UNITED STATES DEPARTMENT
OF
HOUSING AND URBAN DEVELOPMENT

TITLE VIII

CONCILIATION AGREEMENT

between

Complainant

and

Magna Bank, et al.
Respondent

Approved by the FHEO Region IV Director on behalf of the United States
Department of Housing and Urban Development

FHEO CASE NUMBER: 04-12-0142-8
A. PARTIES AND SUBJECT PROPERTY

Complainant

Respondents Magna Bank 6525
Quail Hollow Road, Suite 300
Memphis TN, 38120

Magna Bank

c/o Anne B. Davenport, Executive Vice President
6525 Quail Hollow Road, Suite 513
Memphis TN, 38120

Agent
Magna Bank
6525 Quail Hollow Road, Suite 513
Memphis TN, 38120

B. STATEMENT OF FACTS

Complainant alleged Respondents used discriminatory terms and conditions and subjected her to discriminatory financing. According to Complainant, on or about September 30, 2011, she submitted a mortgage loan application via the internet and on October 5, 2011, she provided all the required documents to Respondent at Respondent Bank. Complainant alleged on October 5, 2011, Respondent informed her that she was approved for a loan, but because she was expected to start maternity leave she may have to wait until she could provide a current paystub to close. Respondent is alleged to have told Complainant that she would contact her after checking with the underwriting department regarding her maternity leave. Complainant stated that Respondent failed to follow-up with her, therefore, on October 24, 2011, she telephoned Respondent. Respondent is alleged to have informed Complainant that Respondent Bank policy requires her to return to work before the loan could be completed. Complainant alleged Respondents subjected her to discriminatory lending practices by denying and/or delaying her loan because she would be on maternity leave. Complainant alleged Respondents denied her loan which she would otherwise be eligible for if she were not an expectant mother. Complainant stated that she demonstrated to Respondents her intent to return to work at the end of her maternity leave. As a result, Complainant lost a potential housing opportunity. Complainant believes Respondents discriminated
against her because of disability, sex, and familial status in violation of sections 804(b) and 805 of the Act.

Respondents asserted that they never denied a loan and nothing in their records indicate a fully executed contract to purchase the subject property. Respondents also assert that incorrect information was inadvertently communicated to the complainant.

Complainant and Respondents agree to settle the claims in the underlying action by entering into this Conciliation Agreement. Both parties agree that this settlement and compromise is made to terminate all claims that Complainant presently asserts, or might have asserted, because of the events related to the Complaint. Nothing contained in this Agreement shall be deemed an admission of liability or of a violation of any applicable law, rule, regulation, order, or contract by any party to this Agreement.

C. TERM OF AGREEMENT

1. This Conciliation Agreement (hereinafter "Agreement") shall govern the conduct of the parties to it for a period of one (1) year from the effective date of the Agreement.

D. EFFECTIVE DATE

2. The parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a Conciliation Agreement pursuant to the Act, unless and until such time as it is approved by the U.S. Department of Housing and Urban Development, through the FHEO Region IV Director, or his/her designee.

3. This Agreement shall become effective on the date on which it is approved by the FHEO Region IV Director, Fair Housing and Equal Opportunity (FHEO), in Atlanta, Georgia of the United States Department of Housing and Urban Development (HUD).

E. GENERAL PROVISIONS

4. The parties acknowledge that this Agreement is a voluntary and full settlement of the disputed complaint. The parties affirm that they have read and fully understand the terms set forth herein. No party has been coerced, intimidated, threatened, or in any way forced to become a party to this Agreement.

5. Respondents acknowledge that they have an affirmative duty not to discriminate under the Fair Housing Act, and that it is unlawful to retaliate against any person because that person has made a complaint, testified, assisted, or participated in any manner in a proceeding under the Act. Without admitting to any act of discrimination or violation of the Act, Respondents further acknowledge that any retaliation or discrimination after the effective date of this Agreement constitutes both a material breach of this Agreement, and a statutory violation of the Act.
6. This Agreement, after it has been approved by the FHEO Regional IV Director, or his/her designee, is binding upon Respondents, their employees, heirs, successors and assigns.

7. It is understood that, pursuant to Section 810(b)(4) of the Act, upon approval of this Agreement by the FHEO Region IV Director, or his designee, it is a public document.

8. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving Respondents made pursuant to the Fair Housing Act, or any other complaint within the Department's jurisdiction. This Agreement does resolve all issues that the Regional Director has raised or could have raised in the complaint regarding Respondent's treatment of female applicants who were on, or scheduled to be on, pregnancy, maternity or parental (including adoption) leave. However, this Agreement does not preclude the Regional Director from performing the normal duties under the Fair Housing Act related to investigating individual complaints alleging discrimination.

9. No amendment to, modification of, or waiver of any provisions of this Agreement shall be effective unless: (a) all signatories or their successors to the Agreement agree in writing to the amendment, modification or waiver; (b) the amendment, modification or waiver is in writing; and (c) the amendment, modification, or waiver is approved and signed by the FHEO Region IV Director.

10. The parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement, the original executed signature pages to be attached to the body of the Agreement to constitute one document.

11. [Redacted] hereby forever waives, releases, and covenants not to sue the Department, Respondent, and their respective heirs, executors, assigns, officers, commissioners, agents, employees and attorneys with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of or in any way related to the subject matter of HUD Case Number 04-12-0142-8, or which could have been filed in any action or suit arising from said subject matter.

12. Respondent hereby forever waives, releases, and covenants not to sue the Department and [Redacted] with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of or in any way related the subject matter of HUD Case Number 04-12-0142-8 or which could have been filed in any action or suit arising from said subject matter.

F. RELIEF FOR COMPLAINANT

13. Respondent agrees to the following:

♀ Within thirty (30) days of the effective date of this Agreement, Magna Bank agrees to pay the Complainant the sum of FOURTEEN THOUSAND and EIGHTY-FIVE
DOLLARS ($14,085.00) in full settlement of any and all claims that the Complainant could bring arising out of the allegations underlying the investigation or presented in the complaint. Such payment shall be by check.

(b) In the event the Complainant desires to continue her application with Magna Bank for financing of a home loan, Magna Bank agrees to review and process Complainants application in accordance with the standards established under Magna's banking fair lending policy.

G. RELIEF IN THE PUBLIC INTEREST

14. Magna Bank will adopt, with the Department's advance approval, a company policy addressing the availability of all home loan products regardless of an Applicant's status as pregnant or an Applicant taking pregnancy, maternity or parental (including adoption) leave.

15. Magna Bank will adopt revised underwriting rules, with the department's advance approval, to ensure nondiscrimination in underwriting loans based on an Applicant's status as pregnant or as a parent, or an Applicant taking pregnancy, maternity or parental (including adoption) leave, and will provide a copy of such rules to all staff, contractors, servicers or others involved in loan approvals, modifications or originations.

H. MONITORING

16. The Department shall determine compliance with the terms of this Agreement. During the term of this Agreement, HUD may review compliance with this Agreement. As part of such review, HUD may inspect Respondents' office(s) identified in Section A of this Agreement, examine witnesses, and copy pertinent records of Respondents. Any such review, inspection, witness examination and document copy requests shall be limited to information necessary to determine compliance with this agreement. Respondents agree to provide their full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement.

I. REPORTING AND RECORDKEEPING

17. Within 60 days of the effective date of this Agreement, Respondents shall certify to Equal Opportunity Specialist [redacted], in writing, that they have complied with paragraphs 13a and within 120 days shall certify they have complied with paragraphs 14 and 15 of this Agreement. For the purpose of this agreement, any references to "day" or "days" shall mean calendar days.

18. All required certifications and documentation of compliance must be submitted to:

[redacted]
Equal Opportunity Specialist
Office of Fair Housing and Equal Opportunity
Asheville Building
J. CONSEQUENCES OF BREACH

Whenever the Department has reasonable cause to believe that the Respondents have breached this Agreement, the matter may be referred to the Attorney General of the United States, to commence a civil action in the appropriate U. S. District Court, pursuant to §§ 810(c) and 814(b)(2) of the Act for the enforcement of the terms of the Agreement.
SIGNATURES

Complainant

Date

By: Anne B. Davenport, Executive Vice President/Chief Compliance & Risk Officer

FHEO Region IV Director
Regional Office of FHEO
Magna Bank, et al.
Respondent
By: Anne B. Davenport, Executive Officer
Chief Compliance & Risk Officer

K. APPROVAL

[Signature]
FHEO Region Director
Regional Office of FHEO