



This document is scheduled to be published in the Federal Register on 07/03/2013 and available online at <http://federalregister.gov/a/2013-15906>, and on FDsys.gov

Billing Code: 8070-01-P

FEDERAL HOUSING FINANCE AGENCY

12 CFR Part 1215

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Federal Housing Enterprise Oversight

12 CFR Part 1703

RIN 2590-AA51

Production of FHFA Records, Information, and Employee Testimony in Third-Party Legal Proceedings

AGENCY: Federal Housing Finance Agency.

ACTION: Final Rule.

SUMMARY: The Federal Housing Finance Agency (FHFA) is issuing a final rule governing the production of FHFA records, information or employee testimony in connection with legal proceedings in which neither the United States nor FHFA is a party. This final rule establishes requirements and procedures for parties to submit demands or requests, and factors for FHFA to consider in determining whether FHFA employees will provide records, information, or testimony relating to their official duties. FHFA's intent is to standardize practices, promote uniformity in decisions, preserve the ability of FHFA to conduct agency business, protect confidential information, provide guidance to demanding or requesting parties, minimize involvement in matters unrelated to FHFA's missions and programs, avoid wasteful allocation of agency resources, and

preclude spending public time and money for private purposes.

DATES: The effective date of this regulation is: [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: James P. Jordan, Senior Counsel, 202-649-3075 (not a toll-free number), Federal Housing Finance Agency, Constitution Center, Eighth Floor, 400 Seventh Street, SW, Washington, DC 20024. The telephone number for the Telecommunications Device for the Hearing Impaired is 800-877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

A. Establishment of FHFA

The Housing and Economic Recovery Act of 2008 (HERA), Public Law No. 110-289, 122 Stat. 2654, amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) (12 U.S.C. 4501 et seq.) and the Federal Home Loan Bank Act (12 U.S.C. 1421-1449) to establish FHFA as an independent agency of the Federal Government. HERA transferred the supervisory and oversight responsibilities of the Office of Federal Housing Enterprise Oversight over Fannie Mae and Freddie Mac, and of the Federal Housing Finance Board over the Federal Home Loan Banks and the Bank System's Office of Finance, to FHFA. FHFA is tasked with ensuring that the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Home Loan Banks (collectively, the regulated entities) operate in a safe and sound manner; foster liquid, efficient, competitive and resilient national housing finance markets; comply with their respective authorizing statutes, and all rules, regulations, guidelines, and orders issued pursuant to those

authorities; carry out their missions through duly authorized activities; and that their activities and operations are consistent with the public interest. Section 1105 of HERA amended the Safety and Soundness Act and the Inspector General Act of 1978 to establish an Inspector General within FHFA. See 12 U.S.C. 4517(d). Among other duties, FHFA Office of Inspector General (FHFA-OIG) is responsible for conducting audits, evaluations, and investigations of FHFA’s programs and operations; recommending policies that promote economy and efficiency in the administration of FHFA’s programs and operations; and preventing and detecting fraud, waste and abuse in FHFA’s programs and operations.

B. Need for Rule

Federal agencies often receive formal demands (including subpoenas) or informal requests to produce records, information, or testimony in judicial, legislative, or administrative proceedings in which those agencies or the United States is not a named party. Many Federal agencies have issued regulations to address the submission, evaluation, and processing of these demands or requests. They have done so because responding to these demands or requests is burdensome, may disrupt an agency employee’s work schedule significantly, may involve the agency in issues unrelated to its responsibilities, may divert agency resources from accomplishing mission-critical functions, and may impede the agency’s accomplishment of its mission and goals. Standard rules alleviate these difficulties by ensuring timely notice and centralized, objective decision making. The United States Supreme Court upheld this type of regulation in United States ex rel. Touhy v. Ragen, 340 U.S. 462 (1951), holding that provisions in the federal “housekeeping” statute, 5 U.S.C. 22, 5 U.S.C.A. 22 (now 5

U.S.C. 301), authorize agencies to promulgate rules governing record production and employee testimony.

