

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	Case No. 4:15CV1492
	)	
v.	)	
	)	
EAGLE BANK AND TRUST COMPANY)	)	
OF MISSOURI	)	
	)	
Defendant.	)	
	)	
_____	)	

**CONSENT ORDER**

**I.     INTRODUCTION**

The Order is submitted jointly by the parties for the approval of and entry by the Court simultaneously with the filing of the United States’ Complaint in this action. The Order resolves the claims of the United States that Eagle Bank and Trust Company of Missouri (“Eagle”) has allegedly engaged in a pattern or practice of conduct in violation of the Fair Housing Act (“FHA”), 42 U.S.C. §§ 3601-3619, and the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. §§ 1691-1691f, by discriminating on the basis of race in the extension of credit.

There has been no factual finding or adjudication with respect to any matter alleged by the United States, and Eagle denies the allegations made by the United States. Accordingly, the execution of the Order is not, and is not to be considered as, an admission or finding of any violation of the FHA or ECOA by Eagle. Rather, the parties have entered into the Order to resolve voluntarily the claims asserted by the United States in order to avoid the risks and burdens of litigation. The parties agree that full implementation of the terms of the Order will

provide a resolution of the allegations of the United States in a manner consistent with Eagle's legitimate business interests.

Under the provisions of the Order, Eagle has committed itself to a program designed to further meet the credit needs of residents located in majority-African-American census tracts,<sup>1</sup> enhance its presence and outreach in majority-African-American census tracts, and continue to aid in the revitalization and stabilization of the housing market in majority- African-American census tracts. Eagle will ensure that its lending products and services continue to be made available and marketed in majority-African-American census tracts on no less favorable a basis than in majority-white census tracts. Eagle is committed to taking all reasonable, practicable actions, consistent with safety and soundness, to increase the level of its lending in majority-African-American census tracts, with the ultimate objective of extending credit to qualified borrowers there at a level comparable to its lending to qualified borrowers in majority-white census tracts. The remedial plan to achieve this objective, detailed in subsequent sections of the Order, includes but is not limited to expanded physical presence, expanded community outreach, investment in the affected areas, and targeted advertising programs.

## **II. BACKGROUND**

Eagle is a wholly-owned subsidiary of Jefferson County Bancshares, Inc., a financial holding company headquartered in Jefferson County, Missouri that offers the traditional services of a financial depository and lending institution, including the receipt of monetary deposits and the financing of residential housing and commercial loans. As of September 30, 2015, its assets totaled over \$901 million. Eagle currently has twelve full-service branches and five partial-

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<sup>1</sup> Unless otherwise specified, all references in the Order to census tracts include only those census tracts contained within Eagle's lending area as defined in Paragraph 5. For purposes of the Order, any census tract in which African-Americans constituted at least 50% of the population at the time of the 2010 Census is considered a "majority-African-American census tract," and any census tract in which non-Hispanic whites constituted at least 50% of the population at the time of the 2010 Census is considered a "majority-white census tract."

service branches in the St. Louis, Missouri metropolitan area. The five partial-service branches, which only offer deposit services, are located within retirement communities and are open only to residents of those communities.

On March 28, 2013, the FDIC referred Eagle to the Attorney General for appropriate enforcement action pursuant to ECOA, following its determination, based on the information gathered during its examination, that there was reason to believe that Eagle engaged in a pattern or practice of discrimination against African-Americans in violation of ECOA and the FHA.

After conducting its own investigation and reviewing the information provided by the FDIC, the United States contends that, between 2006 and 2012, Eagle acted to meet the credit needs for loans in majority-white census tracts, and avoided serving the similar credit needs of majority-African-American census tracts. The Complaint alleges, inter alia, that Eagle's policies and practices are intended to deny and discourage, or have the effect of denying or discouraging, an equal opportunity to the residents of majority-African-American census tracts to obtain loans on account of the racial composition of those tracts.

