

United States v. COPOCO Community Credit Union (E.D. Mich.), Civil No. 16-12756

SETTLEMENT AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND COPOCO COMMUNITY CREDIT UNION

I. INTRODUCTION

1. This Settlement Agreement ("Agreement") is entered into between Plaintiff, the United States of America ("the United States"), through the Department of Justice, and Defendant COPOCO Community Credit Union ("COPOCO"), through its authorized representatives. The United States and COPOCO are referred to herein as the "Parties."
2. This Agreement resolves the claims and causes of action asserted in the United States' lawsuit, *United States v. COPOCO Community Credit Union*, Civil No. 15-12756, filed in the United States District Court for the Eastern District of Michigan against COPOCO on July 26, 2016, which alleges that COPOCO violated the Servicemembers Civil Relief Act ("SCRA"), 50 U.S.C. §§ 3901-4043, by repossessing motor

vehicles from "SCRA-protected servicemembers"¹ without court orders (hereinafter "Civil Action").

II. RECITALS

3. COPOCO is a credit union chartered under the laws of Michigan with its headquarters located at 4265 East Wilder Road, Bay City, Michigan, in the Eastern District of Michigan.
4. This Agreement covers all loans or deficiency balances originated, acquired, and/or serviced by COPOCO, or any subsidiaries, predecessors, acquired companies, or successor entities.
5. The parties agree, and the United States believes that it is in the public's best interest, that the Civil Action should be resolved amicably and without further litigation.
6. To avoid the delay, uncertainty, inconvenience and expense of protracted litigation of the United States' claims, and in consideration

¹ For purposes of this Settlement Agreement, the term "SCRA-protected servicemember" includes servicemembers as defined in 50 U.S.C. § 3911(1) and (2) who made a deposit or at least one installment payment before entering military service. See 50 U.S.C. § 3952(a). The SCRA grants additional periods of protection for reservists ordered to report for military service and persons ordered to report for induction. 50 U.S.C. § 3917. Therefore, for purposes of this Settlement Agreement, these "early alert" periods shall be included in the periods of protection for servicemembers at the time of repossession. However, since such periods are not included in the definition of "military service" in 50 U.S.C. § 3911, they are not considered military service at the time of payment of a deposit on the motor vehicle or installment on the loan.

of the mutual promises and obligations set forth below, the Parties agree and covenant to the following material terms and conditions:

III. STATEMENT OF CONSIDERATION

7. In consideration of, and consistent with, the terms of this Agreement, the Parties will move jointly for dismissal of the lawsuit entitled *United States v. COPOCO Community Credit Union*, Civil No. 16-12756, as set forth in Paragraph 45. The parties agree and acknowledge that this consideration is adequate and sufficient.

IV. TERMS AND CONDITIONS

A. PROHIBITED CONDUCT

8. Except under the circumstances described below, COPOCO and its officers, employees, agents, and representatives (including contractors and vendors that conduct repossessions on behalf of COPOCO) will not repossess an SCRA-protected servicemember's motor vehicle without first obtaining a court order or valid SCRA waiver that complies with Paragraph 9(e) below.²

² Nothing in this Agreement shall preclude COPOCO from offering greater protections to servicemembers than those afforded by the Agreement or the SCRA.

**B. COMPLIANCE WITH THE SCRA
AND SCRA POLICIES AND PROCEDURES**

9. Within thirty (30) calendar days of the effective date of this Agreement, COPOCO shall develop SCRA Policies and Procedures for Motor Vehicle Repossessions in compliance with Section 3952(a), 50 U.S.C. § 3952(a). These policies and procedures must include the following provisions:

- a. To determine whether the borrower³ is an SCRA-protected servicemember, COPOCO shall check the Defense Department's Defense Manpower Data Center (DMDC) database, located at <https://scra.dmdc.osd.mil/>, at the following times:
- (i) no more than two (2) business days before it refers a motor vehicle loan for repossession;
 - (ii) no more than two (2) days after it (or its agents, including contractors and vendors) obtains possession of the motor vehicle; and

³ For purposes of this Agreement, the term "borrower" includes co-borrowers.

(iii) no more than (2) business days before it (or its agents, including contractors and vendors) disposes of the motor vehicle.