Since its establishment, FHFA has not issued a regulation governing the submission, evaluation, and processing of demands or requests in connection with a legal proceeding. This final rule fills that gap and replaces applicable legacy regulations issued by FHFA's predecessor agencies, the Office of Federal Housing Enterprise Oversight and the Federal Housing Finance Board. The final rule will prohibit FHFA employees from producing records, information, or testimony in response to demands or requests, unless the demands or requests comply with the rule, and FHFA then grants permission for the production. Compliance with the rule is necessary, but not sufficient, for production to occur. The final rule identifies the information that demanding or requesting parties must provide and the factors that FHFA may consider when evaluating demands or requests.

The final rule will ensure a more efficient use of agency resources, minimize the possibility of involving FHFA in issues unrelated to its mission, promote uniformity in responding to demands or requests, and maintain the impartiality of FHFA in matters that are in dispute between other parties. It will also serve the interests of FHFA in protecting sensitive, confidential and privileged information and records that are generated and compiled in the performance of official duties.

FHFA also published in this issue of the Federal Register a final rule titled "Availability of Non-Public Information," which will govern the disclosure of FHFA non-public information.

C. Proposed Rulemaking

FHFA published a proposed regulation on the Production of FHFA Records,

Information, and Employee Testimony in Legal Proceedings for public comment in the Federal Register, 78 FR 9336 (February 8, 2013). No comments were received.

Accordingly, the proposed regulation is adopted as a final regulation with only minor editorial changes.

II. Section-by-Section Analysis

Section 1215.1 Scope and Purpose.

This section describes the rule's scope, which includes internal agency operations. This section also sets forth the rule's purpose, which is to specify the manner in which, and standards by which, demands or requests for records, information, or testimony must be submitted, evaluated, and processed.

Section 1215.2 Applicability.

This section identifies those demands or requests for FHFA records, information, or testimony that are subject to the rule. This section also states the types of demands or requests excepted from the rule.

Section 1215.3 Definitions.

This section defines terms relevant to the regulation.

Section 1215.4 General Prohibition.

This section bars producing FHFA records, information, or testimony in response to a demand or request without proper written authorization.

Section 1215.5 Delegation.

This section authorizes FHFA's Director to delegate the Director's authority under this part.

Section 1215.6 Factors FHFA May Consider.

This section sets forth factors that FHFA may consider when evaluating demands or requests.

Section 1215.7 Serving Demands and Submitting Requests.

This section describes the manner in which demands or requests for FHFA records, information, or testimony must be served and submitted.

Section 1215.8 Timing and Form of Demands and Requests.

This section describes the timing by which and the form in which a demanding or requesting party must serve its demand or submit its request.

Section 1215.9 Failure to Meet this Part's Requirements.

This section describes the consequences of failing to meet requirements set forth in this part.

Section 1215.10 Processing Demands and Requests.

This section describes how demands or requests must be processed and establishes deadlines. This section also provides the limited instances in which these processes or deadlines may be waived.

Section 1215.11 FHFA Determination.

This section authorizes FHFA's Director to make FHFA's determination on demands or requests for information to be provided by FHFA. This section also describes the notice to be provided to the demanding or requesting parties when an FHFA determination is made.

Section 1215.12 Restrictions That Apply to Testimony.

This section authorizes the imposition of conditions on employee testimony.

Section 1215.13 Restrictions That Apply to Records and Information.

This section authorizes the imposition of conditions on production of records or information.

Section 1215.14 Procedure in the Event of an Adverse FHFA Determination.

This section establishes an administrative mechanism by which parties aggrieved by an FHFA determination about a demand or request may seek reconsideration of that determination. This section also establishes a petition for FHFA reconsideration as a prerequisite to judicial review.

Section 1215.15 Conflicting Court Order.

This section directs persons in possession of FHFA information to decline to comply with a court order that conflicts with an FHFA determination.

Section 1215.16 Fees.

This section describes FHFA's entitlement to fees arising from the production of requested records, information, or testimony.

Section 1215.17 Responses to Demands Served on Nonemployees.

