CONCILIATION AGREEMENT

UNDER

The Fair Housing Act

Among

The United States
Department of Housing and Urban Development

and

[redacted]
DISCOVERY BAY, CA 94505

Complainants

and

LAND HOME FINANCIAL SERVICES
1355 WILLOW WAY, SUITE 250
CONCORD, CA 94520

Respondents

CASE NUMBER: 09-12-0516-8 (Title VIII)
DATE FILED: 02/23/2012

Effective Date of Agreement: 8/30/2012

Expiration Date of Agreement: 8/30/2013

A. Parties and Subject Property

Complainants: [redacted]
Respondents: Land Home Financial Services
Kamala Gaxiola

Subject Property: [redacted]
Discovery Bay, CA 94505

B. Statements of Facts

On February 23, 2012, [redacted] Complainants) filed a complaint with the United States Department of Housing and Urban Development (the Department) alleging that they were injured by a discriminatory act of the Respondents. The Complainants alleges that the Respondents violated Sections 804 (a), 805, 804(b) and 818 of the Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1998, (the Act) (42 U.S.C. 3604 et seq.) based on disability.

Respondents deny having discriminated against the Complainants, but agree to settle the claims in the underlying action by entering into this Conciliation Agreement.

C. Term of Agreement

1. This Conciliation Agreement (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 Director or his or her designee.

3. This Agreement shall become effective on the date on which it is approved by the Director, Fair Housing and Equal Opportunity (FHEO), San Francisco Region, U.S. Department of Housing and Urban Development.

E. General Provisions

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

5. It is understood that the Respondents deny any violation of law and that this Agreement does not constitute an admission by the Respondents or evidence of a determination by the Department of any violation of the Act or any other law.

6. Respondents acknowledge that they have an affirmative duty not to discriminate under the Act and other Authorities.

7. It is understood that the signature of Brenda Usher is made with the authority of and on behalf of Land Home Financial Services and Kamala Gaxiola.

8. This Agreement, after it has been approved by the FHEO Regional Director, or his or her designee, is binding upon Respondents, their employees, heirs, successors and assigns and all others in active concert with them in the ownership or operation of Land Home Financial Services.

9. It is understood that, pursuant to Section 810(b)(4) of the Act, upon approval of this Agreement by the FHEO Director or his or her designee, it is a public document. However, the Department will hold confidential all information of a personal or financial nature concerning parties to this Agreement that is not contained in the body of the Agreement.

10. 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.

11. No amendments to, modifications of, or waiver of any provision of this Agreement shall be effective unless all the following conditions are met: (a) all signatories or their successors to the Agreement are notified in advance and agree to the proposed 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 Regional Director, Office of Fair Housing and Equal Opportunity, Region IX. Any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

12. The parties agree that, in the interest of speedily concluding this matter, this Agreement may be executed by the parties' signatures of consent on separate pages. The separate signed pages will be attached to the body of the Agreement to constitute one document. To avoid delay, the parties agree that signature pages received via facsimile or electronic transmission will be considered official provided that the original copy of the signature page is forwarded to the Department immediately upon signing of the Agreement or within ten (10) days from the date of the Agreement. Both the original and faxed or electronic transmission signature pages will be retained in the official case file.

13. In exchange for the compliance with the provisions of this Agreement, the Complainants hereby forever waives, releases, and covenants not to sue the Respondents, their heirs, executors, assigns, 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 the subject matter of HUD case number: 09-12-0516-8 or which could have been filed in any action or suit arising from said subject matter.

14. In exchange for the compliance with the provisions of this Agreement, the Respondents hereby forever waive, release, and covenant not to sue the Department or the Complainants, its heirs, executors, assigns, 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 the subject matter of HUD case number: 09-12-0516-8 or which could have been filed in any action or suit arising from said subject matter.

F. Non-Retaliation

15. Respondents acknowledge 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 and other Authorities. Respondents further acknowledge that any subsequent retaliation or discrimination constitutes both a material breach of this Agreement, and a statutory violation of the Act.

G. Relief for Complainants

16. The Respondents will pay the sum of twenty thousand dollars ($20,000.00) to the Complainants, [redacted] and [redacted] Said payment shall be made in the form of a cashier's check payable to [redacted] Said payment shall be forwarded to [redacted] and [redacted] located [redacted] Discovery Bay, CA 94505 within ten (10) days of the effective date of the Agreement.

