



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

**TITLE VIII**

**CONCILIATION AGREEMENT**

Between

**The U.S. Department of Housing and Urban Development  
(Complainant)**

and

**OceanFirst Bank, N.A.  
(Respondent)**

**HUD Inquiry Number: 753324  
HUD Case Number: 00-24-4837-8**

**HUD Investigation Initiation Date: May 1, 2023**

**Effective Date of Conciliation Agreement: \_\_\_\_\_**

**Expiration Date of Conciliation Agreement: \_\_\_\_\_**

## **A. THE PARTIES**

The Complainant in this matter is the U.S. Department of Housing and Urban Development (“HUD”), Principal Deputy Assistant Secretary for Fair Housing and Equal Opportunity (“FHEO”).

The Respondent is OceanFirst Bank, N.A. (“OceanFirst”). OceanFirst is a bank headquartered in Toms River, New Jersey that has offered lending, depository, and related financial services throughout New Jersey. As of December 31, 2022, OceanFirst operated thirty-eight full-service branches and had assets totaling \$13.1 billion.

The parties may be referred to individually as a “Party” or together as “Parties.”

## **B. STATEMENT OF FACTS**

On December 19, 2022, the Office of the Comptroller of the Currency (“OCC”) referred a matter involving the Respondent to HUD and the U.S. Department of Justice (“DOJ”). The OCC examined the Respondent’s lending activities in the New Brunswick – Lakewood, New Jersey Metropolitan Division (“New Brunswick MD”) from 2017 to 2019. The OCC determined there was information suggesting the Respondent had engaged in discrimination against borrowers on the basis of race, color, and/or national origin through redlining and providing unequal access to borrowers seeking mortgage loans secured by properties in majority non-White or Hispanic census tracts in the New Brunswick MD in violation of the Fair Housing Act (“the Act”).

Based on the referral from the OCC, pursuant to Section 810(a)(1)(A)(iii) of the Act; 24 C.F.R. § 103.200(b), the Office of Systemic Investigations (“OSI”) conducted a Secretary-Initiated Investigation into whether OceanFirst had unlawfully discriminated on the bases of race, color, and national origin by engaging in redlining in majority-Black, Hispanic, and Asian census tracts (“MBHACTs”)<sup>1</sup> in the New Brunswick Lending Area<sup>2</sup> between 2018 and 2022 (“the Review Period”). OSI initiated that investigation on May 1, 2023.

Subsequently, based on that investigation, on August 30, 2024, FHEO’s Principal Deputy Assistant Secretary filed a complaint (“Complaint”), HUD Case Number 00-24-4837-8, as authorized by Section 810(a)(1)(a)(i) of the Fair Housing Act (“Act”), 42 U.S.C. § 3610(a)(1)(A)(i); 24 C.F.R. § 103.204(a); Memorandum from HUD Sec’y Marcia L. Fudge on Amended Consol. Delegation of Auth. for the Off. of Fair Hous. and Equal Opportunity to Acting Assistant Sec’y for Fair Hous. and Equal Opportunity Jeanine Worden (Sept. 13, 2021). The Complaint alleged that, during the Review Period, the Respondent engaged in unlawful redlining on the basis of race, color, and national origin through redlining in the New Brunswick Lending Area in MBHACTs in violation of the Act. Specifically, the Complaint alleged that OceanFirst restricted access to its credit and mortgage lending services for residents of, and those seeking

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<sup>1</sup> An “MBHACT” is a tract within the New Brunswick Lending Area where more than fifty percent of the residents identify themselves to the United States Census Bureau as either “Black or African American,” “Hispanic or Latino,” or “Asian.”

<sup>2</sup> The “New Brunswick Lending Area” includes the following counties in New Jersey: Middlesex, Monmouth, and Ocean.

credit for, properties in MBHACTs through its acquisition and closure of branches and loan production offices in MBHACTs and its insufficient marketing efforts and fair lending policies that led to its loan officers not serving the needs of residents in MBHACTs.

OceanFirst neither admits nor denies these claims. OceanFirst asserts that throughout the period of time at issue in this proceeding and to the present, it has treated all of its customers fairly and without regard to impermissible factors such as race, color, and national origin. OceanFirst also asserts that it enters into this settlement solely for the purpose of avoiding contested litigation with HUD, and to instead devote its resources to providing fair and equal access to residential lending services in the New Brunswick Lending Area.