- b. If COPOCO learns (from a check of the DMDC database or because of information received from the borrower), that the borrower is an SCRA-protected servicemember, it shall neither refer the loan for repossession nor conduct the repossession itself without first obtaining a court order or a valid SCRA waiver pursuant to subparagraph (e).
- c. If COPOCO learns, from a check of the DMDC database or otherwise, after obtaining possession but before disposing of a motor vehicle, that the borrower is an SCRA-protected servicemember, it shall attempt to contact the borrower and offer to arrange to return the vehicle within twenty-four (24) hours and shall reverse on the borrower's account all of the charges resulting from the repossession. COPOCO shall also correct any negative credit reporting related to the repossession. If COPOCO cannot make contact with the borrower within twenty-four (24) hours, COPOCO shall return the vehicle to the location where possession was taken, unless: (1) return to such

location presents a significant risk of damage to the vehicle; (2) return to such location presents a significant risk that the vehicle will be impounded; (3) the borrower has previously informed COPOCO that the vehicle has been abandoned; or (4) the vehicle was recovered under circumstances suggesting that the vehicle had been abandoned. If the vehicle is not returned immediately to the borrower, COPOCO shall make additional attempts to reach the borrower based upon contact information in its files, and shall return the vehicle within twenty-four (24) hours of a borrower's request for return, without charging any repossession-related fees. COPOCO shall not sell or otherwise dispose of the vehicle until it has made all the contact attempts referenced in this subparagraph and has obtained a court order or valid SCRA waiver pursuant to subparagraph (e).

- d. If COPOCO files a complaint for repossession in court and the borrower does not make an appearance in the case, COPOCO will file an affidavit of military service with the court as required by Section 3931(b)(1) of the SCRA, 50 U.S.C. § 3931(b)(1). Before seeking entry of default, COPOCO will search the DMDC database and review information in its

possession or control to determine if the borrower is SCRA-protected. If COPOCO learns that the borrower is SCRA-protected, it will file an affidavit stating that "the defendant is in military service," attaching the most recent military status report from the DMDC or a copy of the military orders or other documentation to the affidavit.

- e. COPOCO cannot rely on a servicemember's waiver of rights under Section 3952(a) of the SCRA unless it obtains a written agreement that complies with Section 3918 of the SCRA, 50 U.S.C. § 3918. If COPOCO initiates the waiver process with the servicemember, it must do so at least thirty (30) calendar days in advance of any anticipated repossession by sending a notice and a copy of the proposed waiver to the servicemember. To the extent COPOCO exercises this right, it shall use a notice that prominently incorporates the language and layout of the form attached as Exhibit A. If the servicemember initiates the waiver process by offering to voluntarily surrender the vehicle or indicating an intent to abandon the vehicle, COPOCO shall not repossess the vehicle until it has provided a copy of the

notice of the type described in Exhibit A and received a signed waiver.

- f. Upon receiving notice of impoundment by a non-related third-party, COPOCO may take possession of the vehicle even if the borrower is protected by the SCRA, but must comply with any applicable state laws and must not dispose of the vehicle until it has made reasonable efforts to contact the servicemember and has obtained a court order or valid SCRA waiver.

- 10. Within thirty (30) calendar days of the effective date of this Agreement, COPOCO shall develop SCRA Policies and Procedures for Providing Interest Rate Relief in its motor vehicle lending line of business. The Policies and Procedures shall contain the following provisions:

- a. COPOCO shall accept servicemembers' notice of military status pursuant to Section 3937 of the SCRA via facsimile, mail, overnight delivery, hand delivery, or electronically.
- b. COPOCO shall designate customer service representatives who have been specifically trained on the protections of the SCRA and who are responsible for the intake of and response to servicemembers' inquiries regarding the SCRA. COPOCO shall ensure that it has a telephone number, and designated

electronic mail address, at which servicemembers may reach a designated SCRA customer service representative, who will address questions or concerns regarding the SCRA. COPOCO shall also include a page on its website detailing eligibility for, and relief provided by, the SCRA, and providing the telephone number and designated electronic mail address to obtain SCRA relief, or raise questions or concerns regarding such relief.

