

**UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT**

CONCILIATION

Between

Fair Housing Project
Legal Aid of North Carolina, Inc.
c/o Jeffrey D. Dillman, Co-Director
(Complainant)

And

The Fidelity Bank
(Respondent)

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

FHEO CASE NUMBER: 04-15-0308-8

A. PARTIES AND SUBJECT PROPERTY

Complainants

Fair Housing Project
Legal Aid of North Carolina, Inc.
c/o Jeffrey D. Dillman, Co-Director
224 South Dawson Street
Raleigh, NC 27601

Representative for Fair Housing Project,
Legal Aid of North Carolina, Inc.:

Ms. Lauren Brasil, Staff Attorney
Legal Aid of North Carolina, Inc.
224 S. Dawson Street
Raleigh, NC 27601

Respondent

The Fidelity Bank
P.O. Box 8
Fuquay-Varina, North Carolina 27526

Representative for The Fidelity Bank:

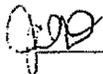
Jeremy Sayre, Esq.
Ward & Smith, P.A.
Wade II, Suite 400
5430 Wade Park Boulevard
Raleigh, North Carolina 27067

Subject Property

The Fidelity Bank
600 Oberlin Road
Raleigh, North Carolina 27611

B. STATEMENT OF FACTS

A complaint was filed with the United States Department of Housing and Urban Development (HUD or the Department) on February 9, 2015, alleging that the Complainant was injured by discriminatory acts. It is alleged that Respondent was responsible for discriminatory financing, discriminatory terms, conditions, or privileges or facilities in connection with financing, and otherwise denying or making housing unavailable because of race.. The most recent act is alleged to have occurred on October 5, 2014. If proven, the allegations would constitute violations of Sections 804(a), 804(b), and 805, of Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Act of 1988 (the "Act").

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 Fidelity Bank

Respondent disputes the merit of such complaint and contends that it has engaged in no discriminatory acts whatsoever.

Complainant and Respondent, without admitting fault, liability, or responsibility for Complainant's alleged damages, agree that it is in their respective interests to voluntarily settle this controversy and resolve this matter without the necessity of an evidentiary hearing or other judicial process available under the laws cited above.

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 this Agreement; provided, however, that the release provisions set forth herein shall survive the expiration of such one (1) year period.

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 or her designee.
3. This Agreement shall become effective on the date on which it is approved by the Regional Director of the Office of Fair Housing and Equal Opportunity (FHEO) of the United States Department of Housing and Urban Development (HUD), 40 Marietta Street, Atlanta, Georgia 30303 or his or her designee.

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. The Respondent acknowledges that it has an affirmative duty not to discriminate under the Act, and 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.
6. This Agreement, after the FHEO Regional Director or his or her designee has approved it, is binding upon Respondent The Fidelity Bank and its employees and agents.
7. It is understood that, pursuant to Section 810(b)(4) of the Act, upon approval of this Agreement by the FHEO Regional Director or his or her designee, it is a public document.

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8. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving the Respondent made pursuant to the Fair Housing Act or any other complaint within the Department's jurisdiction.
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 Regional Director or his designee.
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. Complainant Fair Housing Project of Legal Aid of North Carolina, Inc. hereby forever waives, releases, and covenants not to sue the Department, Respondent, the Fidelity Bank, their employees, heirs, executors, assigns, affiliates, subsidiaries, predecessors, successors, agents, 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 addressed in HUD Case Number 04-15-0308-8 or which could have been filed in any action or suit arising from said subject matter.
12. Respondent The Fidelity Bank, hereby forever waives, releases, and covenants not to sue the Department or Complainant Fair Housing Project of Legal Aid of North Carolina, Inc. or their successors, assigns, affiliates, subsidiaries, predecessors, successors, agents, officers, board members, 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 04-15-0308-8 or which could have been filed in any action or suit arising from said subject matter.

F. RELIEF FOR COMPLAINANT

13. Respondent agrees to apply its policies and procedures in a nondiscriminatory manner.

G. RELIEF IN THE PUBLIC INTEREST

14. Respondent shall make investments and community development loans in majority/minority census tracts including at least 40% that specifically promote affordable housing. For purposes of the aforementioned efforts, Respondent shall earmark a minimum of Five Hundred Thousand Dollars (\$500,000.00) per year for two (2) years, for a total of One Million Dollars (\$1,000,000.00).

 Jeffrey Dillman

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15. Within thirty (30) days after the end of the 2016 calendar year, Respondent shall submit to the Department a report detailing the use of funds disbursed by Respondent pursuant to Paragraph 14, including but not limited to, copies of any canceled checks, electronic wire transfer receipts, or other proper documentation.
16. Respondent will display a HUD Fair Housing poster at the branch office located at 600 Oberlin Road, North Carolina 27611.
17. The Fidelity Bank shall post copies of its non-discrimination policies, to the public, in both English and Spanish, at its 600 Oberlin Road branch. These postings shall be prominently displayed, readily apparent to all persons seeking to engage in residential real estate-related transactions, and shall include the fair housing logo.
18. The Fidelity Bank will provide fair lending training to newly hired loan originators at its 600 Oberlin Road location and provide on-going fair lending training to current employees at the 600 Oberlin Road location who are directly engaged in loan originations, loan processing, and underwriting. The Fidelity Bank will complete this training during the 2016 calendar year. Within 10 days of the training, a copy of the agenda and sign in sheet which identifies the name and position held of each person attending the training shall be provided to HUD at the address below:

U.S. Department of Housing & Urban Development
Curtis Barnes, Conciliator
40 Marietta Street-16th Floor
Atlanta, Georgia 30303

H. MONITORING

19. 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 Respondent's property identified in Section A of this Agreement, examine witnesses and copy pertinent records of Respondent. Respondent agrees to provide its full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement.

I. REPORTING AND RECORDKEEPING

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

U.S. Department of Housing & Urban Development
Curtis Barnes, Conciliator
40 Marietta Street, 16th Floor
Atlanta, Georgia 30303

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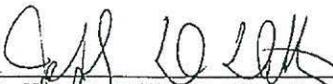
J. CONSEQUENCES OF BREACH

- 21. Whenever the Department has reasonable cause to believe that Respondent has breached this Agreement, the matter shall 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.
- 22. This Agreement represents the entire agreement and understanding between and among the parties with respect to the subject matter hereof, and it supersedes any and all prior or contemporaneous discussions and/or settlement offers relating thereto.

K. CERTIFICATION/SIGNATURES

By affixing their signatures hereunder, the parties certify that they have reviewed and understand the terms and conditions of this Agreement, and that they have full authority to enter into this Agreement on behalf of themselves or as agents of others.

L. SIGNATURES



 Jeffrey D. Dillman, Co-Director, Fair Housing Project
 on behalf of Legal Aid of North Carolina

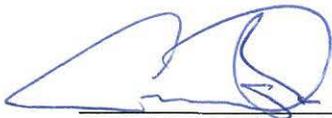
 3/22/2016
 (Date)

The Fidelity Bank:

By: Kay Smith
 The Fidelity Bank

 3/22/2016
 (Date)

APPROVAL



 Carlos Osegueda
 FHEO Region IV Director

 3/23/16
 (Date)



 Jeffrey Dillman

_____ Fidelity Bank