### **C. TERM OF AGREEMENT**

1. The provisions of the Conciliation Agreement (“Agreement”) will be in effect for five (5) years from the Effective Date of the Agreement (“Effective Date”), except as provided in a. and b.:
  - a. If, within five (5) years of the Effective Date, the Respondent has not invested all money in the Loan Subsidy Fund described in Section F.VII below, this Agreement will remain in full effect until three (3) months after the Respondent has invested all the money in the Loan Subsidy Fund and has submitted a final report to HUD that demonstrates the fulfillment of this obligation.
  - b. Any time limits for performance may be extended by mutual written agreement of the Parties. If there are changes in material factual circumstances, the Parties will work cooperatively to discuss and attempt to agree to proposed modifications to this 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 OSI Director or his designee.
3. This Agreement shall become effective once the following two events have occurred:
  - a. The Agreement is approved by the OSI Director or his designee; and
  - b. The related Consent Order, *United States of America v. OceanFirst Bank National Association*, is approved and entered by the U.S. District Court for the District of New Jersey.

### **E. GENERAL PROVISIONS**

4. The Parties acknowledge that this Agreement is voluntary and constitutes a full settlement of 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.

5. The 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 made a complaint, testified, assisted, or participated in any manner in a proceeding under the Act. The Respondent further acknowledges that any subsequent retaliation or discrimination constitutes both a material breach of this Agreement and a statutory violation of the Act.
6. This Agreement, after it has been approved by the OSI Director or his designee, is binding upon the Respondent, and its respective agents, employees, successors, heirs, and assignees, as well as all others in active concert or participation with them.
7. Pursuant to Subsection 810(b)(4) of the Act, this Agreement shall become a public document upon approval by the OSI Director or his designee.
8. This Agreement does not in any way limit or restrict HUD's authority to investigate any complaint involving the Respondent made pursuant to the Act, or any complaint within HUD'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 OSI 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, and that the original executed signature pages attached to the body of the Agreement constitute one document. Electronic signatures are acceptable forms of "original signature."
11. The Respondent hereby forever waives, releases, and covenants not to sue Complainant with regard to any and all claims, damages, or injuries of whatever nature whether presently known or unknown, arising out of the subject matter of HUD Case Number 00-24-4837-8, or which could have been filed in any action or suit arising from said subject matter.

**F. RELIEF IN THE PUBLIC INTEREST**

**I. General Prohibitions**

12. The Respondent shall comply with all the provisions of the Act. The Respondent acknowledges that the Act makes it unlawful to discriminate on the basis of race, color, national origin, religion, sex (including sexual orientation and gender identity), familial status, or disability.
13. The Respondent, including all its officers, employees, agents, representatives, assignees, and successors in interest, and all those in active concert or participation with them, shall refrain from engaging in any act or practice that discriminates on the basis of race, color,

national origin, religion, sex (including sexual orientation and gender identity), familial status, or disability.

14. The Respondent shall ensure that it provides all persons with an equal opportunity to apply for and obtain credit, including residential loan products, without regard to the race, color, national origin, religion, sex (including sexual orientation and gender identity), familial status, or disability of any person.

## **II. Community Credit Needs Assessment and Remedial Plan**

15. The Respondent will submit to HUD for non-objection a Community Credit Needs Assessment (“Community Assessment”) for MBHACTs within the New Brunswick Lending Area. A Community Assessment is a research-based market study to help a lender identify the needs for financial services in an area.
16. The Respondent will consider the Community Assessment when carrying out all provisions of this Agreement, including Sections F.VI through F.IX.
17. The Community Assessment must include the following information about residential mortgage credit<sup>3</sup> and MBHACTs within the New Brunswick Lending Area:
  - a. An evaluation (to include market research and interviews) of credit needs and current lending opportunities available in these census tracts;
  - b. Recent demographic, socioeconomic, and language data;
  - c. Potential strategies for the Respondent to provide residential mortgage products and lending services in these census tracts;
  - d. An assessment as to where marketing materials and loan origination materials are needed in languages other than English;
  - e. An assessment of potential appropriate locations and hours of operation for the new loan production office in these census tracts;
  - f. A review of residential mortgage products and lending services offered by other lenders and their success in the market;
  - g. An overview of federal, state, and local programs that are available to residents in the New Brunswick Lending Area seeking and obtaining residential mortgage loans; and
  - h. Recommendations that address how each requirement of Sections F.VI through F.IX of the Agreement should be carried out to best achieve the remedial goals of this Agreement.
18. The Community Assessment will be conducted by an independent, qualified third-party consultant (“Community Consultant”) selected by the Respondent and subject to non-objection by HUD. Within thirty (30) days of the Effective Date, the Respondent will submit to HUD for non-objection the qualifications of the Community Consultant and a

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<sup>3</sup> “Residential mortgage credit” is credit secured by a residential property that will serve as the borrower’s primary residence, including home purchase, home refinance, and home improvement loans as well as home equity loans and lines of credit.