Eagle denies the alleged violations of law and maintains that it has been and remains committed to engaging in lending practices in a manner that ensures compliance with the FHA and ECOA and is consistent with safe and sound banking operations. Nevertheless, to avoid the costs and burdens of litigation, both parties voluntarily consent to the entry of this Order.

The United States recognizes that during the investigation, Eagle has voluntarily undertaken several initiatives to help further meet the credit needs of residents located in majority-African-American census tracts in the Missouri portion of the St. Louis MSA. For example, Eagle began outreach programs in majority-African-American census tracts, including consumer financial education programs, and community development lending. Eagle also

engaged in efforts to expand its branch presence to better serve majority-African-American census tracts. This consent order is intended to facilitate the continuation of those outreach efforts.

### **III. TERMS OF ORDER**

#### **A. Lending Practices**

1. Eagle, including all of its officers, employees, agents, representatives, assignees, and successors in interest, and all those in active concert or participation with any of them, are hereby enjoined from engaging in any act or practice that discriminates on the basis of race that (a) violates the FHA in any aspect of a residential real estate-related transaction, or (b) violates ECOA in any aspect of a credit transaction. This prohibition includes, but is not limited to: marketing and advertising; the selection of sites for and the provision of services through branch offices or other channels; the definition of an assessment area under the Community Reinvestment Act of 1977, 12 U.S.C. §§ 2901-2906 (“CRA”); and the determination of geographic areas in which loan applications are solicited or funded, except to remedy the violations alleged by the United States.
2. Eagle shall take the actions that are necessary to ensure that it offers and provides all persons with an equal opportunity to apply for and obtain credit, regardless of the racial composition of the area in which a person lives, or the area in which the property securing the loan is located. Those actions include, but are not limited to, the remedial actions specified in the Order.
3. Eagle shall take all reasonable, practicable steps consistent with safety and soundness, including, but not limited to, those specified below, to make all types of credit it offers - including residential loan products - available in, and market them in, majority-African-American census tracts on no less favorable a basis than in the majority-white census

tracts so that all persons will have an equal opportunity to access and obtain credit from Eagle. Nothing in the Order will require Eagle to make unsafe or unsound loans or to require loans to be originated or priced based upon the race of the borrower or prospective borrower.

4. The Order requires Eagle to take these actions to remedy its alleged discrimination.

Eagle retains the discretion to take any additional actions it believes are appropriate to achieve the goals of the Order and shall include information about such actions in its reporting under Paragraph 44.<sup>2</sup>

**B. Lending Area**

5. In 2013, Eagle modified its CRA assessment area to include the entire City of St. Louis and St. Louis and Jefferson Counties. Eagle shall serve a “lending area” no smaller than the current CRA assessment area recognized by the FDIC that includes all of the City of St. Louis, and all of Jefferson and St. Louis Counties.

6. During the term of the Order, Eagle will provide written notice to the United States of any changes it proposes to its CRA assessment area. The United States will raise any concerns with Eagle’s proposed changes to its CRA assessment area with Eagle and its regulator(s) within 30 days. Nothing in the Order precludes Eagle from expanding its CRA assessment area in the future in a manner consistent with the provisions of the CRA and its implementing regulations.

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<sup>2</sup> All material required by the Order to be sent to the United States shall be sent by commercial overnight delivery service addressed as follows: Chief, Housing and Civil Enforcement Section, Civil Rights Division, U.S. Department of Justice, 1800 G Street NW, Suite 7002, Washington, DC 20006, Attn: DJ 188-42-16, or by e-mail to the DOJ attorney assigned to this matter.

7. Eagle will ensure that all of its policies, publications, and marketing materials that refer to the geographic area in which the bank focuses its lending efforts describe an area no smaller than the lending area it is required to serve pursuant to Paragraph 5.

