

CONCILIATION AGREEMENT

Between

The United States Department of Housing and Urban Development

and

National Community Reinvestment Coalition
727 15th Street, Suite 900
Washington, DC 20005

Complainant

and

First Indiana Bank, National Association

135 North Pennsylvania Street
Indianapolis, In 46204

Respondent

HUD Case Number: 05-07-0583-8

John Taylor, President & CEO of the National Community Reinvestment Coalition (Complainant), filed an administrative complaint under the Fair Housing Amendments Act of 1988 (hereinafter known as the "Act") on December 14th, 2006 with the Department of Housing and Urban Development (hereinafter known as the "Department" or "HUD") against First Indiana Bank, National Association (hereinafter "First Indiana or "Respondent"). HUD accepted jurisdiction of this matter on March 2nd, 2007. Complainant, Respondent and HUD hereby voluntarily enter into this Conciliation Agreement (hereinafter known as "Agreement"), as follows:

WHEREAS, the Complainant is a non-profit organization that has the mission of increasing fair and equal access to credit, capital, and banking services and product;

WHEREAS, the Complainant has launched a National Civil Rights Best Practices campaign for corporations, with a special focus on lenders, insurers, loan servicers, real estate and valuation professionals, and securitizers who are supportive of Complainant's mission;

WHEREAS, the Complainant has filed an administrative complaint (the “Complaint”) seeking to enforce certain provisions of the Act and seeking injunctive relief, actual and punitive damages;

WHEREAS, the Complainant alleges that the Respondent has violated Section 804 (b) and Section 805 of the Act, based on race, national origin and familial status;

WHEREAS, the Respondent is in the business of originating residential mortgages secured by single-family residences primarily through both retail and wholesale channels;

WHEREAS, the Respondent sells some of the loans it originates to institutional investors in the secondary market;

WHEREAS, Complainant alleged that Respondent has instituted one or more discriminatory clauses in each of its loan programs and its General Loan Requirements, and these policies have included a) minimum property value restrictions; b) minimum loan amounts and loan amount adjustments and c) exclusionary Row Home policies.

WHEREAS, Complainant also subsequently alleged that the Respondent did not consider foster care income as a source of income to qualify applicants and underwrite residential mortgage loans in violation of the familial status provisions of Title VIII;

WHEREAS, the specific relief provided herein for the Complainant meets their demands for relief and the Department has determined that the other relief detailed herein is sufficient to serve the public interest; and

WHEREAS, Respondent, in entering into this Conciliation Agreement, admits no discriminatory conduct toward Complainant or the communities Complainant serves and no violation of the Act or any applicable law, rule, or regulation; and

THEREFORE, Complainant and Respondent agree to enter into this Conciliation Agreement to resolve this dispute.

I. GENERAL PROVISIONS

- A. The parties acknowledge that this Conciliation Agreement is a voluntary and full settlement of the Complaint. No party has been coerced, intimidated, threatened, or in any way forced to become a party to this Conciliation Agreement. The parties have read and fully understand the significance of the terms set forth herein.
- B. This Conciliation Agreement shall become effective on the date it is signed by the Director, of the Office of Fair Housing and Equal

Opportunity, Midwest Region Office Region V (the “effective date”) and shall remain in effect for a period of three (3) years from its effective date.

- C. Pursuant to Section 810(b)(4) of the Act, this Conciliation Agreement is a public document.
- D. The parties agree that, in the interest of speedily concluding this matter, the Conciliation Agreement may be executed by the parties’ signatures on separate pages. The separately signed pages shall be attached to the body of the Conciliation Agreement to constitute one document.
- E. The Respondent agrees not to retaliate against or interfere with the Complainant, or any other person(s), on account of (1) their having filed, or aided in the filing of, the Complaint; (2) their having exercised any right under the Act; (3) their having aided or encouraged any other person(s) in the exercise or enjoyment of their rights under the Act.
- F. The Respondent agrees and understands that pursuant to a situation, which reasonably so warrants, during the term of this Conciliation Agreement as defined under Section I.B., the Secretary on request of Complainant or on his own motion, may review compliance with this Conciliation Agreement. As a part of such review, the Secretary may require written reports concerning compliance, may inspect the premises, examine witnesses, and examine and copy pertinent records of the Respondent at any reasonable time given reasonable notice by the Department to the Respondent.
- G. For the purpose of this Conciliation Agreement, the Secretary of HUD shall determine whether the Respondent has complied with the terms of this Conciliation Agreement. Whenever the Secretary has reasonable cause to believe that the Respondent has breached the Conciliation Agreement, the Secretary shall refer the matter to the Attorney General for appropriate action under Section 814 of the Act.

II. SPECIFIC RELIEF FOR THE COMPLAINANT AND COMPLAINANT’S RELEASE

- A. Within three business days of the receipt by the Respondent of a fully executed original of this Agreement, including the approval on behalf of the Secretary, Respondent will send a check in the amount of One Hundred Thousand dollars (\$100,000.00) to the Complainant and a copy of the check will be provided to the Director of the Office of Fair Housing And Equal Opportunity at the Midwest Region Office, Region V, Ralph H. Metcalfe Federal Building, 77 West Jackson Boulevard, Room 2101, Chicago, Illinois, 60604.

- B. In exchange for the Respondent's compliance with the provisions of this Conciliation Agreement, the Complainant hereby waives, releases, and covenants not to sue the Respondent, or pursue any administrative action against the Respondent, with respect to (1) any matters that were alleged in or were within the scope of the allegations of this Complaint and (2) any and all other matters, claims, or causes of action of any kind, known or unknown, matured or un-matured, arising, occurring or accruing up to the date of this Agreement.

III. RELIEF IN THE PUBLIC INTEREST

- A. Respondent shall institute a "second review" procedure for all denied loan applications.
- B. Respondent agrees that it will not unlawfully use minimum property values as an underwriting criterion for any of its loan products and will not unlawfully price row homes or loans that serve low to moderate income communities.
- C. Respondent agrees that it will not unlawfully exclude Row Homes from any of its loan products or use unlawful underwriting criteria to evaluate applicants for loans secured by Row Homes.
- D. Respondent agrees that it will not unlawfully exclude foster care income as a source of income to qualify and underwrite residential mortgages.
- E. Respondent agrees that it will notify the mortgage loan brokers with whom it conducts business that it has discontinued its minimum property value and no Row Home policies.

IV. OTHER PROVISIONS

The parties to this Conciliation Agreement will endeavor in good faith to resolve informally any differences regarding interpretation and compliance with this Conciliation Agreement. As stated in Section I.F., the Secretary of the United States Department of Housing and Urban Development shall determine whether the Respondent has complied with the terms of this Conciliation Agreement. In the event that the parties and HUD are unsuccessful at resolving any disputes regarding interpretation and compliance with the Agreement, the Agreement shall be enforced pursuant to the provisions of 42 U.S.C. Section 3610(c).

SIGNATURE PAGE

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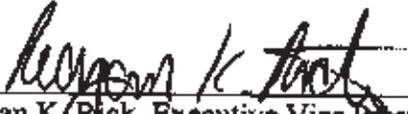
John Taylor, President and CEO
National Community Reinvestment Coalition
Complainant

5.2.07

Date

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Reagan K. Rick, Executive Vice President
For First Indiana Bank
Respondent

5/2/07
Date

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APPROVED ON BEHALF OF THE SECRETARY:



Barbara M. Knox, Director
Region V, Office of Fair Housing
and Equal Opportunity

5/3/07
Date