Statement of Work from the Community Consultant describing their methodology for the Community Assessment. The Respondent will bear all costs associated with the Community Consultant.

19. Within sixty (60) days of receiving HUD's non-objection to the Community Consultant and the Statement of Work, the Respondent will submit to HUD the Community Assessment described in Section F.II.
20. Within thirty (30) days of HUD's non-objection to the Community Assessment, the Respondent will present the Community Assessment to all Respondent senior management, employees, and committees responsible for overseeing fair lending compliance. The Respondent will certify its compliance with this requirement as part of its annual reporting requirement under Section H.
21. Within ninety (90) days of receiving non-objection from HUD to the Community Assessment, the Respondent will submit a remedial plan ("Remedial Plan") that details, in light of the recommendations made in the Community Assessment, the actions the Respondent proposes to take to comply with the requirements of this Agreement (*e.g.*, physical expansion, loan subsidy fund, community partnerships, advertising, outreach, consumer financial education, and credit counseling), including implementation plans, specific timeframes for these actions, and the employee(s) responsible for implementation.
22. The Remedial Plan is subject to non-objection by HUD. If HUD objects to any portion of the Remedial Plan, the Respondent will make revisions and resubmit the Remedial Plan within thirty (30) days of receiving HUD's objection. The Respondent will begin implementation of its Remedial Plan within thirty (30) days of receiving non-objection from HUD.

### **III. Fair Lending Compliance**

23. The Respondent will have a detailed assessment conducted of its fair lending program ("Fair Lending Assessment") as it relates to fair lending obligations and lending in MBHACTs. The Respondent must produce a written report ("Fair Lending Status Report and Compliance Plan") containing the results of the Fair Lending Assessment.
24. The Respondent will select and retain an independent, qualified third-party consultant ("Fair Lending Consultant") to conduct the Fair Lending Assessment and draft the Fair Lending Status Report and Compliance Plan. The Respondent will bear all costs associated with the Fair Lending Consultant.
25. Within thirty (30) days of the Effective Date, the Respondent will submit the qualifications of the proposed Fair Lending Consultant to HUD. If HUD objects to the proposed Fair Lending Consultant, within thirty (30) days of HUD's objection, the Respondent will identify and propose a new Fair Lending Consultant and submit their qualifications to HUD for non-objection.

26. Within ninety (90) days of HUD's non-objection to Fair Lending Consultant, the Respondent will submit the Fair Lending Status Report and Compliance Plan to HUD.
27. The Fair Lending Status Report and Compliance Plan must include a review of the Respondent's existing fair lending policies and practices and an analysis of the Respondent's policies and practices related to the location of branches and loan production offices; loan officers' solicitation of applications, training, oversight, and compensation; marketing; and fair lending compliance monitoring, including statistical monitoring of redlining risk in residential lending.
28. The Fair Lending Status Report and Compliance Plan will also specifically include the status of progress relating to, at least:
  - a. The steps the Respondent has taken to revise its mortgage lending policies and practices that pose redlining risks, including at a minimum, risk that may arise from the location of branches and loan production offices, closures of branches and loan production offices, assignment of loan officers to physical locations, types of loan products, and marketing;
  - b. The adoption of written policies and procedures regarding the Respondent's marketing that comply with HUD's [Guidance on Application of the Fair Housing Act to the Advertising of Housing, Credit, and Other Real Estate-Related Transactions through Digital Platforms \(April 29, 2024\)](#), so long as such Guidance remains in effect, as well as the training and monitoring of its loan officers in marketing, soliciting, and originating mortgage loan products;
  - c. Any changes to the Respondent's formal process for ongoing statistical monitoring of redlining risk in residential lending, including statistical peer analysis of applications and originations from MBHACTs and for responding to any identified risks;
  - d. Any changes made to the reporting process of the Respondent's Compliance Department to senior management and the Board of Directors once redlining risk in residential lending have been identified and the remediation process to address such risk; and
  - e. Any additional steps the Respondent will take to promptly revise its mortgage lending policies and practices to mitigate residential lending redlining risk and help ensure compliance with the Act.
29. If HUD objects to any portion of the Respondent's Fair Lending Status Report and Compliance Plan, the Respondent will make revisions and resubmit its proposal within thirty (30) days of receiving the objection. The Respondent will begin implementing its Fair Lending Status Report and Compliance Plan within thirty (30) days of receiving HUD's non-objection. Any material changes to the Respondent's Fair Lending Status Report and Compliance Plan are subject to non-objection by HUD.