**C. Fair Lending Training**

8. No later than 60 days after entry of the Order, Eagle shall provide live training to all employees with significant involvement in lending (“Covered Employees”) to ensure that their activities are conducted in a nondiscriminatory manner. This training shall encompass their fair lending obligations under the FHA, ECOA, their obligations under the CRA, and their responsibilities under the Order. During the term of the Order, Eagle must provide this fair lending training annually to Covered Employees. The training required by this Paragraph shall be approved in advance by the United States. In addition, within 15 days of the entry of the Order, Eagle shall provide to all such employees an explanation and copies of the Order, and allow an opportunity for such employees to have any questions concerning the Order answered. Eagle shall bear all costs associated with the training.
9. Eagle must secure from each Covered Employee a signed statement acknowledging that he or she has received a copy of the Order and has completed the initial fair lending training. These statements must be substantially in the form of Appendix A (Acknowledgment) and Appendix B (Fair Lending Training). During the term of the Order, each new Covered Employee must be provided a copy of the Order and given an opportunity to have any questions answered, and must sign the acknowledgment form statement (Appendix A) no later than 10 days after beginning his or her employment in that position.

**D. Physical Expansion to Serve African-American Populations**

10. By the end of 2015, Eagle will open a full-service branch located at 4100 Lindell Boulevard, St. Louis, Missouri 63108 (“Lindell Branch”).
11. Eagle is currently exploring a second branch site that is located within a majority-African-American census tract in the City of St. Louis, the location of which is known to the United States (“New Branch”). Eagle will make reasonable best efforts, subject to local government and regulatory approval, to open the New Branch within eighteen (18) months of the Effective Date.
12. The Lindell Branch and New Branch will focus on expanding the marketing and intake of residential mortgage loan applications from residents of majority-African-American census tracts. The Lindell Branch and New Branch will provide the complete range of services typically offered at Eagle’s full-service branches, and shall include a full-time on-site residential lending officer, fully trained in all aspects of home mortgage and home equity lending. The training of this lender will also encompass Eagle’s fair lending obligations under the FHA, ECOA, and the CRA.
13. Eagle shall act as quickly as possible to obtain any required local or state governmental permits and approvals for the Lindell Branch and the New Branch and seek the approval of its federal regulator.
14. The United States reserves the right to move the Court to impose a remedy consistent with the purposes of the Order in the event that the parties cannot reach an agreement regarding the feasibility of Eagle opening the New Branch in a majority-African-American census tract in the City and/or County of St. Louis consistent with safe and sound banking practices.

15. In the event that Eagle's reasonable best efforts to open the New Branch fail and it is unable to open the New Branch as agreed, Eagle will open a loan production office within a majority-African-American census tract in City of St. Louis or St. Louis County ("Loan Production Office"). The Loan production office shall be in a retail-oriented space in a visible location accessible to concentrations of owner - occupied residential properties in the majority-African-American census tracts in the City or County of St. Louis. The Loan Production Office shall provide the complete range of lending services typically offered at Eagle's full-service branches, and shall include a full-time on-site residential lending officer, fully trained in all aspects of home mortgage and home equity lending. The training of this lender will also encompass Eagle's fair lending obligations under the FHA, ECOA, and the CRA.

16. Eagle will continue to operate the Lindell Branch and the New Branch or Loan Production Office throughout the duration of the Consent Order.

17. Nothing in this Order precludes Eagle from opening or acquiring additional branch offices or loan production offices. Eagle shall evaluate future opportunities for expansion, whether by acquisition or opening new offices, in a manner consistent with achieving the remedial goals of the Order and shall notify the United States of any plans to open or acquire any new branches or other offices at the same time that it notifies its regulator(s) so that the United States may raise any concerns with Eagle and its regulator(s) before regulatory approval is granted.

**E. Credit Needs Assessment**

18. Within 30 days of the entry of the Order, Eagle shall begin an assessment of the credit needs of majority-African-American census tracts within its assessment area. This assessment shall include, but not be limited to: (a) an analysis of the most recent



available demographic and socioeconomic data about the majority-African-American census tracts; (b) evaluation of the credit needs of and corresponding lending opportunities in these census tracts, including, but not limited to, the need for and feasibility of alternative mortgage and other credit products aimed at borrowers at or near area median income; (c) consideration of how Eagle's lending operations can be expanded to serve the remedial goals of the Order; and (d) thorough review of the availability of relevant federal, state, and local governmental programs and evaluation of how participation in each of them would assist in achieving the remedial goals of the Order.

