

UNITED STATES DEPARTMENT  
OF  
HOUSING AND URBAN DEVELOPMENT

TITLE VIII

CONCILIATION AGREEMENT

Between



Complainants

And

SunTrust Mortgage, Inc.

Respondent

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

FHIO TITLE VIII CASE NUMBER: 04-11-0703-8

## A. PARTIES AND SUBJECT PROPERTY

Complainants and Subject Property:

[REDACTED]

Respondent:  
SunTrust Mortgage Inc.  
901 Semmes Avenue  
Richmond, VA 23224

## B. STATEMENT OF FACTS

### Complainant's Allegations

FHEO Complaint No. 04-11-0703-8 (the "Complaint"), was filed on April 8, 2011, with the United States Department of Housing and Urban Development (the "Department" or "HUD"). Complainants alleged that Respondent discriminated against them in violation of Section 805 of the Fair Housing Act. Complainants alleged that Sun Trust Mortgage, Inc. pre-approved their application for a loan to purchase a home at [REDACTED] Florida. Complainants also alleged that on or about October 21, 2010, fourteen days (14) prior to the scheduled closing, the Respondent with knowledge of the Complainant [REDACTED] pregnancy, called and told her that unless she returned to work, the loan would not be approved. Complainants further alleged that Respondent also required the Complainant to obtain a letter from her employer within ten (10) days detailing the date the leave was granted. If proven, these allegations may be in violation of the Fair Housing Act.

### Respondent's Position

The Respondent denies that it acted in a discriminatory manner or took actions that were in violation of the Federal Fair Housing Act, as it relates to [REDACTED]. Complainants' application for the loan was denied due to lack of sufficient income on November 10, 2010. Prior to the closing date, SunTrust contacted Mrs. [REDACTED] employer to verify her income and learned for the first time that she was on unpaid leave. Mrs. [REDACTED] employer refused to verify Mrs. [REDACTED] continued employment or provide a return date. Without the ability to confirm Mrs. [REDACTED] income or employment and in accordance with investor guidelines, SunTrust was not able to fund the loan. However, the Respondent has agreed to settle the claims in the underlying action by entering into this Conciliation Agreement.

### C. TERM OF AGREEMENT

1. This 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

1. The parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor an 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.

2. 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

1. The parties recognize the uncertainty of protracted disputes and/or litigation, and therefore agree to resolve this matter through this Conciliation Agreement (the "Agreement"). The parties acknowledge that this Agreement is a voluntary and full settlement of the allegations set forth in the 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.
2. This Agreement does not constitute, and shall not be construed as an admission by the Respondent of any liability and/or violation of any Federal, State, or local civil rights, statute, law, ordinance or regulation.
3. Respondent acknowledges that it has a duty not to discriminate under the Act, and that it is unlawful to retaliate against any person because that person has filed a complaint, testified, or participated in any manner in a proceeding under the Act. Respondent further acknowledges that any retaliation or discrimination against the Complainants after the effective date constitutes both a material breach of this Agreement, and is a statutory violation of the Act.
4. This Agreement, after it has been approved by the FHEO Region IV Director, or his or her designee, is binding upon the Complainants, their heirs, personal representatives and assigns and the Respondent, its employees, successors, assignees, and all others active in the ownership or operation of the subject company.

5. Pursuant to Section 810(b)(4) of the Act, this Agreement shall become a public document upon approval of FHEO Region IV Director or his or her designee.
6. 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.
7. No amendment to, modification of, or waiver of any provision 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.
8. The parties agree that the execution of this Agreement may be accomplished by separate execution of consent to this Agreement, the original executed signature pages to be attached to the Agreement to constitute one document.
9. The Complainants hereby forever waive, release and covenant not to sue the Department or Respondent or Respondent's past, present and future parent companies, affiliates and subsidiaries, officers, directors, representatives, agents, attorneys, authorities, heirs, executors, successors, assigns, agents, employees, trustees, settlers, and insurers with regard to any, and all claims, damages, and injuries of whatever nature whether presently known or unknown, arising out of this Complaint or which could have been filed in any action or suit arising from the Complaint.
10. The Respondents hereby forever waive, release and covenant not to sue the Department or Complainants or Complainants' past, present and future parent companies, affiliates and subsidiaries, officers, directors, representatives, agents, attorneys, authorities, heirs, executors, successors, assigns, agents, employees, trustees, settlers, and insurers with regard to any, and all claims, damages, and injuries of whatever nature whether presently known or unknown, arising out of this Complaint or which could have been filed in any action or suit arising from the Complaint.
11. The parties agree to remove Respondent [REDACTED] from the Complaint because she is an employee of SunTrust Mortgage, Inc., which represents her for purposes of this Complaint. The parties further agree that the signature of [REDACTED] is not required for this Agreement.

F. RELIEF FOR COMPLAINANT

1. Within fifteen (15) days of the effective date of this Agreement, Respondent agrees to pay the Complainants a monetary sum in the amount of \$18,000 (the "Settlement Sum") by check made payable jointly to "[REDACTED]." The Complainants understand that they are responsible for any tax consequences.

