



UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TITLE VIII

CONCILIATION AGREEMENT

Between

Redacted Name

(Complainant)

and

JPMorgan Chase Bank, N.A, et al.

(Respondents)

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

FHEO CASE NUMBER: 05-21-0635-8

A. PARTIES AND SUBJECT PROPERTY

Complainant

Redacted Name

Chicago, IL 60653

Respondents

JPMorgan Chase Bank, N.A. (“Respondent Chase”)
270 Park Avenue
New York, NY 10017

Jennifer Noe, Home Lending Manager
Chase Bank
7255 Baymeadows Way
Jacksonville, FL 32256

Representing Respondents

Windy A. Hillman
Executive Director & Assistant General Counsel
JPMorgan Chase Bank, N.A.
4900 Memorial Highway, 4th Floor, Tampa, Florida 33634

Subject Property

Redacted Name

Chicago, IL 60653

B. STATEMENT OF FACTS

On October 14, 2020, Complainant filed a complaint (“Complaint”) with the United States Department of Housing and Urban Development (“Department”), alleging Complainant was injured by discriminatory acts based on Complainant’s race in violation of subsection 804(a) and Section 805 of Title VIII of the Civil Rights Act of 1968, as amended (“Act”).

Respondents deny that they violated the Act or engaged in discrimination on the basis of race, or any other prohibited basis. Respondents aver that they are firmly committed to the principles of home ownership, fair housing, and equal opportunity. Respondents enter into this Conciliation Agreement (“Agreement”) solely for the purpose of obtaining expeditious administrative closure of this matter. By settling

this matter, Respondents are not admitting to any fault, guilt or liability with respect to the claims.

C. TERM OF AGREEMENT

1. This Agreement shall govern the conduct of the parties to it for a period of three (3) 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 the U.S. Department of Housing and Urban Development, through the Regional Director of HUD's Office of Fair Housing and Equal Opportunity ("FHEO"), or his designee.
3. This Agreement shall become effective on the date on which it is approved by the FHEO Regional Director, 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 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 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. Respondents further acknowledge that any subsequent retaliation or discrimination constitutes both a material breach of this Agreement, and a statutory violation of the Act.
6. Respondent Chase, including all of its officers, employees, agents, representatives, assignees, and successors in interest, and all those in active concert or participation with them, shall continue to refrain from engaging in any act or practice which discriminates on the basis of race in any aspect of residential real-estate related transactions in violation of the Act.
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 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 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 hereby forever waives, releases, and covenants not to sue the Department or Respondents, their successors, assigns, agents, officers, 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 same operative facts present in HUD Case Number **05-21-0635-8**, or which could have been filed in any action or suit arising from said same operative facts.
12. Respondents hereby forever waive, release, and covenant not to sue the Department or Complainant, their successors, assigns, agents, officers, 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 same operative facts of HUD Case Number **05-21-0635-8** or which could have been filed in any action or suit arising from said same operative facts.

F. RELIEF FOR COMPLAINANT

13. Within fifteen (15) days of the effective date of this Agreement, Respondent Chase agrees to pay by wire transfer the amount of fifty thousand dollars (\$50,000) to Complainant. The wire shall be made payable to Complainant and sent using the bank and account information provided by Complainant. Respondent Chase will send a confirmation of payment via email to yana.karnaukhov@hud.gov and R5FHCOConciliation@hud.gov.

G. RELIEF IN THE PUBLIC INTEREST

14. **Training:** All of Respondent Chase's Home Lending Advisors and Client Care Specialists nationwide will receive additional mandatory training on the Reconsideration of Value ("ROV") process and Fair Lending Issues related to appraisals within the calendar year 2021. The training includes specifics regarding how to handle complaints of discrimination in the appraisal process and the process for customers to submit a ROV request, including the requirement to provide three (3) alternative comparable sales. Respondent Chase will provide the materials to HUD at least thirty (30) days prior to providing the training via email to yana.karnaukhov@hud.gov and

R5FHEOConciliation@hud.gov. Respondent Chase expressly reserves the right to make changes to this training as it deems advisable. For a period of one (1) year after the effective date of this Agreement, Respondent Chase will notify HUD of material changes to this training related to the ROV process via email to yana.karnaukhov@hud.gov and R5FHEOConciliation@hud.gov.