This section describes how nonemployees in possession of FHFA confidential supervisory information must respond to a request or demand to produce or testify about that confidential supervisory information.

Section 1215.18 Inspector General.

This section addresses the possibility that FHFA's Office of Inspector General may provide documents or testimony without Director approval if required by the Inspector General Act.

III. Paperwork Reduction Act

The final rule does not contain any information collection requirement that

requires the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. 3501 et seq.).

IV. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 et seq.) requires that a regulation that has a significant economic impact on a substantial number of small entities, small businesses, or small organizations must include an initial regulatory flexibility analysis describing the regulation's impact on small entities. Such an analysis need not be undertaken if the agency has certified that the regulation will not have a significant economic impact on a substantial number of small entities. 5 U.S.C. 605(b). FHFA has considered the impact of the regulation under the Regulatory Flexibility Act. FHFA certifies that the final rule is not likely to have a significant economic impact on a substantial number of small business entities because the regulation is applicable only to the internal operations and legal obligations of FHFA and FHFA-OIG.

List of Subjects

12 CFR Part 1215

Administrative practice and procedure, Courts, Government employees, Records, Subpoenas, Testimony.

12 CFR Part 1703

Administrative practice and procedure, Confidential business information, Freedom of information.

Authority and Issuance

For the reasons set forth in the **Supplementary Information**, and under the authority of 12 U.S.C. 4526, FHFA amends chapters and XII and XVII of title 12 of the Code of Federal Regulations as follows:

Chapter XII—Federal Housing Finance Agency

1. Add part 1215 to read as follows:

**PART 1215—PRODUCTION OF FHFA RECORDS, INFORMATION, AND
EMPLOYEE TESTIMONY IN THIRD-PARTY LEGAL PROCEEDINGS**

Sec.

- 1215.1 Scope and purpose.
- 1215.2 Applicability.
- 1215.3 Definitions.
- 1215.4 General prohibition.
- 1215.5 Delegation.
- 1215.6 Factors FHFA may consider.
- 1215.7 Serving demands and submitting requests.
- 1215.8 Timing and form of demands and requests.
- 1215.9 Failure to meet this part’s requirements.
- 1215.10 Processing demands and requests.
- 1215.11 FHFA determination.
- 1215.12 Restrictions that apply to testimony.
- 1215.13 Restrictions that apply to records and information.
- 1215.14 Procedure in the event of an adverse FHFA determination.
- 1215.15 Conflicting court order.
- 1215.16 Fees.
- 1215.17 Responses to demands served on nonemployees.
- 1215.18 Inspector General.

Authority: 5 U.S.C. 301; 12 U.S.C. 4526.

§ 1215.1 Scope and purpose.

(a) This regulation sets forth the policies and procedures that must be followed in order to compel an employee of the Federal Housing Finance Agency (FHFA) to produce records or information, or to provide testimony relating to the employee’s official duties, in the context of a legal proceeding. Parties seeking records, information, or testimony

must comply with these requirements when submitting demands or requests:

(b) FHFA intends these provisions to:

(1) Promote economy and efficiency in its programs and operations;

(2) Minimize the possibility of involving FHFA in controversial issues not related to its mission and functions;

(3) Maintain FHFA's impartiality;

(4) Protect employees from being compelled to serve as involuntary witnesses for wholly private interests, or as inappropriate expert witnesses regarding current law or the activities of FHFA; and

(5) Protect sensitive, confidential information and FHFA's deliberative processes.

(c) By providing these policies and procedures, FHFA does not waive the sovereign immunity of the United States.

(d) This part provides guidance for FHFA's internal operations. This part does not create any right or benefit, substantive or procedural, that a party may rely upon in any legal proceeding against the United States.

(e) The production of records, information, or testimony pursuant to this part, does not constitute a waiver by FHFA of any privilege.

§ 1215.2 Applicability.

(a) This regulation applies to demands or requests for records, information, or testimony, in legal proceedings in which FHFA is not a named party.