- c. When COPOCO receives notice from a servicemember of military status pursuant to the SCRA, within sixty (60) calendar days, it shall review all the servicemember's loans, regardless of type of obligation, even if it is outside the motor vehicle lending line of business, and it shall determine the servicemember's eligibility for interest⁴ rate relief pursuant to the SCRA on all loans. If the servicemember is determined to be eligible, the interest rate reduction will be applied retroactively to the first day of eligibility.
- d. Within twenty-one (21) calendar days after determining a servicemember's eligibility for interest rate relief pursuant to

⁴ Under Section 3937 of the SCRA, "interest" includes "service charges, renewal charges, fees, or any other charges (except bona fide insurance) with respect to an obligation or liability." 50 U.S.C. § 3937(d)(1).

the SCRA, COPOCO shall notify the servicemember in writing⁵ of its determination. If COPOCO grants interest rate relief, COPOCO shall notify the servicemember in writing of the specific terms of the relief. If COPOCO denies interest rate relief, COPOCO shall notify the servicemember in writing of the reason(s) for the denial, and shall ensure that such servicemember is given an opportunity to provide additional documentation or information to establish eligibility for relief pursuant to the SCRA.

- e. COPOCO shall accept as "military orders" any document prepared by a branch of the military, the Department of Defense, or a borrower's commanding officer that indicates that the borrower is on active duty (e.g., active duty orders, change of station orders, DD-214 forms, letters from commanding officers, etc.).

⁵ For all written notices to servicemembers required by the Agreement, COPOCO shall use either: (1) the email address or mailing address chosen by the borrower as the primary means of communication either by previous election or in the most recent communication with the COPOCO; or (2) if, no primary means of communication has been chosen, the mailing and e-mail address listed in the servicemember's most recent communication with COPOCO, in addition to the servicemember's current mailing address in COPOCO's servicing records (if different).

- f. In the event that a borrower identifies himself or herself as being a servicemember but does not provide a copy of military orders entitling him or her to interest rate relief, COPOCO shall search the DMDC to confirm eligibility. If the DMDC records provide dates of service that confirm eligibility, COPOCO shall provide the interest rate relief for the dates indicated by the DMDC and shall notify the servicemember that he or she may submit additional documentation to establish eligibility dates if he or she disagrees with the dates provided by the DMDC. If the DMDC records do not confirm eligibility, COPOCO shall inform the servicemember in writing that he or she is not eligible for interest rate relief unless he or she provides a copy of documents establishing military service. COPOCO shall request this additional information before making a determination that the servicemember is not eligible for interest rate relief.
- g. COPOCO shall not require that any military order submitted have a specific end date for the period of military service. COPOCO also shall not require that any military order

submitted specify the date upon which the servicemember first entered active duty for this period of service.

- h. COPOCO shall provide interest rate relief beginning on the earliest eligible date provided in the orders or by the DMDC. However, if the earliest date provided indicates that the servicemember was on active duty at the time of loan origination, COPOCO shall notify the servicemember and provide the servicemember a reasonable opportunity to provide documentation showing that the servicemember was not on active duty at the time of loan origination.
- i. COPOCO shall be permitted to discontinue interest rate relief granted pursuant to the SCRA only after obtaining a DMDC certificate showing that the servicemember is not in military service (or in any SCRA-protected period after the termination of military service).⁶ COPOCO shall notify the servicemember in writing of the discontinuation, and it shall ensure that such servicemember is given an opportunity to provide additional

⁶ In the case where an SCRA-protected servicemember provides COPOCO with valid military orders that include an end date of military service inconsistent with that appearing on the DMDC website, COPOCO shall not discontinue the relief until the latter of the two end dates has expired or it obtains confirmation from the borrower that he or she has ended military service.

documentation or information to reestablish eligibility for interest rate relief pursuant to the SCRA. COPOCO may choose to provide interest rate relief for a longer period than is required by this subparagraph.