19. In formulating its plan to expand its lending operations to serve the remedial goals of the Order, representatives of Eagle shall meet with representatives of community organizations significantly involved in promoting fair lending, home ownership, or residential or small business development in majority-African-American census tracts.
20. Eagle shall present to the United States a written report of this credit needs assessment, together with recommendations, if any, for actions beyond those specified in the Order to be taken to meet the credit needs identified, not later than six (6) months after the entry of the Order.
21. For the term of the Order, Eagle shall meet annually with community organizations as part of an ongoing credit needs assessment, in order to better meet the credit needs of the residents in the majority-African-American census tracts.

**F. Director of Community Development**

22. Within three (3) months of the entry of this Order, Eagle shall designate a full-time Director of Community Development. For the duration of this Order, Eagle shall employ a full - time Director of Community Development, whose primary responsibilities will

include overseeing the continued development of the Bank's lending in majority-African-American census tracts. The Director of Community Development will be a member of management and will make regular reports directly to the Board of Directors regarding the following responsibilities: monitoring the activities of loan officers regarding the solicitation and origination of loans in majority-African-American census tracts, including the special loan programs identified in this Order; coordinating Eagle's involvement in community lending initiatives and outreach programs, serving as a resource to lending staff to encourage and develop more lending within majority-African-American census tracts; promoting financial education; providing financial counseling; and building relationships with community groups.

**G. Community Development Partnership Program**

23. Eagle shall identify and collaborate with one or more community-based organizations or governmental organizations that provide credit, financial, homeownership, small business and/or foreclosure prevention services to the residents of majority-African-American census tracts. Eagle shall develop such relationships in a manner consistent with achieving the remedial goals of the Order; specifically, Eagle shall consider organizations that will aid it in establishing a physical presence in majority-African-American census tracts; marketing its residential and small business loan products in majority-African-American census tracts on no less favorable a basis than in majority-white census tracts; extending credit to qualified borrowers in majority-African-American census tracts at a level comparable to its lending to qualified borrowers in majority-white census tracts; and assisting with the revitalization and stabilization of the housing market in majority-African-American census tracts.

**H. Advertising and Outreach**

24. Eagle shall present to the United States a written proposal for advertising and marketing to majority-African-American census tracts not later than six (6) months after the entry of the Order. This program shall include, at a minimum, the following components:

(a) Print Media. During each year of the Order, in addition to any other print advertising, Eagle shall advertise or continue to advertise in at least one print medium distributed in its lending area and specifically directed to African-American readers. These advertisements, viewed in their entirety over the course of a year, shall include Eagle's full range of loan products, including any special products or services made available as part of the Order. Eagle retains the discretion to determine the size, content, and frequency of such advertising subject to the standards set forth above.

(b) Radio. During the term of the Order, in the event that Eagle uses radio advertising for any purpose, Eagle shall place radio advertisements on at least two African-American-oriented radio stations serving its lending area. The radio advertising, when considered in its entirety over the course of a year, shall include Eagle's full range of loan products, including any special products or services made available under the Order. Eagle retains the discretion to determine the content and frequency of such radio spots subject to the standards set forth above and to place such advertising on additional relevant stations.

(c) Promotional Materials. Eagle shall create point-of-distribution materials, such as posters and brochures, targeted toward the majority-African-American census tracts to advertise products and services offered by Eagle, including any special loan products or services made available pursuant to the Order. Eagle shall place or display these promotional materials in its branch offices, loan production offices, and additional appropriate distribution locations throughout the targeted census tracts.

(d) Direct Mailings. Eagle also may utilize direct mailing targeted to residents in majority-African-American census tracts, so long as those mailings are not targeted exclusively or primarily at existing customers of Eagle.

