

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA	)	
	)	Case No. 1:15-cv-13969
Plaintiff,	)	
	)	[PROPOSED]
v.	)	<b>CONSENT ORDER</b>
	)	
SAGE BANK	)	
	)	
Defendant.	)	
_____	)	

This Consent Order is submitted jointly by the parties for the approval of and entry by the Court to resolve the claims of the United States that Defendant Sage Bank has engaged in a pattern or practice of lending discrimination in violation of the Fair Housing Act, 42 U.S.C. §§ 3601-3619 (“FHA”), and the Equal Credit Opportunity Act, 15 U.S.C. §§ 1691-1691f (“ECOA”), by discriminating on the basis of race and national origin in the extension of residential credit and in the making or residential real estate-related transactions.

There has been no factual finding or adjudication with respect to any matter alleged by the United States. The parties have entered into this Consent Order to avoid the risks, expense, and burdens of litigation and to resolve voluntarily the claims in the United States’ Complaint of the Defendant’s alleged violations of federal fair lending laws.

**I. BACKGROUND**

Sage Bank is a retail mortgage lender headquartered in Lowell, Massachusetts. Since 2011, Sage Bank has originated over 8,000 mortgage loans through approximately 200 loan officers at 36 mortgage loan offices in Massachusetts, Maine, Connecticut, Rhode Island, New Jersey, and New Hampshire.

The United States' Complaint alleges that from at least 2011 to at least 2014, Sage Bank has used a target pricing system to originate its mortgage loans that has resulted in African-American and Hispanic borrowers receiving higher-priced loans than white borrowers because of race or national origin. Pursuant to its target pricing system, Sage Bank assigns each loan officer a target price (known as the Minimum Base Price or "MBP") that the loan officer is expected to receive on each loan he or she originates, regardless of a borrower's objective, credit-related characteristics, through interest rates and fees. Each loan officer's MBP is set above the amount Sage Bank expects an investor to pay for the loan on the secondary market and is based on each loan officer's previous performance. Since at least 2011, Sage Bank has also allowed its loan officers to price loans above their MBPs without seeking management approval.

The Complaint alleges that from at least 2011 to at least 2014, Sage Bank's target pricing system resulted in African-American and Hispanic borrowers receiving higher priced loans than their white counterparts on the basis of their race or national origin, in violation of the FHA and ECOA. Specifically, Sage Bank's African-American and Hispanic borrowers were disproportionately served by loan officers with higher MBPs than were white borrowers, including the two loan officers who had the highest Sage-assigned MBPs. Additionally, Sage Bank's loan officers generally priced loans higher than their MBPs to a greater extent on loans to African-American and Hispanic borrowers than on loans to white borrowers. The Complaint alleges that between 2011 and 2014, Sage Bank's loans to African-American and Hispanic borrowers produced 104.44 basis points and 61.05 basis points more in revenue to Sage Bank, on average, than did loans to similarly qualified white borrowers. As a result and based on the average loan amounts of African-American and Hispanic borrowers, African-American and

Hispanic borrowers paid, on average, \$2,452 and \$1,438 more, respectively, for their loans than did similarly qualified white borrowers.

Additionally, the Complaint alleges that Sage Bank knew or should have known of the ongoing racial and national origin disparities alleged and failed to adequately monitor for or remedy the disparate impact of Sage Bank's loan pricing policy. The United States alleges that these policies and practices were not justified by the necessity to achieve one or more substantial, legitimate, nondiscriminatory business interests under the FHA or its regulations, 24 C.F.R. §100.5, or a legitimate business need under the ECOA or Regulation B of the ECOA, 12 C.F.R. pt. 1002.

## **II. Position of Sage Bank**

Sage Bank denies all allegations and claims of a pattern or practice of discrimination in violation of the FHA and the ECOA as set forth in the United States' allegations. Sage Bank asserts that it conducted its lending in compliance with the letter and spirit of the fair lending laws and in a non-discriminatory manner at all times. Sage Bank maintains that any of the differences in pricing, as alleged by the United States, were not based on any intentional act and were attributable to legitimate, non-discriminatory factors. Moreover, Sage Bank notes that it has not been advised by the United States that it alleges that any Sage Bank employee discriminated intentionally on the basis of race or national origin. Notwithstanding its disagreement with the allegations of the United States, Sage Bank has agreed to the entry of this order to resolve voluntarily the claims asserted by the United States in order to avoid the costs, risks, and burdens of litigation.