17. A copy of the said check shall be sent to the U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, Attn: Conciliation Monitoring Unit, 600 Harrison Street, 3rd Floor, San Francisco, California 94107, within five days after the payment has been issued, as proof of compliance.

H. Relief in the Public Interest

18. The Respondents acknowledge that federal civil rights law prohibits them from discriminating in the rental or sale, of or to otherwise make unavailable or deny, a dwelling to any person or to make statements with respect to the rental or sale of a dwelling in connection therewith on the basis of race, color, religion, sex, national origin, handicap or familial status, and requires that it provide reasonable accommodation in its policies and practices, and to accommodate to the needs of persons with disabilities.

19. Land Home Financial Services, Inc. will continue to require all of its loan originators ("Originators") to complete annual fair lending training to ensure that their activities are conducted in a nondiscriminatory manner. This training shall explain their fair lending obligations under the Act. Originators may complete either web-based or paper-based training. Land Home Financial Services agrees to make a print copy of the training available to HUD within one hundred twenty (120) days of the effective date of the agreement and to report on training completion as follows: 1) within six (6) months of the effective date and 2) on the one (1) year anniversary of the effective date of the agreement. This training shall focus on compliance with the requirements of the Fair Housing Act, with an emphasis on familial status, gender and disability.

20. Land Home Financial Services acknowledges it is not a violation of the Fair Housing Act to document the level and continuity of income before, during, and after parental leave as necessary and appropriate to qualify the applicant for a mortgage loan. While Land Home Financial Services existing guidelines may be acceptable, the lender agrees it will move to revise its guidance within one year, in order for it to be like the recent guidelines from the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") with regard to treating maternity and pregnancy leave income and identifying when employment income may be used based upon the timing of a scheduled return to work date. Land Home Financial Services agrees to adopt such underwriting policies and agrees to communicate these requirements to its loan officers, originators, and to HUD within one hundred twenty (120) days of adoption.

I. Monitoring

21. Complainants and Respondents agree that the Department shall monitor compliance with the terms and conditions specified in this Agreement. As part of such monitoring, the Department may inspect Respondents' property identified in Section A of this Agreement, interview witnesses and copy pertinent records of the Respondents. Respondents agree to provide its full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement.

J. Reporting and Recordkeeping

22. All required certifications and documentations of compliance with the terms of this Agreement shall be submitted to:

U.S. Department of Housing and Urban Development
Fair Housing Enforcement Center
ATTENTION: CONCILIATION REVIEW
600 Harrison Street, Third Floor
San Francisco, CA 94107-1387

K. Consequences of Breach

23. The parties understand that if the Department has reasonable cause to believe that Respondents have breached this Agreement, the Department shall refer the matter to the Attorney General of the United States, to commence a civil action in the appropriate U.S. District Court, pursuant to 42 USC 3610(c).

24. This Agreement does not in any way limit or restricts the Department's authority to investigate any subsequent complaints involving Respondents made pursuant to the Act or any other authority within the Department's jurisdiction.

SIGNATURE PAGE

These signatures attest to the approval and acceptance of this Conciliation Agreement.

[redacted] 8/27/2012
Complainant Date

[redacted] 8/27/12
Complainant Date

CP RP RP RP RP

SIGNATURE PAGE

These signatures attest to the approval and acceptance of this Enforcement Agreement.

Brenda Usher 8/28/2012

Brenda Usher
Respondent Representative

Date

CP RP RP RP RP

SIGNATURE PAGE

RECOMMEND APPROVAL OF THIS AGREEMENT:

8/29/12

Jessamay Kroth
Investigator
Enforcement Branch
Office of Fair Housing and Equal Opportunity

Date

8/29/2012

Jesse Webster
Branch Chief
Enforcement Branch
Office of Fair Housing and Equal Opportunity

Date

8/29/2012

Anné Quesada
Director
Program Center
Office of Fair Housing and Equal Opportunity

Date

8/30/2012

Charles E. Hauptman
Director
Office of Fair Housing and Equal Opportunity

Date

CP RP RP RP RP