11. No later than thirty (30) calendar days after the effective date of this Agreement, COPOCO shall provide a copy of the proposed SCRA Policies and Procedures required under Paragraphs 9 and 10 to counsel for the United States.⁷ The United States shall respond to COPOCO's proposed SCRA Policies and Procedures within forty-five (45) calendar days of receipt. If the United States objects to any part of COPOCO's SCRA Policies and Procedures, the parties shall confer to resolve their differences. COPOCO shall begin the process of implementing the SCRA Policies and Procedures within ten (10) calendar days of approval by the United States.
12. If, at any time during the term of this Agreement, COPOCO proposes to materially change its SCRA Policies and Procedures, it shall first

⁷ All materials required by this Agreement to be sent to counsel for the United States shall be sent by private business carrier (non-USPS) delivery service addressed as follows: Chief, Housing & Civil Enforcement Section, Civil Rights Division, United States Department of Justice, 1800 G Street, N.W., Suite 7002, Washington, DC 20006, Attn: DJ 216-37-3. Correspondence may also be sent via electronic mail to the U.S. Department of Justice, care of the undersigned counsel for the United States.

provide a copy of the proposed changes to counsel for the United States. If the United States does not deliver written objections to COPOCO within forty-five (45) calendar days of receiving the proposed changes, the changes may be implemented. If the United States makes any objections to the proposed changes within the forty-five (45)-day period, the specific changes to which the United States objects shall not be implemented until the objections are resolved pursuant to the process described in Paragraph 11.

C. TRAINING

13. COPOCO shall provide SCRA compliance training to any employees who have significant involvement in servicing delinquent motor vehicle loans, including the ability to reduce interest rates or terminate motor vehicle leases for servicemembers, or are involved in repossessing motor vehicles (hereinafter together "covered employees"), within forty-five (45) calendar days after COPOCO's training program is approved by the United States pursuant to Paragraph 15. COPOCO shall provide to each covered employee: (a) training on the terms of the SCRA with respect to repossessions and interest rate reductions; (b) training on COPOCO's SCRA Policies and Procedures (both those required pursuant to Paragraphs 9 and 10, and all others adopted by

COPOCO) specific to the employee's responsibilities associated with that employee's position; (c) training on the terms of this Agreement; and (d) the contact information for the SCRA customer service representatives described in Paragraph 10(b). COPOCO shall also follow these training procedures for any employee who subsequently becomes a covered employee within thirty (30) calendar days of his or her hiring, promotion, or transfer.

14. During the term of this Agreement, COPOCO shall provide annual SCRA training, with the same content as described in Paragraph 13, to covered employees with respect to their responsibilities and obligations under the SCRA, the SCRA Policies and Procedures, and this Agreement.
15. Within forty-five (45) calendar days of the United States' approval of the SCRA Policies and Procedures pursuant to Paragraphs 9 and 10, COPOCO shall provide to the United States the curriculum, instructions, and any written material included in the training required by Paragraphs 13 and 14. The United States shall have forty-five (45) calendar days from receipt of these documents to raise any objections to COPOCO's training materials, and, if it raises any, the parties shall confer to resolve their differences.

16. The covered employees may undergo the training required by Paragraphs 13 and 14 via live training, computer-based training, web-based training, or via interactive digital media. If the training is conducted in any format other than live training, COPOCO shall ensure that covered employees have the opportunity to have their questions answered by a company contact that COPOCO identifies as having SCRA expertise within two (2) business days of the training. Any expenses associated with the training program required by Paragraphs 13 and 14 shall be borne by COPOCO.
17. COPOCO shall secure a signed statement in the form attached as Exhibit B⁸ from each covered employee at the training required by Paragraphs 13 and 14 acknowledging that he or she has received, read, and understands the Agreement and the SCRA Policies and Procedures specific to the employee's responsibilities associated with the loan being serviced, has had the opportunity to have his or her questions about these documents answered, and agrees to abide by them. For the duration of this Agreement, copies of those signed statements shall be provided to the United States upon request. COPOCO shall also certify

⁸ The electronic signature of a covered employee shall be deemed satisfactory for purposes of verifying completion of the training required under this Agreement.

in writing to counsel for the United States that the covered employees successfully completed the training required by Paragraphs 13 and 14.