#### **IV. Fair Lending Training**

30. Within thirty (30) days of the Effective Date, the Respondent will provide a copy of the Complaint and the Agreement in this matter to all employees involved in mortgage lending, marketing, fair lending or Community Reinvestment Act (“CRA”) compliance in the New Brunswick Lending Area, or who have management responsibility over such employees; senior management with fair lending and marketing oversight; and members of the Board of Directors (collectively, “Relevant Staff and Officials”). The Respondent will provide an opportunity for Relevant Staff and Officials to ask any questions concerning the Complaint and the Agreement, and the Respondent will provide answers. The Respondent will implement a system for each individual to acknowledge that they received a copy of the Complaint and the Agreement, had the opportunity to ask questions, and received answers. As part of its annual reporting requirements under Section H, the Respondent will provide a report to HUD that includes these dated acknowledgements, a list of all Relevant Staff and Officials and their titles, and a list of individuals to whom the Complaint and the Agreement was delivered and their titles.
31. Each year throughout the term of this Agreement, the Respondent will provide live and interactive training to Relevant Staff and Officials on the Respondent’s obligations under the Act. The training will also include a module on redlining, the allegations in the Complaint, and the Respondent’s obligations under the Agreement (“Fair Lending Training”). The Fair Lending Training will be conducted by qualified trainer (“Trainer”) selected by the Respondent and subject to non-objection by HUD. The Respondent will bear all costs associated with the training.
32. Within thirty (30) days of the Effective Date, the Respondent will submit the qualifications of the Trainer to HUD for non-objection. Within thirty (30) days of receiving non-objection from HUD regarding the selected Trainer, the Respondent will submit the proposed Fair Lending Training curricula, including materials, and anticipated run time, to HUD for non-objection. Within sixty (60) days of HUD’s non-objection to the Fair Lending Training curricula, the Respondent will deliver the Fair Lending Training to all Relevant Bank Staff and Officials. The Respondent will implement a system for each individual to acknowledge that they completed the Fair Lending Training within the required sixty (60) days. As part of its annual reporting requirements under Section H, the Respondent will provide a report to HUD that includes the dated acknowledgements required in this Paragraph for the prior year, a list of Relevant Staff and Officials who were required to complete the Fair Lending Training with their accompanying titles, and the date(s) on which Relevant Staff and Officials completed the Fair Lending Training.
33. The Respondent will notify HUD, in writing, of any revisions to the Fair Lending Training curricula or changes to the Trainer. All such changes are subject to non-objection by HUD.
34. Each time that an individual becomes a Relevant Staff or Official, the Respondent will provide the Complaint, the Agreement, and the Fair Lending Training discussed in Paragraph 31 within thirty (30) days. For these trainings, the Respondent may use recorded versions of the most recent live and interactive training referenced in Paragraph 31. As part



of its annual reporting requirements under Section H, the Respondent will report to HUD the new Relevant Staff and Officials' relevant acknowledgements described in Section F.IV, a list of new Relevant Staff and Officials with their titles, and the dates on which new Relevant Staff and Officials received the Complaint, the Agreement, and the Fair Lending Training.

## **V. Director of Community Lending**

35. Within one hundred and twenty (120) days of the Effective Date, the Respondent will hire or designate an employee for a new full-time position of Director of Community Lending with the responsibility of overseeing the development of the Respondent's lending in MBHACTs in the New Brunswick Lending Area and the Respondent's compliance with the Agreement. The Respondent will ensure this position is filled throughout the term of the Agreement. Within one hundred and thirty-five (135) days of the Effective Date, the Respondent will notify HUD of its compliance with this Paragraph, including the identity of the appointed Director of Community Lending. If a new Director of Community Lending is appointed at any time during the term of the Agreement, the Respondent will notify HUD in writing within ten (10) days of the staffing change.
36. The Director of Community Lending will be a senior executive that reports directly to the Respondent's President of Residential and Consumer Lending. The Director of Community Lending will devote at least half of their time to the responsibilities outlined in Section F.V.
37. The Director of Community Lending will provide at least quarterly reports to the Respondent's Board of Directors and President on the steps the Respondent has taken and plans to take to comply with the Agreement. The Respondent will attach those quarterly updates to each annual report to HUD required by the Agreement. These quarterly updates to the Board and President will include, but are not limited to, the following:
  - a. Implementing and administering all aspects of the Respondent's compliance with the Agreement;
  - b. Monitoring loan officers' solicitation and origination of loans in MBHACTs, including use of the loan subsidy fund described herein;
  - c. Coordinating the Respondent's involvement in community lending initiatives and outreach programs within MBHACTs;
  - d. Encouraging and developing more lending within MBHACTs;
  - e. Promoting financial education to residents of MBHACTs;
  - f. Providing financial counseling to residents of MBHACTs; and
  - g. Building relationships with community groups within MBHACTs.

