

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

**TITLE VIII**

**CONCILIATION AGREEMENT**

**between**  
HOPE Fair Housing Center  
(Complainant)

**and**

Alpine Bank & Trust Co.  
(Respondent)

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

**FHEO CASE NUMBER: 05-16-4884-8**

**A. PARTIES AND SUBJECT PROPERTY**

Complainant

Anne Houghtaling, Executive Director  
HOPE Fair Housing Center  
202 W. Willow Ave  
Suite 203  
Wheaton, IL 60187

Representing Complainant:  
Jennifer Soule, Esq.  
Soule, Bradtke & Lambert  
533 S. Division Street, Suite B  
Elmhurst, IL 60126

Respondent

Alpine Bank & Trust Co.  
1700 Alpine Road  
Rockford, IL 61107

Representing Respondent:

Stephanie C. Robinson  
Mayer Brown LLP  
1999 K Street, N.W.  
Washington, D.C. 20006

Subject Property/Area

Rockford Metropolitan Statistical Area (“MSA”)

**B. STATEMENT OF FACTS**

The complaint was filed on July 7, 2016 with the Department of Housing and Urban Development (the “Department” or “HUD”) alleging that Complainant was injured by a discriminatory act of Respondent that discriminates on the basis of race and national origin. Complainant alleges that Respondent violated Sections 805 and 804(a) of the Fair Housing Act as amended in 1988, 42 U.S.C. 3601 *et seq.* (the “Act”).

Respondent denies all of the allegations in the complaint and admits no wrongdoing, but agrees to settle the claims in the underlying action by entering into this Conciliation Agreement. Respondent asserts that Alpine was the leading residential mortgage lender in majority-minority areas of the Rockford MSA over the time period at issue.

**C. TERM OF AGREEMENT**

1. Except as otherwise provided herein, this Conciliation Agreement (hereinafter "Agreement") shall govern the conduct of the parties to it for a period of two (2) years 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 HUD, through the Fair Housing and Equal Opportunity ("FHEO") Regional Director, or his designee.
3. This Agreement shall become effective on the date on which it is approved by the Regional Director, FHEO Chicago Regional Office of the United States Department of Housing and Urban Development, or his designee.

**E. GENERAL PROVISIONS**

4. The parties acknowledge that this Agreement is a voluntary and full settlement of the disputed complaint. The parties also acknowledge that they were given an opportunity to consult with and retain counsel of their own choosing prior to signing this Agreement. 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. Respondent acknowledges that it has an affirmative duty not to discriminate under the 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. Respondent further acknowledges that any proven subsequent retaliation or discrimination against Complainant may constitute 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 Director, or his or her designee, is binding upon Complainant, its successors and assigns, and Respondent, its employees, successors and assigns and all others in active concert with it in the operation of Alpine Bank & Trust Co.
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.
8. This Agreement does not in any way impact any authority the Department may have to investigate any other complaint involving Respondent made pursuant to the 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.
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 and its successors or assigns hereby forever waives, releases and covenants not to sue the Department or Respondent, as well as their respective assigns, agents, employees, owners, officers, directors and attorneys (“Respondent Released Parties”) with regard to any and all claims, complaints, damages, grievances and injuries Complainant may have of whatever nature, whether presently known or unknown, accrued or not accrued, and whether legal, equitable or administrative, arising out of, or derivative of, the subject matter of HUD Case Number 05-16-4884-8.
12. Respondent hereby forever waives, releases and covenants not to sue the Department or Complainant, as well as its assigns, agents, employees, owners, officers, directors and attorneys with regard to any and all claims, complaints, damages, grievances and injuries Respondent may have of whatever nature, whether presently known or unknown, accrued or not accrued, and whether legal, equitable or administrative, arising out of the subject matter of HUD Case Number 05-16-4884-8, or which could have been filed in any action or suit arising from said subject matter.
13. Complainant and its attorney will not announce the settlement of this matter on their websites or on any other website or social media outlet.
14. Complainant and its attorney will refrain from issuing press releases or making statements to the press concerning the Agreement. Complainant will respond to all press inquiries with the statement that the matter has been amicably resolved, but will not otherwise comment.

**F. RELIEF FOR COMPLAINANT**

15. Within ten (10) days of the effective date of this Agreement, Respondent will tender to Complainant a donation of \$75,000 (seventy-five thousand dollars). Respondent shall make said payment in the form of a check payable to HOPE Fair Housing, Inc.