D. COMPENSATION

18. The United States has determined that COPOCO conducted four motor vehicle repossessions since October 29, 2011 that violated the SCRA, out of 753 total vehicle repossessions during that period. They involve the following servicemembers' accounts:
 - a. Christian Carriveau;
 - b. Cody Lambert;
 - c. Anthony Leahy; and
 - d. Eduardo Sanzon.
19. Within fourteen (14) days of the effective date of this Agreement, COPOCO shall deposit into an interest-bearing escrow account sufficient funds to fulfill its obligations under Paragraphs 20-21. COPOCO shall provide written verification of the deposit to the United States within three (3) business days of depositing the funds described in this Paragraph. Any taxes, costs, or other fees incurred on the escrow funds shall be paid by COPOCO.
20. For each repossession identified pursuant to Paragraph 18, COPOCO shall provide the following compensation:

- a. For Christian Carriveau, whose motor vehicle was returned the day after repossession, at the United States' request: \$7,500, \$5,000 of which shall be applied to reduce his and Alyssa Carriveau's principal balance on their motor vehicle loan and \$2,500 of which shall be paid to Mr. Carriveau;
- b. For all other servicemembers, whom COPOCO represents have never asserted any claim against COPOCO:
 - (1) an amount of \$10,000, minus any amounts that were past due at the time of repossession and not later paid by the servicemember;
 - (2) any lost equity in the repossessed motor vehicle, as calculated by: subtracting any outstanding principal, interest, and other amounts owing by the borrowers (excluding any fees associated with repossession), plus any liens at the time of repossession and any disbursements made to the servicemember or a third party other than a lien holder from the proceeds of the repossession sale (exclusive of any fees associated with the repossession) from the value of the motor vehicle

at the time of repossession as reflected in the vehicle condition report obtained by COPOCO at the time of repossession; and

- (3) interest accrued on this lost equity, calculated from the date of the repossession sale until the date payment is issued, at the rate set forth in 28 U.S.C. § 1961.

COPOCO shall provide the United States with all records used to make the payment calculations described in this Paragraph for the United States' review and approval.

21. The net amounts due the SCRA-protected servicemember described in Paragraph 20(b)(1) shall be paid entirely to the SCRA-protected servicemember on the note secured by the motor vehicle. The amounts described in Paragraph 20(b)(2) and (b)(3) shall be distributed equally among all owners (including any non-SCRA-protected owners) on the title to the motor vehicle.
22. In order to receive any compensation under Paragraph 20, SCRA-protected servicemembers must complete the Declaration at Exhibit C-1 and the Release at Exhibit C-2. Any other owners must sign the Release at Exhibit C-2.

23. The individuals identified in Paragraph 18 shall have two (2) years from the date of this Agreement to provide the Declaration and/or Release.
24. Within ten (10) days of notification by the United States that a Declaration, if required, and Release has been received, COPOCO shall deliver to counsel for the United States a compensation check payable to the aggrieved person and, if applicable, provide any required account credits.
25. When counsel for the United States has received a check from COPOCO payable to an aggrieved person and a signed Declaration and/or Release from the aggrieved person, counsel for the United States shall simultaneously deliver the check to the aggrieved person and the original, signed Release to counsel for COPOCO. No aggrieved person shall be paid until he or she has signed and delivered to counsel for the United States a Declaration, if applicable, and Release.
26. Any compensation payments required by Paragraph 20 for which the aggrieved person does not provide a Declaration, if applicable, and Release within two (2) years of the date of this Agreement, shall be paid to the United States Treasury in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

27. No individual may obtain review by the parties of the identifications made, and payments disbursed, pursuant to Paragraphs 18-26.

E. OTHER RELIEF

28. Concurrent with providing financial compensation to the servicemember-borrower, COPOCO must request that all three (3) major credit bureaus delete trade lines for accounts belonging to the servicemembers identified in Paragraph 18 and any co-borrowers attributable specifically to the wrongful repossessions. Further, COPOCO shall not pursue, must indemnify the servicemember and his or her co-borrower(s) against any third-party's pursuing, and must refund any amounts the servicemember and his or her co-borrower(s) have paid toward any deficiency that was remaining on the loan after the repossession, except as provided in Paragraph 20(b)(1).
29. COPOCO shall provide the United States with an accounting of all credit entries repaired within 30 days of the repair activity.