(b) This regulation does not apply to:

(1) Demands or requests for an FHFA employee to testify as to facts or events that are unrelated to his or her official duties or that are unrelated to the functions of

FHFA;

(2) Requests for the release of non-exempt records under the Freedom of Information Act, 5 U.S.C. 552, or the Privacy Act, 5 U.S.C. 552a; or

(3) Congressional demands or requests for records or testimony.

§ 1215.3 Definitions.

As used in this part:

Confidential supervisory information means information prepared or received by FHFA that meets all of the following criteria:

(1) The information is not a document prepared by a regulated entity or the Office of Finance for its own business purposes that is in its possession;

(2) The information is exempt from the Freedom of Information Act, 5 U.S.C. 552 (1966); and

(3) The information:

(i) Consists of reports of examination, inspection and visitation, confidential operating and condition reports, and any information derived from, related to, or contained in such reports, or

(ii) Is gathered by FHFA in the course of any investigation, suspicious activity report, cease-and-desist order, civil money penalty enforcement order, suspension, removal or prohibition order, or other supervisory or enforcement orders or actions taken under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended, 12 U.S.C. 4501 et seq.

(4) The inclusion of the term “confidential” within the definition of “confidential supervisory information” is not intended to invoke the meaning of “confidential,” as that

term is used in Executive Order No. 13526, December 29, 2009 (75 FR 707 (Jan. 5, 2010) (President's order on the classification of National Security Information).

Confidential supervisory information is used in part 1215 to refer to the distinct category of information defined in § 1215.3. FHFA used the word "confidential" within the label for this category of information simply to be consistent with the manner in which federal banking agencies refer to similar or identical types of information.

Demand means a subpoena, or an order or other command of a court or other competent authority, for the production of records, information, or testimony that is issued in a legal proceeding.

Employee means:

(1) Any current or former officer or employee of FHFA or of FHFA-OIG;

(2) Any other individual hired through contractual agreement by or on behalf of FHFA who has performed or is performing services under such an agreement for FHFA; and

(3) Any individual who has served or is serving in any consulting or advisory capacity to FHFA, whether formal or informal.

Federal Home Loan Bank means a bank established under the authority of 12 U.S.C. 1423(a).

FHFA means the Federal Housing Finance Agency including the FHFA-OIG.

FHFA Counsel means an attorney in FHFA's Office of General Counsel.

General Counsel means FHFA's General Counsel or a person within FHFA's Office of General Counsel to whom the General Counsel has delegated responsibilities under this part.

Legal proceeding means any matter before a court of law, administrative board or tribunal, commission, administrative law judge, hearing officer, or other body that conducts a legal or administrative proceeding. Legal proceeding includes all phases of litigation.

Produce means provide, disclose, expose, or grant access to.

Records or information means, regardless of the person or entity in possession:

(1) All documents and materials that are FHFA agency records under the Freedom of Information Act, 5 U.S.C. 552;

(2) All other documents and materials contained in FHFA files; and

(3) All other information or materials acquired by an FHFA employee in the performance of his or her official duties or because of his or her official status, including confidential supervisory information.

Regulated entity has the same meaning as set forth in 12 U.S.C. 4502(20). For this regulation's purposes, "regulated entity" also includes:

(1) The Office of Finance; and

(2) Any current or former director, officer, employee, contractor or agent of a regulated entity.

Request means any informal request, by whatever method, in connection with a legal proceeding, seeking production of records, information, or testimony that has not been ordered by a court or other competent authority.

Testimony means any written or oral statements, including depositions, answers to interrogatories, affidavits, declarations, and recorded interviews made by an individual about FHFA information in connection with a legal proceeding.

§ 1215.4 General prohibition.

(a) No employee may produce records or information, or provide any testimony related to the records or information, in response to any demand or request without prior written approval to do so from the Director or the Director's designee.

(b) Any person or entity that fails to comply with this part may be subject to the penalties provided in 18 U.S.C. 641 and other applicable laws. A current employee also may be subject to administrative or disciplinary proceedings.

§ 1215.5 Delegation.