15. **Review of Process:** Within thirty (30) days of the effective date of this Agreement, Respondent Chase will re-review the process it follows when customers request a ROV to ensure that customers are appropriately informed of their ability to raise any concerns with the reliability or credibility of their appraisal to Respondent Chase, as well as any concerns of discrimination or bias. Respondent Chase will notify HUD of changes resulting from this review via email to yana.karnaukhov@hud.gov and R5FHEOConciliation@hud.gov

16. **Alert to HLAs:** In 2021, Respondent Chase will provide a reminder of best practices regarding the ROV process and how to escalate customer complaints relating to Fair Lending issues to all Home Lending Advisors and Client Care Specialists nationwide. Respondent Chase will provide a copy of this reminder to HUD via email to yana.karnaukhov@hud.gov and R5FHEOConciliation@hud.gov.

17. **Changes to Notices:**

a. **Changes to appraisal transmittal letter:** Within ninety (90) days of the effective date of this Agreement, Respondent Chase will release for coding and implementation revised language for the cover letter accompanying all appraisal reports it sends to its customers to include the following language:

Chase is committed to maintaining appraiser independence and preventing attempts to influence appraisers in the preparation of appraisal reports, as well as avoiding any discrimination or bias in the appraisal process. If you believe that any person has attempted to influence the appraiser in the preparation of the appraisal of your property, or have any concerns with the reliability or credibility of the appraisal, please contact Chase mortgage support by calling 1-855-242-7346 Option "0", Option "0" as soon as possible to report any concerns of discrimination or bias or to discuss your options to contest the reliability of the appraisal.

Respondent Chase will provide HUD with a copy of this revised letter via email to yana.karnaukhov@hud.gov and R5FHEOConciliation@hud.gov. Respondent Chase reserves the right to amend the revised letter as it deems advisable. For a period of one (1) year, Respondent Chase will notify HUD of material changes via email to the language via email to yana.karnaukhov@hud.gov and R5FHEOConciliation@hud.gov.

b. **Changes to Adverse Action Notice:** Within ninety (90) days of the effective date of this Agreement, Respondent Chase will release for coding and implementation revised language for the adverse action notice sent to

customers if their loan application is denied to include the following language:

Please contact Chase mortgage support by calling 1-855-242-7346 Option "0", Option "0" to report any concerns of improper influence, discrimination or bias during the process of this loan application.

Respondent Chase will provide HUD with a copy of the revised notice via email to yana.karnaukhov@hud.gov and R5FHEOConciliation@hud.gov. Respondent Chase reserves the right to amend this language as it deems advisable. For a period of one (1) year after the effective date of this Agreement, Respondent Chase will notify HUD of material changes to this language via email to yana.karnaukhov@hud.gov and R5FHEOConciliation@hud.gov.

H. MONITORING

18. During the period which this Agreement is in effect, Respondents shall preserve records that are the source of, contain, or relate to any of the information pertinent to the obligations under this Agreement.
19. The Department shall determine compliance with the terms of this Agreement. During the term of this Agreement, the Department may review compliance with this Agreement. As part of such review, and upon reasonable notice to Respondents via email to windy.a.hillman@chase.com and catherine.m.henderson@chase.com, representatives from the Department shall be permitted to inspect and copy all records identified in this Agreement, at any and all reasonable times, or, upon request by the Department, Respondents shall provide copies of such documents. Respondents agree to provide good faith cooperation in any monitoring review undertaken by the Department to ensure compliance with this Agreement.

I. REPORTING AND RECORDKEEPING

20. All required certifications and documentation of compliance must be submitted to R5FHEOConciliation@hud.gov.

J. CONSEQUENCES OF BREACH

21. Whenever the Department has reasonable cause to believe that Respondents have breached this Agreement, the Department shall first notify Respondents and provide Respondents with a detailed description of the alleged breach(es) via email to windy.a.hillman@chase.com and catherine.m.henderson@chase.com and provide Respondents with at least thirty (30) days to correct such alleged breach(es) before pursuing any further action.

22. In the event Respondents have not corrected such breach(es) within thirty (30) days, 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 subsections 810(c) and 814(b)(2) of the Act.

K. SIGNATURES

Redacted Name Complainant

Date

On behalf of Jennifer Noe, Respondent

Date

On behalf of JPMorgan Chase Bank N.A, Respondent

Date

L. APPROVAL

Lon Meltesen, Director
FHEO Region V

Date