

§ 1506.15 Rescission of contracts.

(a) *Circumstances permitting rescission.* The RTC may rescind any contract in its entirety or with respect to a particular assignment if:

(1) There is a failure to disclose a material fact to the RTC;

(2) The contractor would be prohibited from contracting with the RTC by § 1506.5(a);

(3) Any person or related entity has been subject to a final enforcement action by any federal bank regulatory agency;

(4) There is any material change in the representations or certifications provided to the RTC under § 1506.4;

(5) There arises a personal or organizational conflict of interest not waived by the Contractors' Conflicts Committee or the Outside Counsels' Conflicts Committee; or

(6) There is violation of any provision of these regulations.

(b) *Contractor liability.* In those situations in which the RTC determines to rescind a contract, the RTC may seek damages from the contractor or subcontractor whose actions were the basis for the rescission. Moreover, the RTC may pursue any rights and remedies provided by law whether or not it determines to rescind the contract.

(c) *Permanent bar.* Contractors whose contracts with the RTC have been rescinded pursuant to paragraph (a) of this section shall be deemed ineligible to enter into further contracts with the RTC. This ineligibility shall apply to related entities of the contractor, unless determined otherwise by the Contractors' Conflicts Committee or the Outside Counsels' Conflicts Committee. The Contractors' Conflicts Committee or the Outside Counsels' Conflicts Committee may determine if and when a contractor's or its related entity's ineligibility under this paragraph may be lifted, and what, if any, conditions may apply to the lifting of the ineligibility.

(d) *Written submission.* In the case of a rescission or bar that is based upon the ineligibility of the contractor under § 1506.5 (a)(1) through (a)(4) or, if upon another ground, the integrity of a contractor is called in question, the contractor may provide a written submission to the person or entity authorized

to act for the RTC that has taken action to rescind a contract or bar a contractor. Such written submission shall receive prompt consideration, and the contractor shall be informed whether or not the RTC's decision or action will be reconsidered.

[55 FR 5350, 5356, Feb. 14, 1990; 55 FR 11720, Mar. 29, 1990]

§ 1506.16 Resolution Trust Corporation as conservator.

(a) Contractors of an association for which the Resolution Trust Corporation is conservator that are in effect as of the effective date of this regulation or the appointment of the conservator shall not be subject to the requirements of this part. Except as provided in paragraph (b) of this section, any such contract that may be terminated under its terms without penalty shall be terminated no later than the later of six months from the effective date of this regulation or the appointment of the conservator, and no such contract may be renewed, unless such contract is in or brought into compliance with this part.

(b) During the period that terminates on the later of the date six months from the effective date of this regulation or the date six months from the appointment of the Resolution Trust Corporation as conservator, the conservator may enter into or renew a contract that does not comply with the requirements of this part, or fail to terminate a terminable contract in accordance with paragraph (a) of this section, *provided* that the conservator determines with respect to any such contract that:

(1) It is necessary for the operations of the association; and

(2) No qualified contractor is available to contract for similar services on reasonable financial terms.

The conservator shall not authorize or permit the term of any such contract to extend beyond the close of that period during which the contractor will be necessary for the operations of the association and a qualified contract for similar services on reasonable financial terms is not available, as determined by the conservator.