F. CIVIL PENALTY

30. Within thirty (30) calendar days of the effective date of this Agreement, COPOCO shall pay a total of Five Thousand Dollars (\$5,000) to the United States Treasury as a civil penalty pursuant to 50 U.S.C. § 4041(b)(3) and 28 C.F.R. 85.3(b)(4), to vindicate the public

interest. The payment shall be in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

**G. ADDITIONAL REPORTING AND
RECORD-KEEPING REQUIREMENTS**

31. For the duration of this Agreement, COPOCO shall retain all records relating to its obligations hereunder, including its records with respect to all loans for which a servicemember has sought an interest rate reduction, all records involving repossessions, and all records relating to compliance activities under this Agreement. The United States shall have the right to review and copy any such records, including electronic data, upon reasonable request during the term of this Agreement.
32. During the term of this Agreement, COPOCO shall notify counsel for the United States in writing within fifteen (15) days of receipt of any SCRA or military-related complaint. COPOCO shall provide a copy of any written complaint with the notification. Whether regarding a written or oral SCRA complaint, the notification to the United States shall include the full details of the complaint, including the complainant's name, address, and telephone number, and the full details of all actions COPOCO took to resolve the complaint. COPOCO shall also promptly provide the United States all information it may request

concerning any such complaint. If the United States raises any objections to COPOCO's actions, the parties shall meet and confer to consider appropriate steps to address the concerns raised by the United States' review.

V. SCOPE OF SETTLEMENT AGREEMENT

33. The provisions of this Agreement shall apply to COPOCO and any subsidiaries, predecessors, acquired companies, or successor entities. It shall also apply to the officers, employees, agents, representatives, assigns, successors-in-interest, and all persons and entities in active concert or participation with all of those entities, including with respect to any loans they acquired from October 29, 2011 to the effective date of this Agreement.
34. In the event that COPOCO is acquired by or merges with another entity, COPOCO shall, as a condition of such acquisition or merger, obtain the written agreement of the acquiring or surviving entity to be bound by any obligations remaining under this Agreement for the remaining term of this Agreement.
35. This Agreement releases only the claims for violations of Section 3952(a) of the SCRA addressed in the Complaint or identified in this Agreement. This Agreement does not release any other claims that may

be held or are currently under investigation by any federal agency, or any claims that may be pursued for actions that may be taken by any executive agency established by 12 U.S.C. § 5491 or the appropriate Federal Banking Agency (FBA), as defined in 12 U.S.C. § 1813(q), against COPOCO, any of its affiliated entities, and/or any its institution-affiliated parties, as defined by 12 U.S.C. § 1818 or any other statute or regulation.

36. Nothing in this Agreement will excuse COPOCO's compliance with any currently or subsequently effective provision of law or order of a regulator with authority over COPOCO that imposes additional obligations on it.

VI. IMPLEMENTATION AND ENFORCEMENT

37. The United States may review compliance with this Agreement at any time. COPOCO agrees to cooperate with the United States in any review of compliance with this Agreement. Upon reasonable notice, COPOCO shall permit counsel for the United States to inspect and copy all non-privileged records pertinent to this Agreement.
38. The Parties shall endeavor in good faith to resolve informally any differences regarding interpretation of or compliance with this Agreement prior to initiating any court action. If the United States

believes that there has been a failure by COPOCO to perform in a timely manner any act required by this Agreement, or otherwise to act in conformance with any provision thereof, whether intentionally or not, the United States will notify COPOCO in writing of its concerns and the Parties will attempt to resolve those concerns in good faith. COPOCO shall have fifteen (15) days from the date the United States provides notification of any breach of this Agreement to cure the breach.

39. If the Parties are unable to reach a resolution within 15 days, the United States may, until the Civil Action is dismissed, seek appropriate relief before the Court in the Civil Action. After the Civil Action is dismissed, the United States may bring a civil action for breach of this Agreement or any provision thereof, in the United States District Court for the Eastern District of Michigan. The United States may in such action seek to have the Court impose any remedy authorized at law or equity. This Court shall serve as the exclusive jurisdiction and venue for any dispute concerning this Agreement. The Parties consent to and agree not to contest the jurisdiction of this Court. The Parties further acknowledge that venue in this Court is appropriate and agree not to raise any challenge on this basis.

40. In the event the United States files a civil action as contemplated by Paragraph 39, above, to remedy breach of this Agreement, the United States may seek, in addition to any remedy available under law or equity, an injunction mandating specific performance of any term or provision in this Agreement, without regard to whether monetary relief would be adequate. The United States may also seek from the Court an award of reasonable attorneys' fees and costs incurred in bringing an action to remedy breach of this Agreement. If such a civil action is filed, COPOCO expressly agrees not to count the time during which this Agreement is in place, or use the terms or existence of this Agreement, to plead, argue or otherwise raise any defenses under theories of claim preclusion, issue preclusion, statute of limitations, estoppel, laches, or similar defenses.
41. Failure by the United States to enforce any provision of this Agreement shall not operate as a waiver of the United States' right or ability to enforce any other provision of this Agreement.