In addition, Sage Bank has taken steps to mitigate the potential for disparities in loan pricing based on race or national origin. Sage Bank has eliminated its target based pricing policy

and approved a loan pricing policy that eliminates discretion and establishes uniform pricing based on a certain set of established criteria. Sage Bank is also in the process of enhancing its fair lending monitoring processes through the addition of an experienced compliance officer, engagement of independent consultants and implementation of software. The software will be an integral part of its uniform pricing policy and will allow Sage Bank to efficiently monitor its pricing for any potential disparities.

### **III. INJUNCTIVE RELIEF**

#### **A. General Injunction**

1. Sage Bank, including all of its officers, employees, agents, representatives, assignees, and all those in active concert or participation with any of them, is hereby enjoined from engaging in any act or practice that discriminates on the basis of race or national origin in any aspect of a residential real estate-related transaction in violation of the FHA, or in any aspect of a credit transaction in violation of ECOA or Regulation B, 12 C.F.R. pt. 1002. This prohibition includes, but is not limited to the adoption, performance, or implementation of any policy, practice, or act that results in race or national origin discrimination in the pricing of mortgage loans.

2. This Order requires that Sage Bank take actions as set forth below to remedy its alleged discrimination. Sage Bank retains the discretion to take any additional actions that it believes are appropriate to achieve the goals of this Order. The effective date of this Order shall be the date on which it is entered by the Court.

#### **B. Mortgage Loan Pricing Policy**

3. Within thirty (30) days of entry of this Consent Order, Sage Bank shall develop and submit to the United States for approval a mortgage loan pricing policy that shall be

applicable to all residential mortgage lending whether or not a loan is sold on the secondary market (hereinafter, "Pricing Policy). The Pricing Policy shall minimize fair lending risk and mandate documentation of loan officer decision-making and managerial approval.

4. The United States shall review the Pricing Policy and raise any objections. If the United States raises any objections, the parties will confer to resolve their differences. If they are unable to do so, either party may bring this dispute to this Court for resolution.

5. Within ten (10) days after the United States provides its approval for the Pricing Policy, Sage Bank shall implement the Pricing Policy and incorporate it into Sage Bank's current proprietary loan processing system or any processing system to which it changes. Sage Bank shall not fund any loan, the application for which is submitted after the implementation of the Pricing Policy, which is not in compliance with the Pricing Policy.

6. During the term of this Order, Sage Bank may change its Pricing Policy upon written advance notice to the United States, which will have thirty (30) days from receipt of such notice to raise any objection to the proposed change(s). If the United States raises any objection, the parties will confer to resolve their differences. If they are unable to do so, either party may bring the dispute to this Court for resolution. Sage Bank will not implement the change(s) during such a dispute.

**C. Compensation Policy**

7. In order to mitigate fair lending risks, within thirty (30) days of entry of this Consent Order, Sage Bank shall develop and submit to the United States for approval a compensation policy that shall apply to all individual loan officers, branch managers, and any other employee or agent involved in the pricing of residential mortgage loans, either in a direct or supervisory capacity. This Compensation Policy shall ensure that compensation for loan

officers and other employees or agents involved in pricing loans is not based, directly or indirectly, on any term of a loan (except the amount of credit extended), or the terms of multiple loans, as required by 12 C.F.R. § 1026.36(d).

8. The United States shall review the Compensation Policy and raise any objections. If the United States raises any objections, the parties will confer to resolve their differences. If they are unable to do so, either party may bring this dispute to this Court for resolution.

9. Within ten (10) days after the United States and the Federal Deposit Insurance Corporation provide their approval and non-objection, respectively, for the Compensation Policy, Sage Bank shall implement the Compensation Policy. Sage Bank shall not compensate any loan officer for any loan originated after the implementation of the Compensation Policy in a manner that is not in compliance with the Compensation Policy.