(e) All of Eagle's print advertising and promotional materials referencing mortgage loans shall contain an equal housing opportunity logotype, slogan, or statement. All of Eagle's radio and television advertisements shall include the audible statement "Equal Opportunity Lender."

25. In addition to the targeted efforts described in Paragraph 26, Eagle's proposal should also provide for quarterly outreach programs during the term of the Order for real estate brokers and agents, developers, and public or private entities engaged in residential real estate related business in majority-African-American census tracts to inform them of the products and services Eagle offers, including those detailed in the Order, and to otherwise develop business relationships with them. These programs shall be offered at locations reasonably convenient to the business operations of the attendees.

26. The proposal shall also provide for quarterly outreach seminars during the term of the Order targeted toward residents in majority-African-American census tracts. These seminars shall cover credit counseling, financial literacy, and other related educational programs, to help identify and develop qualified loan applicants from these areas.

27. Eagle shall spend a minimum of \$25,000 per year (a total of \$100,000 over the term of the Order) on the targeted advertising and marketing campaign described above.

**I. Consumer Financial Education and Credit Repair**

28. The parties acknowledge that financially-educated consumers are essential to the remedial goal of sustained increases in Eagle's lending in majority-African-American census tracts within Eagle's CRA assessment area in the Missouri portion of the St. Louis MSA. The parties also acknowledge that assisting residents of these census tracts in

maintaining and improving their consumer credit scores is essential to the remedial goals of this Order. The consumer financial education and credit repair program shall help identify and develop qualified loan applicants from majority-African-American census tracts in the Missouri portion of the St. Louis MSA within Eagle's assessment area.

Eagle shall spend a minimum of \$18,750 per year (\$75,000 over the term of the Order) on one or more components of the following consumer education and credit repair program.

Those components, from which Eagle may select, include:

(a) Financial Education: Sponsoring a minimum of twelve (12) financial education events per year offered by community and governmental organizations engaged in fair lending work, or through Eagle's own financial education programs.<sup>3</sup> These financial education events shall be marketed towards residents of majority-African-American census tracts in the Missouri portion of the St. Louis MSA within Eagle's CRA assessment area, and held at locations intended to be convenient to those residents.

(b) Credit Establishment and Repair: Providing one or more of the following forms of credit establishment and repair assistance to residents of majority-African-American census tracts in the Missouri portion of the St. Louis MSA:

(1) Financial support to HUD-approved financial education counselors who provide services targeted towards majority-African-American census tracts, up to an aggregate annual contribution of \$10,000 per year for all partner organizations to offset the organizations' direct cost of financial counseling services;

(2) Special purpose checking accounts, with terms that are more advantageous to the accountholder than Eagle generally offers, to residents of majority-African-American

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<sup>3</sup> Salaries or other compensation for participating Bank personnel shall not be counted towards the amount spent on these programs.

census tracts in the Missouri portion of the St. Louis MSA within Eagle's assessment area whose credit history does not present an unacceptably high risk to the Bank or indicate a history of fraudulent transactions. The more advantageous terms may include:

- (a) No annual fees or fees for non-use;
- (b) No minimum balance;
- (c) Online access;
- (d) Debit Cards;
- (e) No fees for one box of checks annually;
- (f) An optional, affordable overdraft protection provision, which includes reduced fees, for overdraft and related fees totaling \$100 for qualified customers;
- (g) No fees for the user of ATMs belonging to Eagle or its affiliates; and
- (h) A fee waiver for the additional 200 ATMs in the St. Louis MSA in the MoneyPass system.

A special purpose checking account may be closed by Eagle if the account is overdrawn for 30 consecutive days and the customer has received at least two notices in writing.

Any fees that are waived or assessed in an amount lower than the Bank's standard checking account fees for qualified accountholders of special purpose checking accounts described in this paragraph may be counted toward the monetary investment required under section I.