VII. TERMINATION OF LITIGATION HOLD

42. The Parties agree that, as of the date of the dismissal of the Civil Action, litigation is not anticipated concerning the matters described in the United States' Complaint. To the extent that any Party previously

implemented a litigation hold to preserve documents, electronically stored information (ESI), or things related to the matters described above, the Party is no longer required to maintain such litigation hold. Nothing in this paragraph relieves any Party of any other obligations imposed by this Agreement.

VIII. DURATION, EXECUTION, AND OTHER TERMS

43. This Agreement is effective on the date of signature of the last signatory to the Agreement. The Agreement may be executed in multiple counterparts, each of which together shall be considered an original but all of which shall constitute one agreement. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.
44. The duration of this Agreement shall be for a period of five (5) years from the date of execution.
45. Within fourteen (14) days after the deposit of escrow funds as set forth in Paragraph 19, the Parties shall sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1).
46. Any time limits for performance imposed by this Agreement may be extended by the mutual written agreement of the parties.

47. Each Party shall bear its own legal and other costs incurred in connection with this litigation, including the preparation and performance of this Agreement, except as set forth in Paragraph 40.
48. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.
49. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.
50. This Agreement constitutes the complete agreement between the Parties. No prior or contemporaneous communications, oral or written, or prior drafts shall be relevant or admissible for purposes of determining the meaning of any provision herein or in any other proceeding.
51. This Agreement is governed by and shall be interpreted under the laws of the United States.
52. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the entities indicated below.

53. This agreement is binding on the Parties and their transferees, heirs, and assigns.
54. Except where this Agreement expressly conditions or predicates performance of a duty or obligation upon the performance of a duty or obligation by another party, the performance of one party's duties or obligations under this Agreement shall not be discharged or excused by the actual or alleged breach of the duties and obligations by another party.
55. This Agreement is a public document. Both Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public and to COPOCO's issuance of public statements about this litigation and the subject matter hereof, subject to any applicable privacy laws.
56. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement.


57. The Parties agree that they will not, individually or in combination with another, seek to have any court declare or determine that any provision of this Agreement is illegal or invalid.
58. This Agreement may be modified only with the written consent of the parties. Any modifications must be in writing and signed by the parties through their authorized representatives.


For the United States of America:

DANIEL L. LEMISCH
Acting United States Attorney

JEFFERSON B. SESSIONS III
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For COPOCO Community Credit Union:

COPOCO COMMUNITY CREDIT UNION,
a Michigan chartered credit union

By: Linda L. Doan *July 5, 2017*
Linda L. Doan
Its: President

EXHIBIT A

IMPORTANT NOTICE AFFECTING MILITARY SERVICEMEMBERS RIGHTS AND PROTECTIONS AFFORDED UNDER THE SERVICEMEMBERS CIVIL RELIEF ACT

Attached to this notice you will find a waiver of rights and protections that may be applicable to you and your dependents pursuant to the Servicemembers Civil Relief Act, 50 U.S.C. § 3901, *et seq.* (the "SCRA"). The SCRA provides military personnel and their dependents with a wide range of legal and financial protections. Among other benefits and protections, the SCRA:

- Prohibits the repossession of a servicemember's motor vehicle without a court order, as long as a deposit or at least one installment payment was made while the borrower was not in military service.
- Upon notice by the servicemember, imposes a 6% maximum rate of interest that may be charged during military service on loans incurred before the servicemember began his or her current military service.
- Postpones court actions against servicemembers under certain circumstances.

If you choose to sign the attached waiver, COPOCO Community Credit Union will have the option to proceed with a repossession of your motor vehicle without the protections of the SCRA. If you do not sign this waiver, COPOCO will be required to provide you the protections of the SCRA if you took out your loan and made a downpayment on the motor vehicle, or at least one payment on the loan, when you were not in military service. Additionally, if COPOCO takes you to court to repossess your motor vehicle, the court may take steps to ensure that a judgment is not entered against you if you are unable to appear.