## **VI. Physical Expansion to MBHACTs**

38. In December 2023, the Respondent opened a branch at 133 Neilson Street, New Brunswick, New Jersey (“New Brunswick Branch”). This branch is located in a MBHACT in the New Brunswick Lending Area. The Respondent will also open a loan production office (“LPO”) located in a MBHACT in the New Brunswick Lending Area. The LPO will be in a retail-oriented space in a location visible from the street. The specific site of the new LPO will be subject to non-objection by HUD. The Respondent will maintain the New Brunswick Branch and new LPO for the term of the Agreement.
39. The new LPO will include a community meeting room large enough to accommodate financial education classes that the Respondent will make available to the public and to community organizations. The community meeting room will be advertised to the public and community organizations and will be made readily available for pre-scheduled uses by the public and community organizations. The new LPO will also include an automatic teller machine (“ATM”) that will not charge fees to the Respondent’s customers and will maintain lower fees for non-customers than what is available at nearby ATMs for non-customers.
40. The New Brunswick Branch will offer the Respondent’s complete range of products and services. The LPO will offer the Respondent’s complete range of mortgage products. Both the New Brunswick Branch and the LPO will accept first-lien residential mortgage loan applications, have signage that is visible to the general public, and maintain hours of operation consistent with the hours maintained at the Respondent’s other full-service branches in the New Brunswick Lending Area. The New Brunswick Branch and the LPO will each be staffed by one or more full-time employee(s) trained to provide information and materials to customers and potential customers regarding all of the Respondent’s consumer lending and banking products and who will connect potential customers with a loan officer.
41. The Respondent will make reasonable efforts to open the new LPO within twelve (12) months of the Effective Date. If the Respondent fails to acquire or open the LPO within twelve (12) months of the Effective Date, the Respondent will provide to HUD a written report and proposal detailing the reason(s) it has not opened the LPO and describing how, and within what timeframe, it will comply with its obligations in Paragraphs 38, 39, and 40.
42. The Respondent will evaluate future opportunities for expansion within MBHACTs in the New Brunswick Lending Area, whether by merger, acquisition, or opening new branches or loan production offices, consistent with the provisions of the Agreement. During the term of the Agreement, the Respondent will notify HUD of any plans to open or acquire any new branches or close branches within its New Brunswick Lending Area at the same time that it notifies regulators.

43. Within ninety (90) days of the Effective Date, the Respondent will assign or hire no fewer than two full-time loan officers or CRA loan officers to solicit mortgage applications primarily in MBHACTs in the New Brunswick Lending Area. The Respondent will ensure that these loan officers have the opportunity to earn compensation similar to other loan officers and/or CRA loan officers of the Respondent who perform work outside of the MBHACTs. The Respondent will make best efforts to ensure that the individuals assigned to the loan officer positions described in this Paragraph have ties to majority-Black, Hispanic, and Asian neighborhoods in the New Brunswick Lending Area or experience conducting outreach and generating loan applications in majority-Black, Hispanic, and Asian neighborhoods. Within 120 days of the Effective Date, the Respondent will notify HUD of its compliance with this Paragraph, including the identity of the loan officers and their home office locations. The Respondent will maintain this number of full-time mortgage loan officers focused on MBHACTs in the New Brunswick Lending Area for the term of the Agreement. The New Brunswick Branch and LPO required by Section F.VI must each have at least one of the loan officers described in this Paragraph assigned to the location.

## **VII. Loan Subsidy Fund**

44. The Respondent will invest a minimum of \$14,000,000 in a Loan Subsidy Fund (“Fund”) with the goal of increasing access to credit for home mortgage loans, home improvement loans, and home refinance loans in MBHACTs in the New Brunswick Lending Area. This Fund will be used solely to provide subsidies to consumers and will not be used for administrative costs of implementing the Fund. No more than twenty-five percent of the Fund may be used for home refinance loans.