(3) Debt forgiveness (including unpaid principal, interest, escrow payments and/or fees) up to \$5,000 per borrower (but not to exceed 90% of the total amount owed) for borrowers or co-

borrowers who experience difficulty repaying any residential, consumer or small business loan<sup>4</sup> in Eagle's portfolio that has an original principal amount of less than \$500,000;

(4) Other related programs intended to help establish or remediate consumer credit that are targeted at the residents of majority-African-American census tracts in the Missouri portion of the St. Louis MSA, as may be proposed during the term of this Order by Eagle and approved prior to implementation by the United States.

29. The consumer education and credit repair programs will be marketed in a manner that includes all of the majority-African-American census tracts in the Missouri portion of the St. Louis MSA within Eagle's CRA assessment area so that all eligible residents of these areas have an opportunity to participate. Each individual marketing effort is not required to reach every majority-African-American census tract in the Missouri portion of the St. Louis MSA within Eagle's CRA assessment area.

**J. Program for Loan Subsidies**

30. Eagle will invest a minimum of \$800,000 in a program to increase the credit that the bank extends to residents of majority-African-American census tracts in order to remedy the discrimination against these residents alleged in the Complaint ("Loan Subsidy Program"). The Loan Subsidy Program will offer residents of and businesses in or serving majority-African-American census tracts home mortgage or small business loans on a more affordable basis than otherwise available from Eagle.<sup>5</sup>

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<sup>4</sup> The term "small business loan" in this order shall be defined as that term is defined in Regulation 12 C.F.R. Part 345, which implements the Community Reinvestment Act ( C.F.R. § 345.12(v)), and it shall include for profit and non-profit entities.

<sup>5</sup> No residential loan originated under this program shall exceed the conforming loan limit applicable to Fannie Mae and Freddie Mac.

31. If Eagle does not open the New Branch and instead opens the Loan Production Office described in Paragraph 15, it will invest a minimum of \$875,000 in the Loan Subsidy Program.
32. Under the loan subsidy program, Eagle will subsidize home mortgage or small business loans made to “qualified applicants.” No more than thirty-five percent (35%) of the total subsidy fund may be used to subsidize small business loans.
33. A “qualified applicant” for a residential loan is any applicant who: (a) qualified for a residential mortgage loan under Eagle’s underwriting standards, and (b) applied for a mortgage loan for a residential property located in a majority-African-American census tract that will serve as the borrower’s primary residence.
34. A “qualified applicant” for a small business loan is any applicant who: (a) qualified for a small business loan under Eagle’s underwriting standards, and (b) operates a business that is located in a majority-African-American census tract, or will use the proceeds of the loan to open a business that is located in a majority-African-American census tract, and (c) applied for a business loan.
35. In certain cases, an applicant for a small business loan may be a “qualified applicant” when the applicant’s business is not located in a majority-African-American census tract, if the business serves or will serve a significant portion of the community in the majority-African-American census tracts in the City of St. Louis or St. Louis County. For such applicants, Eagle must seek approval from the United States to deem this applicant a “qualified applicant” who may benefit from the subsidy fund. Eagle must provide the United States with the loan application and any other information that would support a determination that the applicant’s business serves or will serve a significant portion of the



community in the majority-African-American census tracts in the City of St. Louis or St. Louis County. The United States will respond within ten (10) business days to either approve or deny the request to deem an applicant qualified. If the United States does not respond within ten (10) business days, the applicant will be deemed to be a “qualified applicant.”

36. These subsidies can be provided by, but are not limited to, one or more of the following means in Eagle’s sole discretion:

(a) originating or brokering a residential mortgage loan at an interest rate a minimum of 1/2 of a percentage point (50 basis points) below the otherwise prevailing rate (“APR”) and no more than two percentage points (200 basis points) below the otherwise prevailing APR;

(b) originating or brokering a small business loan at an interest rate up to one (1) percentage point (100 basis points) below the otherwise prevailing rate (“APR”);

(c) a direct grant of a minimum of 2% of the loan amount, up to a maximum of 3%, for the purpose of down payment assistance for residential mortgage loans;

(d) closing cost assistance for residential mortgage loans in the form of a direct grant with a minimum of \$500.00 and a maximum of \$1,500.00; or

(e) payment of the initial mortgage insurance premium on loans subject to such mortgage insurance.