To the extent permissible by statute, the Director may delegate his or her authority under this part to any FHFA employee and the General Counsel may delegate his or her authority under this part to any FHFA Counsel.

§ 1215.6 Factors FHFA may consider.

The Director may grant an employee permission to testify regarding agency matters, and to produce records and information, in response to a demand or request. Among the relevant factors that the Director may consider in making this determination are whether:

- (a) This part's purposes are met;
- (b) FHFA has an interest in the decision that may be rendered in the legal proceeding;
- (c) Approving the demand or request would assist or hinder FHFA in performing statutory duties or use FHFA resources;
- (d) Production might assist or hinder employees in doing their work;
- (e) The records, information, or testimony can be obtained from other sources.

(Concerning testimony, “other sources” means a non-agency employee, or an agency employee other than the employee named).

(f) The demand or request is unduly burdensome or otherwise inappropriate under the rules of discovery or procedure governing the case or matter in which the demand or request arose;

(g) Production of the records, information, or testimony might violate or be inconsistent with a statute, Executive Order, regulation, or other legal authority;

(h) Production of the records, information, or testimony might reveal confidential or privileged information, trade secrets, or confidential commercial or financial information;

(i) Production of the records, information, or testimony might impede or interfere with an ongoing law enforcement investigation or proceedings, or compromise constitutional rights;

(j) Production of the records, information, or testimony might result in FHFA appearing to favor one litigant over another;

(k) The demand or request pertains to documents that were produced by another agency;

(l) The demand or request complies with all other applicable rules;

(m) The demand or request is sufficiently specific to be answered;

(n) The relevance of the records, information, or testimony to the purposes for which they are sought, and for which they may be used for substantive evidence;

(o) Production of the records, information, or employee testimony may implicate a substantial government interest; and

(p) Any other good cause.

§ 1215.7 Serving demands and submitting requests.

(a) All demands and requests must be in writing.

(b) Demands must be served and requests must be submitted to the FHFA General Counsel at the following address: General Counsel, Federal Housing Finance Agency, Constitution Center, Eighth Floor, 400 Seventh Street, SW., Washington, DC 20024.

(c) Demands must not be served upon, nor requests submitted to any regulated entity for records, information, or testimony regardless of whether the records, information, or testimony sought are in the possession of, or known by, the regulated entity. If a regulated entity receives a request or demand for records, information, or testimony, the regulated entity must immediately notify the General Counsel and provide FHFA an opportunity to object to the demand or request before responding to the demand or request. Submitting a demand or request to a regulated entity may result in rejection of the demand or request under § 1215.9.

(d) If an employee receives a request or demand that is not properly routed through FHFA's General Counsel, as required under this section, the employee must promptly notify the General Counsel. An employee's failure to notify the General Counsel is grounds for discipline or other adverse action.

§ 1215.8 Timing and form of demands and requests.

(a) A party seeking records, information, or testimony must submit a request and receive a rejection before making a demand for records, information, or testimony.

(b) A demand or request to FHFA must include a detailed description of the basis for the demand or request and comply with the requirements in § 1215.7.

(c) Demands and requests must be submitted at least 60 days in advance of the date on which the records, information, or testimony is needed. Exceptions to this requirement may be granted upon a showing of compelling need.

(d) A demand or request for testimony also must include an estimate of the amount of time that the employee will need to devote to the process of testifying (including anticipated travel time and anticipated duration of round trip travel), plus a showing that no document or the testimony of non-agency persons, including retained experts, could suffice in lieu of the employee's testimony.

(e) Upon submitting a demand or request seeking employee testimony, the requesting party must notify all other parties to the legal proceeding.

(f) After receiving notice of a demand or request for testimony, but before the testimony occurs, a party to the legal proceeding who did not join in the demand or request and who wishes to question the witness beyond the scope of the testimony sought must submit a separate demand or request within 60 days of receiving the notice required under paragraph (e) of this section and must then comply with paragraph (c) of this section.