45. The Respondent will use the Fund to subsidize home mortgage, home improvement, and/or refinance loans made to “qualified applicants.” A “qualified applicant” is anyone who qualifies for a loan under the Respondent’s underwriting standards and (a) applies for a mortgage for a residential property located in an MBHACT in the New Brunswick Lending Area that will serve as the applicant’s primary residence, or (b) is qualified to participate in a Special Purpose Credit Program (“SPCP”) consistent with the goals of the Agreement and subject to the non-objection of HUD.

46. Loan subsidies under the Fund can be provided through any (or a combination) of the following means:

- a. Originating a loan for a home purchase, refinancing, or home improvement at an interest rate below the otherwise prevailing market interest rate offered by the Respondent;
- b. Down payment assistance in the form of a direct grant;
- c. Closing cost assistance in the form of a direct grant;
- d. Payment of the initial mortgage insurance premium on loans subject to such mortgage insurance; and
- e. Any other assistance measures consistent with the goal of the Fund and approved by HUD.

47. The Respondent may offer more than one or all of the forms of assistance listed in Paragraph 46, but the Respondent will offer qualified applicants the choice of at least two such forms of assistance from which they may select. The combined form of subsidies will not exceed \$20,000 per loan origination for a qualified applicant or co-applicants. A qualified applicant may not obtain loan subsidy funds, on their own or through a co-applicant, for more than one loan origination.
48. The Respondent will annually evaluate the effectiveness of the Fund and its progress in deploying funds to qualified applicants to identify any needed changes to the Fund's program to better reach residents of MBHACTs. The Respondent will present a summary of its evaluation and any proposed changes to the Fund's program to HUD as part of its annual reporting requirement under Section H. Any proposed changes will be subject to non-objection by HUD.
49. The annual reports described in Section H will also include an accounting of all subsidies in accordance with the data specifications of HUD.
50. No provision of the Agreement, including any loan subsidy or equivalent program, requires the Respondent to make any unsafe or unsound loan or to make a loan to a person who is not qualified for the loan based upon lawful, nondiscriminatory terms; however, the Respondent may choose to apply more flexible underwriting standards in connection with its programs under the Agreement. The Respondent's underwriting standards applied to residents of, and individuals seeking to purchase residential properties in, MBHACTs must be no less favorable than the standards applied in majority-White census tracts.<sup>4</sup>

### **VIII. Community Development Partnership Program**

51. The Respondent will partner with one or more community-based or governmental organizations that provide the residents of MBHACTs in the New Brunswick Lending Area with services related to credit, financial education, homeownership, and/or foreclosure prevention. The Respondent will develop these partnerships in a manner consistent with achieving the goals of the Agreement. Through these partnerships, the Respondent will spend at least \$400,000 over the term of the Agreement on professional services to residents of MBHACTs that increase access to residential mortgage credit and serve the credit needs of those communities.
52. As part of the Remedial Plan under Section F.II of the Agreement, the Respondent will submit a proposal to HUD describing how it will implement the requirements of Paragraph 51. The proposal will include an explanation of its proposed partner(s) and, to the extent available, the Respondent's plans to implement the partnership(s) and a description of how the partnership(s) will be used to meet the credit needs identified in the Community Assessment. The proposal will be subject to non-objection by HUD.

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<sup>4</sup> A "majority-White census tract" is a tract within the New Brunswick Lending Area where more than fifty percent of the residents identify themselves to the United States Census Bureau as "non-Hispanic White."

53. The Respondent will evaluate the partnership(s) outlined in Paragraph 51 annually, including by considering the Community Assessment, to identify any needed changes to the program or better assist residents of MBHACTs in the New Brunswick Lending Area in obtaining credit. The Respondent will present a summary of its evaluation and any proposed changes to HUD as part of its annual reporting requirement under Section H. Any proposed changes will be subject to non-objection by HUD.

#### **IX. Advertising, Community Outreach, Consumer Financial Education, and Credit Counseling Initiatives**

54. The Respondent will spend at least \$140,000 each year of the Agreement on advertising, outreach, consumer financial education, and credit counseling in the New Brunswick Lending Area, as described in this Section.

