct an exit meeting with the Commissioner and/or his or her designee to discuss the Review Team's findings and afford the agency an opportunity to respond. The state agency may also submit additional information to the PSC for consideration within 10 calendar days.
6. The CSBSEF accreditation staff assembles an Audit Team. The Audit Team reviews and considers the findings and recommendation made by the Review Team, plus any additional information presented by the agency if applicable. The review by the Audit Team helps assure consistency between different Review Teams and re-affirms the findings are compliant with programs standards and requirements.
7. The Review Team and Audit Team submit their findings in written reports to the PSC.
8. The PSC members analyze the Review Team report and the Audit Team findings plus any additional information presented by the agency, if applicable, to make a final decision on accreditation.
9. Once the PSC decides on an agency's accreditation, it will notify the state agency in writing as promptly as possible.
10. A state agency's continued accreditation is contingent upon:
 - a. the successful completion of periodic reviews acceptable to the PSC, and
 - b. full re-accreditation by the PSC not more than seven years from the initial accreditation. The steps to achieve re-accreditation are the same as those for an initial accreditation.
11. Decisions made by the PSC may be further appealed to the CSBSEF Board of Trustees.

VII. Confidentiality

CSBSEF handles each application and the entire accreditation process in strict confidence up to the announcement of a state agency's accreditation, unless the Commissioner elects otherwise.


Each member of CSBS, CSBSEF, the Review Team, Audit Team and PSC has either signed a non-disclosure agreement (NDA) with CSBSEF, CSBS, or is under such confidentiality obligations with their respective state agency.

Contractor Initials: MS
5/17/19 Date

Certificate of Authority

I, John Gorman, General Counsel of the Conference of State Bank Supervisors Education Foundation ("CSBSEF") certify that Michael Stevens is CSBSEF's duly appointed Executive Vice President and has been authorized by CSBSEF Board of Trustees to act on behalf of CSBSEF, to sign the contract between CSBSEF and the state of New Hampshire, Banking Department.

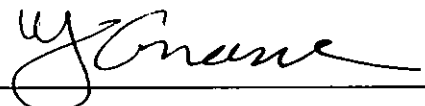
IN WITNESS WHEREOF, I have executed this Certificate of Authority on this 15th day of May, 2019.



John Gorman, General Counsel

District of Columbia

Subscribed and sworn to before me on this 15 day of May, 2019, by John Gorman, General Counsel, on behalf of the Conference of State Bank Supervisors Education Foundation.



Print Name: Tiyenne Greene

Notary Public, D.C.
Commission Expires: 1-14-2021





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/12/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER The Novick Group One Church Street Suite 400 Rockville MD 20850	CONTACT NAME: Abigail Furgal PHONE (A.C. No. Ext.): (301) 795-8600 FAX (A.C. No.): (301) 795-8610 E-MAIL ADDRESS: afurgal@novickgroup.com
	INSURER(S) AFFORDING COVERAGE INSURER A: Phoenix Insurance Co. NAIC # 25623 INSURER B: Chubb Indemnity 12777 INSURER C: INSURER D: INSURER E: INSURER F:
INSURED Conference of State Bank Supervisors 1129 20th Street NW 9th Floor Washington DC 20036	

COVERAGES CERTIFICATE NUMBER: GL+WC REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENT. AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			6808172H62819	03/31/2019	03/31/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$ Included \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	7176-41-31	03/31/2019	03/31/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The Education Foundation of State Bank Supervisors is an Additional Named Insured of the above captioned policies.

CERTIFICATE HOLDER

CANCELLATION

State of New Hampshire Banking Department 53 Regional Drive Suite 200 Concord NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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