(g) Every demand or request must include the legal proceeding's caption and docket number, the forum; the name, address, phone number, State Bar number, and, if available, electronic mail address of counsel to all parties to the legal proceeding (in the case of pro-se parties, substitute the name, address, phone number, and electronic mail address of the pro-se party); and a statement of the demanding or requesting party's interest in the case. In addition, the demanding or requesting party must submit a clear and concise written statement that includes: a summary of the legal and factual issues in

the proceeding and a detailed explanation as to how the records, information or testimony will contribute substantially to the resolution of one or more specially identified issues in the legal proceeding. A copy of the complaint or charging document may accompany – but must not be substituted for – the required statement.

§ 1215.9 Failure to meet this part’s requirements.

FHFA may oppose any demand or request that does not meet the requirements set forth in this part.

§ 1215.10 Processing demands and requests.

(a) The Director will review every demand or request received and, in accordance with this regulation, determine whether, and under what conditions, to authorize an employee to produce records, information, or testimony.

(b) The Director will process demands and requests in the order in which they are received. The Director will ordinarily respond within 60 days from the date that the agency receives all information necessary to evaluate the demand or request. However, the time for response will depend upon the scope of the demand or request. The Director may respond outside of the 60-day period:

(1) Under exigent or unusual circumstances; or

(2) When FHFA must receive and process records or information in the possession, custody, or control of a third party.

(c) The Director may confer with counsel to parties to a legal proceeding about demands or requests made pursuant to this part. The conference may be ex-parte. Failure to confer in good faith, in order to enable the Director to make an informed determination, may justify rejection of the demand or request.

(d) The Director may rely on sources of information other than those provided by the demanding or requesting parties as bases for making a determination.

(e) The Director may grant a waiver of any requirement in this section to promote a significant interest of FHFA or the United States, or for other good cause.

§ 1215.11 FHFA determination.

(a) The Director makes FHFA's determinations regarding demands and requests.

(b) The Director will notify the demanding or requesting party of FHFA's determination, the reasons for the approval or rejection of the demand or request, and any conditions that the Director may impose on the release of records, information, or testimony.

§ 1215.12 Restrictions that apply to testimony.

(a) The Director may impose conditions or restrictions on testimony, including but not limited to limiting the scope of testimony or requiring the demanding or requesting party and other parties to the legal proceeding to agree that the testimony transcript will be kept under seal or will only be used or made available in the particular legal proceeding for which testimony was requested. The Director may also require a copy of the transcript of testimony to be provided to FHFA at the demanding or requesting party's expense.

(b) The Director may offer an employee's written declaration in lieu of testimony.

(c) If authorized to testify pursuant to this part, an employee may testify as to facts within his or her personal knowledge, but, unless specifically authorized to do so by the Director, the employee must not:

(1) Disclose confidential or privileged information; or

(2) Testify as an expert or opinion witness with regard to any matter arising out of the employee's official duties or FHFA's mission or functions. This provision does not apply to requests from the United States for expert or opinion testimony.

(d) The Director may assign FHFA Counsel to be present for an employee's testimony.

§ 1215.13 Restrictions that apply to records and information.

(a) The Director may impose conditions or restrictions on the release of records and information, including but not limited to requiring that parties to the legal proceeding obtain a protective order or execute a confidentiality agreement to limit access and further disclosure, or that parties take other appropriate steps to comply with applicable privacy requirements. The terms of a protective order or confidentiality agreement must be acceptable to the Director. In cases where protective orders or confidentiality agreements have already been executed, the Director may condition the release of records and information on an amendment to the existing protective order or confidentiality agreement.

(b) If the Director so determines, original agency records may be presented for examination in response to a demand or request, but they are not to be presented as evidence or otherwise used in a manner by which they could lose their status as original records, nor are they to be marked or altered. In lieu of the original records, certified copies will be presented for evidentiary purposes.

(c) The scope of permissible production is limited to that set forth in the prior, written authorization granted by the Director.