55. As part of the Remedial Plan required in Section F.II above, the Respondent will submit a plan (“Outreach Plan”) to HUD detailing how the Respondent will spend these funds to increase access to credit extended in MBHACTs in the New Brunswick Lending Area for the period remaining in the term of the Agreement. The Outreach Plan will include an explanation of why the Respondent selected certain approaches and community partnerships and how the Respondent’s advertising, community outreach, education, and credit counseling initiatives will meet the credit needs identified in the Community Assessment.

56. The Outreach Plan will be subject to non-objection by HUD. If HUD objects to any portion of the Outreach Plan, the Respondent will make revisions and resubmit its proposal within thirty (30) days of receiving HUD’s objection. The Respondent will begin implementation of its Outreach Plan within thirty (30) days of receiving non-objection from HUD.

57. The Respondent will evaluate the strategies outlined in its Outreach Plan annually, including by considering the Community Assessment, to identify any changes necessary to better assist residents of MBHACTs in its New Brunswick Lending Area in obtaining credit. The Respondent will present a summary of its evaluation and any proposed changes to HUD as part of its annual reporting requirement under Section H. Any proposed changes will be subject to non-objection by HUD. In the annual report required by Section H, the Respondent will also include all advertising, outreach, promotional, and educational materials distributed each year pursuant to this Section.

58. Advertising:

- a. The Respondent will advertise its residential loan products, including products for which the Fund outlined in Section F.VII will be applied, to MBHACTs in its New Brunswick Lending Area and will target advertising to generate mortgage loan applications from qualified applicants in these census tracts. The Respondent’s advertising may include print media, radio, digital advertising, television, direct mail, social media, and any other appropriate medium non-objected to by HUD in writing. These advertisements must include similar information to other

advertisements by the Respondent. The Respondent must advertise its mortgage lending services and products to MBHACTs in its New Brunswick Lending Area at least to the same extent that it advertises its mortgage lending services and products to majority-White census tracts in its New Brunswick Lending Area.

- b. The Respondent will create point-of-distribution materials, such as posters and brochures, targeted toward increasing access to credit extended in MBHACTs. The Respondent will place or display these promotional materials in its physical locations, including the New Brunswick Branch and new LPO described in Section F.VI.
  - c. All of the Respondent's advertising and targeting must comply with HUD's [Guidance on Application of the Fair Housing Act to the Advertising of Housing, Credit, and Other Real Estate-Related Transactions through Digital Platforms](#) (April 29, 2024), as long as such Guidance remains in effect.
  - d. All of the Respondent's print advertising and promotional materials referencing residential mortgage loans will contain an equal housing opportunity logo, slogan, or statement. All radio or television advertisements will include an audible statement that the Respondent is an "Equal Opportunity Lender" or "Equal Housing Lender."
59. Outreach: The Respondent will provide a minimum of four (4) outreach programs per year for real estate brokers and agents, developers, and public or private entities engaged in residential real estate-related business in MBHACTs to inform them of the Respondent's products and services and to develop business relationships. As part of its annual reporting requirement under Section H, the Respondent will provide a list of the outreach programs conducted in the past year, including the date, location, and a description of the content of each program.
60. Consumer Financial Education and Credit Counseling:
- a. The Respondent will develop a consumer education program designed to provide information, training, and counseling services about consumer finance, credit counseling, and credit improvement to individuals in MBHACTs in the New Brunswick Lending Area.
  - b. Throughout the term of the Agreement, the Respondent will provide a minimum of six (6) consumer education seminars per year targeted and marketed toward residents in MBHACTs in its New Brunswick Lending Area and held in locations intended to be convenient to those residents. These seminars will cover credit counseling, financial literacy, or other related consumer financial education, to help identify and develop qualified loan applicants from those areas. The Respondent may develop and provide the seminars in conjunction with the community-based or governmental organizations described in Section F.VIII.

- c. Within sixty (60) days of the Effective Date, the Respondent will submit to HUD for non-objection a list of its planned consumer education events for the first twelve (12) months of the Agreement, specifying the program, date, location, any associated community partners, and identifying whether the events will be in-person or virtual. Beginning twelve (12) months after the Effective Date, the Respondent will submit to HUD a list of its planned consumer education seminars, specifying whether those events will be in-person or virtual, as part of its annual reporting requirement under Section H. These programs and seminars will be subject to non-objection by HUD. The Respondent will notify HUD of any proposed changes to the planned consumer education events as soon as practicable if the program date or location are modified or if the event will be adjusted to virtual from in-person.
- d. Each year, at least four (4) such events must be held in person.

#### **X. CRA Assessment Area**

- 61. The Respondent will include Middlesex, Monmouth, and Ocean counties in its CRA assessment area throughout the term of the Agreement.