37. Eagle retains the discretion to offer more than one, or all, of the foregoing forms of financial assistance to qualified applicants on an individual basis as it deems appropriate under the factual circumstances of a particular application. Eagle will exercise this discretion in a manner which maximizes the likelihood that it will originate a loan to a qualified applicant consistent with applicable underwriting guidelines and safety and

soundness standards, and will have discretion to provide the loan subsidy among its loan products.

38. No qualified applicant may receive a total subsidy greater than \$20,000.
39. The loan subsidy program will be marketed in a manner that does not exclude any of the majority-African-American census tracts so that eligible residents of and businesses located in all areas have an opportunity to participate.
40. No provision of the Order, including any loan subsidy or equivalent program, requires Eagle 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, Eagle may choose to apply more flexible underwriting standards in connection with the programs under the Order, so long as those standards comport with safe and sound lending practices. In addition, Eagle's underwriting standards applied to residents of or businesses located in majority-African-American census tracts must be no less favorable than the standards that are applied in majority-white census tracts. At the same time, no provision of this Agreement imposes an obligation on Eagle to apply underwriting standards to applicants that qualify for the loan subsidy program that are more favorable than the standards otherwise applied by the bank.
41. The investment of Eagle under the terms of Paragraphs 30-36 will be the sum total of the cost to the bank of providing the loan subsidy program described in Section J.

#### **IV. EVALUATING AND MONITORING COMPLIANCE**

42. For the term of the Order, Eagle shall retain all records relating to its obligations hereunder, including its lending activities, as well as its advertising, outreach, branching, special programs, and other compliance activities as set forth herein. The United States shall have the right to review and copy such records upon request.

43. Eagle shall provide to counsel for the United States the data it submits to the Federal Financial Institutions Examination Council (“FFIEC”) pursuant to the Home Mortgage Disclosure Act and the CRA. The data will be provided in the same format in which it is presented to the FFIEC within 30 days of their submission to the FFIEC each year for the term of the Order, including the record layout. The United States will utilize this data to monitor compliance with the Order.
44. In addition to the submission of any other plans or reports specified in the Order, Eagle shall make an annual report to the United States on its progress in fulfilling the goals of the Order. Each such report shall provide a complete account of Eagle’s actions to comply with each requirement of the Order during the previous year, Eagle’s objective assessment of the extent to which each quantifiable obligation was met, an explanation of why any particular component fell short of meeting the goal for that year, and any recommendations for additional actions to achieve the goals of the Order including the Community Development Partnership Program in Section G above. Eagle’s Board of Directors shall review and approve this report, and Eagle shall submit this report each year for the term of the Order within 60 days of the anniversary of the date of the entry of the Order. In addition, Eagle shall attach to the annual reports representative copies of training material and advertising and marketing materials disseminated pursuant to the Order. The United States will review each report submitted by Eagle and will have 30 days to raise any objections to it, and if it raises any, the parties shall confer to resolve their differences. In the event they are unable to do so, either party may bring the dispute to the Court for resolution.