10. During the term of this Order, Sage Bank may change its Compensation Policy upon written advance notice to the United States, which will have thirty (30) days from receipt of such notice to raise any objection to the proposed change(s). If the United States raises any objection, the parties will confer to resolve their differences. If they are unable to do so, either party may bring the dispute to this Court for resolution. Sage Bank will not implement the change(s) during such a dispute.

11. During the term of this Order, Sage Bank must inform the United States of any changes to its Compensation Policy within five (5) days of the implementation of any such changes.

**D. Notice to Public**

12. For the duration of this Consent Order, Sage Bank shall post and prominently display in each location where applications for its loans are received a notice of non-discrimination, a sample of which is attached as **Appendix A**.

13. For the duration of this Consent Order, Sage Bank shall include a statement that it provides credit on a non-discriminatory basis in the following locations: (a) on the home page of its website (www.sagebank.com), (b) on all residential mortgage loan application forms, and (c) in all advertising done by Sage Bank or any component thereof, including any advertising done by any individual branch or loan officer.

**E. Monitoring Program**

14. Within sixty (60) days of the entry of this Consent Order, Sage Bank shall have in place a monitoring program designed to ensure compliance with this Order. This program shall monitor Sage Bank's residential mortgage loans for potential pricing disparities based on race and national origin. At a minimum, the monitoring program will assess disparities in pricing. Sage Bank shall conduct this assessment at least semi-annually.

15. The analyses conducted by Sage Bank pursuant to this section shall utilize methods and controls approved in advance by the United States. Nothing in this Order precludes Sage Bank from conducting additional compliance-related analyses.

16. In the event that any such assessment discloses statistically significant<sup>1</sup> pricing disparities between African-American or Hispanic and white borrowers, Sage Bank will attempt to determine the reason(s) for those disparities and will promptly take corrective action to

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<sup>1</sup> Statistical significance is a measure of probability that an observed outcome would not have occurred by chance. As used in this Consent Order, an outcome is statistically significant if the probability that it could have occurred by chance is less than 5%.

address disparities that are attributable to a policy or practice of Sage Bank and not necessary to achieve one or more of its substantial, legitimate, nondiscriminatory business interests or a legitimate business need. Corrective action may include, as warranted, financial remediation for borrowers, further modifications to Sage Bank's Pricing Policy, Compensation Policy, and/or monitoring programs as appropriate, changes to how Sage Bank's policies and practices regarding how Sage Bank and/or its branches and loan officers conduct advertising and/or generate business, education, discipline, or termination of employment or agency relationship, or any other action as deemed appropriate under the circumstances. Sage Bank shall maintain documentation of all corrective actions taken under this Paragraph, or the reason(s) why it took no corrective action.

17. Sage Bank will document all such disparities, determinations, and actions taken and will provide a summary of the semi-annual reviews and any documentation and analysis relating thereto to the United States as part of its reports described in Paragraph 33. The United States may conduct alternative analyses.

18. If the United States raises any objections to Sage Bank's determinations or remedial actions, the parties will meet and confer to consider appropriate steps to address the concerns raised by the United States' review. If the parties are unable to come to an agreement regarding such objections, any party may bring the dispute to this Court for resolution.

**F. Equal Credit Opportunity Training Program**

19. Within (10) days after Sage receives approval and non-objection, as applicable, for the Pricing Policy and Compensation Policy, as described in Paragraphs 4-5 and 8-9, Sage Bank will provide copies of this Consent Order, the Pricing Policy, and the Compensation Policy to its management officials, loan officers, and any other employees or agents who:



(a) participate in the pricing of residential mortgage loans; (b) have significant involvement in residential mortgage lending, including contact with or oversight of loan officers; or (c) have responsibility for conducting fair lending compliance monitoring or reviewing fair lending complaints (hereinafter, "Covered Employees"). Sage Bank will also secure from each Covered Employee a signed statement acknowledging that he/ she has received a copy of this Consent Order, the Pricing Policy, and the Compensation Policy. That statement will be substantially in the form of **Appendix B**.