Before waiving these important statutory rights, you should consult an attorney regarding how best to exercise your rights or whether it is in your interest to waive these rights under the conditions offered by COPOCO.

For More Information:

- **CONSULT AN ATTORNEY:** To fully understand your rights under the law, and before waiving your rights, you should consult an attorney.
- **JAG / LEGAL ASSISTANCE:** Servicemembers and their dependents with questions about the SCRA should contact their unit's Judge Advocate, or their installation's Legal Assistance Officer. A military legal assistance office locator for all branches of the Armed Forces is available at <http://legalassistance.law.af.mil/content/locator.php>.
- **MILITARY ONESOURCE:** "Military OneSource" is the U.S. Department of Defense's information resource. Go to <http://www.militaryonesource.com>.

EXHIBIT B

EMPLOYEE ACKNOWLEDGMENT

I acknowledge that on [INSERT DATE], I was provided training regarding SCRA compliance, a copy of the Settlement Agreement resolving the United States' allegations in *United States v. COPOCO Community Credit Union*, Case No. 1:16-cv-12756 (E.D. Mich.), that COPOCO violated the Servicemembers Civil Relief Act, and copies of COPOCO's SCRA Policies and Procedures applicable to my duties. I have read and understand these documents and have had my questions about these documents and the SCRA answered. I understand my legal responsibilities and shall comply with those responsibilities.

[PRINT NAME]

[SIGNATURE]

[JOB TITLE]

EXHIBIT C-1

DECLARATION

I, [INSERT NAME], do hereby declare and state as follows:

1. I owned a vehicle obtained through a loan with COPOCO COMMUNITY CREDIT UNION, Loan Number [LOAN NUMBER] that was repossessed.
2. I obtained the loan on or about [LOAN FUNDING DATE].
3. On or about [REPOSSESSION DATE], I WAS either:
 - i. on a covered period of military service; **OR**
 - ii. a member of a reserve component (Reserves or National Guard) and had received orders to report for a covered period of military service.
4. Please consider the following additional information in support of this Declaration:

I confirm that the foregoing is true and correct.

Executed this _____ day of _____, 20__.

SIGNATURE: _____

PRINT NAME: _____

APPENDIX REGARDING MILITARY SERVICE

As used in this Declaration, a "covered period of military service" is any of the following:

- a) Full-time active duty with the armed forces of the United States (Army, Navy, Air Force, Marine Corps, or Coast Guard);
- b) A period of active service with the National Guard: i) authorized by the President or the Secretary of Defense; ii) longer than thirty (30) consecutive days; iii) under orders issued under Section 502(f) of Title 32 of the United States Code; and iv) for the purpose of responding to a national emergency declared by the President and supported by federal funds;
- c) Active service as a commissioned officer of the Public Health Service or the National Oceanic and Atmospheric Administration; or
- d) A period of time during which I was a servicemember absent from duty on account of sickness, wounds, leave, or other lawful cause.

If you have any additional questions about whether your service constitutes a "covered period of military service" for purposes of this declaration, please contact the Department of Justice at 202-514-4713 and reference the COPOCO SCRA motor vehicle case.

EXHIBIT C-2

RELEASE

In consideration for the parties' agreement to the terms of the Settlement Agreement resolving the United States' allegations in *United States v. COPOCO Community Credit Union*, Case No. 1:16-cv-12756 (E.D. Mich.), that COPOCO violated the Servicemembers Civil Relief Act, and COPOCO's payment to me of \$ [AMOUNT], I, [BORROWER'S NAME], hereby release and forever discharge all claims, arising prior to the date of this Release, related to the facts at issue in the litigation referenced above and related to the alleged violation of Section 3952(a) of the Servicemembers Civil Relief Act, that I may have against COPOCO and all related entities, parents, predecessors, successors, subsidiaries, and affiliates and all of its past and present directors, officers, agents, managers, supervisors, shareholders, and employees and its heirs, executors, administrators, successors or assigns. I do not release any claims that I may have against any prior servicer(s), not related to COPOCO, of my motor vehicle loan.

Executed this _____ day of _____, 2017.

SIGNATURE: _____

PRINT NAME: _____