(d) If records or information are produced in connection with a legal proceeding,

the demanding or requesting party must:

(1) Promptly notify all other parties to the legal proceeding that the records or information are FHFA records or information and are subject to this part and any applicable confidentiality agreement or protective order;

(2) Provide copies of any confidentiality agreement or protective order to all other parties; and

(3) Retrieve the records or information from the court or other competent authority's file when the court or other competent authority no longer requires the records or information and certify that every party covered by a confidentiality agreement, protective order, or other privacy protection has destroyed all copies of the records or information.

§ 1215.14 Procedure in the event of an adverse FHFA determination.

(a) Procedure for seeking reconsideration of FHFA's determination. A demanding or requesting party seeking reconsideration of FHFA's rejection of a demand or request, or of any restrictions on receiving records, information, or testimony, may seek reconsideration of the rejection or restrictions as follows:

(1) Notice of Intention to Petition for Reconsideration. The aggrieved demanding or requesting party may seek reconsideration by filing a written Notice of Intention to Petition for Reconsideration (Notice) within 10 business days of the date of FHFA's determination. The Notice must identify the petitioner, the determination for which reconsideration is being petitioned, and any dates (such as deposition, hearing, or court dates) that are significant to petitioner. The Notice must be served in accordance with § 1215.7.

(2) Petition for Reconsideration. Within five business days of filing Notice, the petitioner must file a Petition for Reconsideration (Petition) in accordance with § 1215.7. The Petition must contain a clear and concise statement of the basis for the reconsideration with supporting authorities. Determinations about petitions for reconsideration are within the discretion of the FHFA Director, and are final.

(b) Prerequisite to judicial review. Pursuant to section 704 of the Administrative Procedure Act, 5 U.S.C. 704, a petition to FHFA for reconsideration of a final determination made under the authority of this part is a prerequisite to judicial review.

§ 1215.15 Conflicting court order.

Notwithstanding FHFA's rejection of a demand for records, information, or testimony, if a court or other competent authority orders an FHFA employee to comply with the demand, the employee must promptly notify FHFA's General Counsel of the order, and the employee must respectfully decline to comply, citing United States ex rel. Touhy v. Ragen, 340 U.S. 462 (1951). An employee's failure to notify the General Counsel of a court or other authority's order is grounds for discipline or other adverse action.

§ 1215.16 Fees.

(a) The Director may condition the production of records, information, or an employee's appearance on advance payment of reasonable costs to FHFA, which may include but are not limited to those associated with employee search time, copying, computer usage, and certifications.

(b) Witness fees will include fees, expenses, and allowances prescribed by the rules applicable to the particular legal proceeding. If no fees are prescribed, FHFA will

base fees on the rule of the federal district court closest to the location where the witness will appear. Such fees may include but are not limited to time for preparation, travel, and attendance at the legal proceeding.

§ 1215.17 Responses to demands served on nonemployees.

(a) FHFA confidential supervisory information is the property of FHFA, and is not to be disclosed to any person without the Director's prior written consent.

(b) If any person in possession of FHFA confidential supervisory information, is served with a demand in a legal proceeding directing that person to produce FHFA's confidential supervisory information or to testify with respect thereto, such person shall immediately notify the General Counsel of such service, of the testimony requested and confidential supervisory information described in the demand, and of all relevant facts. Such person shall also object to the production of such confidential supervisory information on the basis that the confidential supervisory information is the property of FHFA and cannot be released without FHFA's consent and that production must be sought from FHFA following the procedures set forth in §§ 1215.7, 1215.8, and 1215.14 of this part.

§ 1215.18 Inspector General.

Notwithstanding the general prohibition of disclosure of records and information, to the minimum extent required by the Inspector General Act, Public Law 95-452 (1978), FHFA's Office of Inspector General is permitted under this section to disclose records and information and permit FHFA-OIG employee testimony without Director approval.

**Chapter XVII—Office of Federal Housing Finance Oversight, Department of
Housing and Urban Development**

PART 1703—[REMOVED]

2. Remove part 1703.

2013 _____
Edward J. DeMarco,
Acting Director, Federal Housing Finance Agency.

June 27,

Date

[FR Doc. 2013-15906 Filed 07/02/2013 at 8:45 am; Publication Date: 07/03/2013]