V. ADMINISTRATION

45. The requirements of the Order shall be in effect until the later of: (a) three months after the submission of Eagle's annual report due to the United States on the fourth anniversary of entry of the Order; or (b) if Eagle has not invested all money in its loan subsidy program four years from the date of entry of the Order, three months after the submission of a report by Eagle to the United States that demonstrates the fulfillment of that obligation. The term of the Order shall only be extended further upon motion of the United States to the Court, for good cause shown.
46. Any time limits for performance fixed by the Order may be extended by mutual written agreement of the parties. Other modifications to the Order may be made only upon approval of the Court, by motion by either party. The parties recognize that there may be changes in relevant and material factual circumstances during the term of the Order that may impact the accomplishment of its goals. The parties agree to work cooperatively to discuss and attempt to agree upon any proposed modifications to the Order resulting therefrom.
47. In the event that any disputes arise about the interpretation of or compliance with the terms of the Order, the parties shall endeavor in good faith to resolve any such dispute between themselves before bringing it to the Court for resolution. The United States agrees that if it reasonably believes that Eagle has violated any provision of the Order, it will provide Eagle written notice thereof and give it 30 days to resolve the alleged violation before presenting the matter to the Court. In the event of either a failure by Eagle to perform in a timely manner any act required by the Order or an act by Eagle in violation of any provision hereof, the United States may move the Court to impose any remedy authorized by law or equity, including attorneys' fees and costs.

48. Nothing in the Order shall excuse Eagle's compliance with any currently or subsequently effective provision of law or order of a regulator with authority over Eagle that imposes additional obligations on Eagle.
49. The Order shall be binding on Eagle, including all its officers, employees, assignees, and successors in interest, and all those in active concert or participation with any of them in the origination of loans. In the event Eagle seeks to transfer or assign all or part of its operations, and the successor or assign intends on carrying on the same or similar use, as a condition of sale, Eagle shall obtain the written accession of the successor or assign to any obligations remaining under the Order for its remaining term.
50. The parties agree that, as of the date of the entry of the Order, litigation is not "reasonably foreseeable" concerning the matters described above. To the extent that either party previously implemented a litigation hold to preserve documents, electronically stored information, or things related to the matters described above, the party is no longer required to maintain such litigation hold. Nothing in this paragraph relieves either party of any other obligations imposed by the Order.
51. Eagle's compliance with the terms of the Order shall fully and finally resolve all claims of the United States relating to Eagle's alleged violation of the fair lending laws by means of discriminating on the basis of race as alleged in the Complaint in its lending practices between January 1, 2006 and December 31, 2012, including all claims for equitable relief and monetary damages and penalties. The Order does not release claims for practices not addressed in the Complaint's allegations, including claims that may be held or are currently under investigation by any federal agency, or any claims that may be pursued or actions that may be taken by any executive agency established by 12 U.S.C. §

5491 or the appropriate Federal Banking Agency, as defined in 12 U.S.C. § 1813(q), against Eagle, any of its affiliated entities, and/or any institution- affiliated party of Eagle, as defined in 12 U.S.C. § 1813(u), pursuant to 12 U.S.C. § 1818 or any other statute or regulation. The Order does not resolve and does not release claims other than claims for discrimination.

52. Each party to the Order shall bear its own costs and attorney's fees associated with this litigation.

53. The Court shall retain jurisdiction for the duration of the Order to enforce its terms, after which time the case shall be dismissed with prejudice.

SO ORDERED, this \_\_\_\_ day of \_\_\_\_\_, 2015.

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UNITED STATES DISTRICT JUDGE

The undersigned hereby apply for and consent to the entry of the Order:

For the United States:

RICHARD G. CALLAHAN  
United States Attorney  
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**Appendix A**

I hereby acknowledge that I have received and read a copy of the Consent Order entered in United States v. Eagle Bank and Trust Company. I have had the opportunity to ask questions and obtain answers to them and I understand my fair lending obligations under the Order.

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[Signature]

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[Print Name]

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[Job Title]

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[Date]



**Appendix B**

I hereby acknowledge that on \_\_\_\_\_, I attended the fair lending training program provided to Eagle Bank employees by \_\_\_\_\_. During the training, I received information about my fair lending obligations under the terms of the Consent Order entered by the court in United States v. Eagle Bank and Trust Company, Eagle Bank's current policies, and relevant federal, state, and local laws. I had the opportunity to ask questions and to receive answers to them. I understand my fair lending obligations under that Order, Eagle Bank's policies, and those laws.

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Job Title]

\_\_\_\_\_  
[Date]