**G. RELIEF IN THE PUBLIC INTEREST**

16. Respondent will implement targeted community outreach and investment opportunities in minority communities in the Rockford MSA. In January of 2017, Respondent hired a Community Outreach Officer who is dedicated to identifying and implementing targeted community outreach and investment opportunities in minority areas. Targeted

community outreach activities will include seminars related to financial literacy, homeownership, and credit counseling, and targeted direct mail campaigns to majority African-American areas in the Rockford MSA. Implementation of the activities undertaken pursuant to this paragraph will begin within 90 days and a detailed description of the activities undertaken by Respondent will be provided in the reports submitted to HUD pursuant to paragraph 21 of this Agreement.

17. As one of the activities designed to implement minority community investment and outreach, Respondent has initiated a special loan program designed to further increase mortgage loan financing to residents in majority African-American areas in the Rockford MSA. The special loan program allows Respondent greater underwriting flexibility, including a low minimum down payment and a waiver of traditional mortgage insurance requirements. Respondent has earmarked \$1 million for home mortgage loans under this program.
18. In October of 2016, Respondent opened a new branch located at 1401 North Main Street, Rockford, Illinois. Within 90 days of the effective date of this Agreement, Respondent will: (a) conduct targeted community outreach activities from its new branch, including, but not limited to, seminars related to financial literacy, homeownership, and credit counseling; and (b) identify additional community outreach activities it will be undertaking. A detailed description of all the activities undertaken by Respondent pursuant to this paragraph will be provided in the reports submitted to HUD pursuant to paragraph 21 of this Agreement.
19. Respondent's employees who are involved in residential mortgage lending activity will attend fair lending training conducted by Complainant within one hundred and twenty days (120) from the effective date of this Agreement on a mutually agreed-upon date and time. The session will be recorded for future education of new lending employees. Upon completion of the training, Respondent shall provide certification of attendance to the Department via email to: yana.karnaukhov@hud.gov. All new employees hired who have residential mortgage lending responsibilities during the operation of this Agreement will receive fair lending training (in person or through the materials recorded above) within 30 days of beginning their employment, and Respondent shall provide certification of compliance to the Department via email to yana.karnaukhov@hud.gov.
20. Within one hundred and twenty days (120) from the effective date of this Agreement, Respondent will research the possibility of opening an automated services branch in a majority-minority census tract of the Rockford MSA. Respondent will describe this research and its conclusions in the reports submitted to HUD pursuant to paragraph 21 of this Agreement. Respondent, however, does not commit to any specific timeline for opening a new automated services branch.

## **H. REPORTING AND MONITORING**

21. The Respondent shall report in writing to the Department on all activities undertaken pursuant to this Conciliation Agreement at the following times: 6 months from the effective date of the Agreement; 1 year from the effective date of the Agreement, and two years from the effective date of the Agreement. HUD shall within 14 days of receipt from Alpine provide HOPE with copies of the plans and analysis referenced in paragraphs 16, 18 and 20, above, and HOPE shall have the opportunity to provide comments to HUD regarding same.
22. 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 underwriting policies, examine witnesses, and copy pertinent records of Respondent, as permitted by law. Respondent agrees to provide its full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement.

**I. REPORTING AND RECORDKEEPING**

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

U.S. Department of Housing & Urban Development  
Maurice McGough, Director  
Region V, Office of Fair Housing and Equal Opportunity  
77 W. Jackson Blvd. Rm 2101  
Chicago, IL 60604

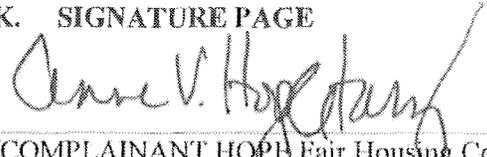
**J. CONSEQUENCES OF BREACH**

24. If ever the Department has reasonable cause to believe that the 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.

Case Name: HOPE Fair Housing Center v. Alpine Bancorporation, Inc and Alpine Bank & Trust

Co.  
Case Number: 05-16-4884-8

**K. SIGNATURE PAGE**

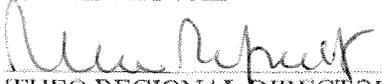
  
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[COMPLAINANT HOPE Fair Housing Center]

2/22/17  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
[RESPONDENT Alpine Bank & Trust Co.]

2/22/17  
\_\_\_\_\_  
Date

**L. APPROVAL**

  
\_\_\_\_\_  
[FHEO REGIONAL DIRECTOR]

2/28/17  
\_\_\_\_\_  
Date