#### **G. MONITORING**

- 62. During the period which the Agreement is in effect, the Respondent shall preserve all records that are pertinent to determining Respondent's compliance with its obligations under the Agreement.
- 63. Upon request by HUD, the Respondent will provide to HUD the data that the Respondent has submitted to the Federal Financial Institutions Examination Council in accordance with the Home Mortgage Disclosure Act of 1975, 12 U.S.C. §§ 2801–2811, during the term of the Agreement. The Respondent will provide this data in the format requested by HUD and will complete any such request within thirty (30) days.
- 64. HUD shall determine compliance with the terms of the Agreement. During the term of the Agreement, HUD may review compliance with the Agreement. As part of such review, and upon reasonable notice to counsel for the Respondent, representatives from HUD shall be permitted to inspect and copy all records pertinent to determining compliance with the Agreement at any and all reasonable times, or, upon request by HUD, the Respondent shall provide copies of such documents. The Respondent shall provide good faith cooperation in any monitoring review undertaken by HUD to ensure compliance with the Agreement.

#### **H. REPORTING AND RECORDKEEPING**

- 65. Any provisions due before the Annual Reports outlined in Paragraphs 66 and 67 below, shall be provided to HUD based on their established timeframes as outlined in the above provisions.

66. Annual Reports: Beginning twelve (12) months after the Effective Date, the Respondent shall submit to HUD annual reports on its progress in complying with the terms of the Agreement and associated plans and programs, including which provisions the Respondent believes are met, pending completion, and an explanation and plan for addressing any overdue items. The report should include documentation, when practicable, showing compliance with the terms of the Agreement. The final report will be delivered to HUD at least sixty (60) days prior to the expiration of the Agreement.
67. The annual reports shall provide a complete account of the actions undertaken by Respondent to comply with the Agreement and the Respondent's assessment of the extent to which each obligation was met and plans were implemented. If the Respondent is unable to satisfy any obligations under the Agreement, the Respondent will provide an explanation of why it fell short for any particular component and will make recommendations to achieve the goals set forth in the Agreement.
68. If disputes arise about the interpretation of, or compliance with, this Agreement, the Parties will endeavor in good faith to resolve any dispute.
69. If HUD objects to any submission, the Parties will have thirty (30) days to confer and resolve their differences. The Parties may mutually agree to additional time to confer, if necessary.
70. Nothing in the Agreement excuses the Respondent's compliance with any current, or subsequently effective, provision of law or order of a regulator.
71. The Respondent will notify HUD of any development that may materially affect compliance obligations arising under the Agreement, including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company to the Respondent; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to the Agreement; the filing of any bankruptcy or insolvency proceeding by or against the Respondent; or a change in the Respondent's name or main office address. The Respondent will provide this notice as soon as practicable, but in any case, at least fourteen (14) days before the occurrence of such event or, if applicable, the full execution of a definitive written agreement with respect to such event.
72. Within ten (10) days of the Effective Date, the Respondent will:
  - a. Identify all businesses for which the Respondent is the majority owner, or that the Respondent directly or indirectly controls, by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; and
  - b. Describe the activities of each such business, including the products and services offered, and the means of advertising, marketing, and sales.
73. The Respondent will report any change in the information required to be submitted under Paragraph 72 as soon as practicable, but in any case, at least fourteen (14) days before the change.



74. All required certification and documentation of compliance shall be submitted electronically to Hugh J. McGlincy, Equal Opportunity Specialist, at [Hugh.J.McGlincy@hud.gov](mailto:Hugh.J.McGlincy@hud.gov), or by other means agreed upon by the Parties.
75. HUD will submit all non-objections to the Respondent via email to the following recipients: Mitchell Sandler PLLC Managing Partner Andrea Mitchell ([amitchell@mitchellsandler.com](mailto:amitchell@mitchellsandler.com)) and Partner Christopher Napier ([cnapier@mitchellsandler.com](mailto:cnapier@mitchellsandler.com)). The Respondent will notify HUD in writing if the recipient list changes

## **I. CONSEQUENCES OF BREACH**

76. Whenever HUD 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 subsections 810(c) and 814(b)(2) of the Act.
77. In the event the Respondent fails to comply with any requirement of this Agreement, the Department will provide the Respondent with written notice and a reasonable opportunity to cure any alleged breach, not to be less than thirty (30) days, prior to acting to enforce the terms of the Agreement as outlined in Section I.76.

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