G. RELIEF IN THE PUBLIC INTEREST

1. Respondent agrees to comply with the fair lending requirements of the Fair Housing Act, as amended (42 U.S.C. §§ 3600-3619). In accordance with the Act, Respondent specifically agrees that it shall provide full and fair access to all home loan products regardless of an applicant's race, color, religion, sex, disability, national origin or familial status which includes any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of 18 years.
2. Respondent affirms that in April 2012, during the course of this investigation, Sun Trust Mortgage, Inc. adopted Fannie Mae and Freddie Mac required underwriting guidelines for income related to temporary leave, including maternity or parental leave. The Department has reviewed those guidelines.
3. The Respondent affirms that it provided training regarding the new underwriting guidelines to all of its loan officers and underwriters on April 17<sup>th</sup> and April 18<sup>th</sup>, 2012. Within thirty (30) days of the effective date of this Agreement, the Respondent agrees to provide to the Department a certification of completion of this training.
4. Upon the execution of this Agreement, Respondent adopts the Parental Leave Guideline attached as Exhibit A, which sets forth the company's policy addressing the availability of all home loan products regardless of an Applicant's status as pregnant or an Applicant taking paternity or maternity leave.
5. Prior to receiving training, SunTrust shall provide to all loan officers, underwriters, and decision makers an explanation and copies of the applicable fair lending obligations and provisions of this Agreement, and allow an opportunity for such employees to have any questions concerning the Agreement answered. Within ninety (90) days of the entry of this Agreement, SunTrust shall provide training on the Parental Leave Guideline to all loan officers, underwriters, and decision makers.
6. The Respondent agrees to take additional actions as it determines may be needed to promote fair lending and ensure compliance with the Fair Housing Act.

## H. EVALUATING AND MONITORING COMPLIANCE

1. For the duration of this Agreement, Respondent shall retain its records relating to its obligations hereunder, which include underwriting guidelines, training materials and the certification(s) provided. The Department shall have the right to review and copy such records upon request.
2. The Respondent shall provide all required documentation of compliance with the provisions of this Agreement to:

Narasha J. Watson  
FHBO Louisville Enforcement Center Director  
601 West Broadway, Room 110  
Louisville, KY 40202

3. Within thirty (30) days of the effective date of this Agreement, the Respondent shall provide the FHBO Louisville, Kentucky office with a photocopy of the check and any correspondence sent to the Complainants as referenced in paragraph F of this Agreement.
4. Within thirty (30) days of the effective date of this Agreement, the Respondent shall provide the FHBO Louisville, Kentucky office with the certification of completion of training on the new underwriting guidelines as referenced in paragraph G.3 of this Agreement. Within one hundred and twenty (120) days of the effective date of this Agreement, the Respondent shall provide the FHBO Louisville, Kentucky office with the certification of completion of training on the Parental Leave Guidelines as referenced in paragraph G.5 of this Agreement.
5. Within ten (10) days of the one (1) year anniversary of the Effective Date of this Agreement, the Respondent will provide the FHBO Louisville, Kentucky office with the certification of any additional actions it has taken to promote fair lending and ensure compliance with the Fair Housing Act.

## I. ADMINISTRATION

1. The requirements of this Agreement shall be in effect for one (1) year, unless an extension is necessary to complete the actions mandated by the Agreement.

2. Any time limits for performance fixed by this Agreement may be extended by mutual written agreement of Respondent and the FHEO Region IV Director or his or her designee.
3. The Department shall retain jurisdiction of this matter for the duration of this Agreement to enforce the terms of the Agreement. Whenever the Department has reasonable cause to believe that the Respondent has 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.

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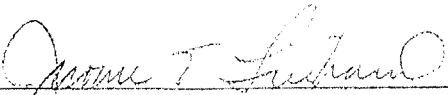
J. SIGNATURES

\_\_\_\_\_

\_\_\_\_\_ Date


\_\_\_\_\_

\_\_\_\_\_ Date

  
SunTrust Mortgage, Inc.  
By: Jerome T. Lienhard

3/26/13  
Date

K. APPROVAL:

  
Carlos Osegueda, FHEO Region IV Director

4/1/13  
Date

2. Any time limits for performance fixed by this Agreement may be extended by mutual written agreement of Respondent and the FHEO Region IV Director or his or her designee.
3. The Department shall retain jurisdiction of this matter for the duration of this Agreement to enforce the terms of the Agreement. Whenever the Department has reasonable cause to believe that the Respondent has 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 §§ 530(c) and 514(b)(7) of the Act.

FHEO-CASE NUMBER: 04-11-0508-3

J. SIGNATURES

  
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4/11/03  
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 Date

  
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4/11/03  
 \_\_\_\_\_  
 Date

  
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 Signature Manager, Inc.  
 By Jerome T. Lienhard

3/26/03  
 \_\_\_\_\_  
 Date

K. APPROVAL:

\_\_\_\_\_  
 Carlos Cisquedo, FHEO Region IV Director

\_\_\_\_\_  
 Date