20. Within forty (40) days after Sage receives approval and non-objection, as applicable, for the Pricing Policy and Compensation Policy, as described in Paragraphs 4-5 and 8-9, Sage Bank shall provide equal credit opportunity training to all Covered Employees. During this training, Sage Bank shall provide to each Covered Employee: (a) access to a copy of this Consent Order and the policies adopted pursuant to it; and (b) training on the terms of this Consent Order and the policies adopted pursuant to it, the requirements of the FHA and ECOA, and the Covered Employees' responsibilities under each. During the term of this Order, Sage Bank shall provide annual training to all Covered Employees with respect to his/her responsibilities and obligations under the FHA, ECOA, and this Order. The trainings described in this Paragraph shall be provided by a qualified, independent third party selected by Sage Bank and approved by the United States. Sage Bank shall bear all costs and expenses of all training conducted pursuant to this Paragraph. Following each equal credit opportunity training, Sage Bank will secure from each Covered Employee attendee a signed statement acknowledging that he/she has completed the equal credit opportunity training. This statement will be substantially in the form of **Appendix C**.

21. For the duration of this Consent Order, Sage Bank shall provide a copy of this Consent Order, the Pricing Policy, and the Compensation Policy to all employees/agents who begin employment in the position of a Covered Employee following the entry of this Consent Order within ten (10) days of the commencement of their employment in that position and secure from each such Covered Employee a signed statement acknowledging that he/she has received these documents (**Appendix B** or substantially equivalent). Sage Bank shall also provide the fair lending training described in Paragraph 20 to all such Covered Employees within thirty (30) days of the commencement of their employment in that position and secure from each such Covered Employee a signed statement acknowledging that he/she has completed the equal opportunity training (**Appendix C** or substantially equivalent).

#### **IV. SATISFACTION OF UNITED STATES' CLAIMS FOR MONETARY RELIEF**

22. Sage Bank shall deposit in an interest-bearing escrow account the total sum of \$1,175,000 to compensate for direct and indirect damages that aggrieved borrowers may have suffered as a result of its alleged violations of the FHA and ECOA (the "Settlement Fund"). Title to this account shall be in the name of "Sage Bank for the benefit of affected persons pursuant to Order of the Court in Civil Action No. 1:15-cv-13969". Sage Bank shall provide written verification of the deposit to the United States within five (5) days of the entry of this Consent Order. Any interest that accrues shall become part of the Settlement Fund and be utilized and disposed of as set forth herein. Any taxes, costs, or other fees incurred by the Settlement Fund shall be paid by Sage Bank directly into the Fund.

23. Within thirty (30) days after the entry of this Consent Order, the United States shall request any information it believes shall assist in identifying affected persons and determining any damages. Sage Bank shall, within thirty (30) days of receipt of such request,

supply, to the extent that it is within Sage Bank's control, such information as requested. To the extent that the information is not within Sage Bank's control, the bank shall, within thirty (30) days of receipt of such request, supply any information in its control that identifies other parties that may have the requested information.

24. The United States shall, upon reasonable notice, be allowed access to Sage Bank's records and files to verify the accuracy of the data provided and to otherwise identify persons entitled to the payments from the Settlement Fund.

25. Within ninety (90) days after the entry of this Consent Order, the United States shall provide to Sage Bank a list of affected persons and an amount each individual shall receive from the Settlement Fund to compensate for monetary damages these persons may have suffered, subject to the conditions set forth in Paragraph 26. Sage Bank shall have sixty (60) days from receipt of such list in which to review the list and the United States shall consider in good faith any issues raised by the bank.

26. Payments from the Settlement Fund to affected persons shall be subject to the following conditions:

(a) No affected person shall be paid any amount from the Settlement Fund until he or she has executed and delivered to Sage Bank a written release, as set forth in **Appendix D**, of all claims, legal or equitable, that he or she might have against the released persons and entities regarding the claims asserted by the United States in this lawsuit, so long as such claims accrued prior to the entry of this Order; and

(b) The total amount paid by Sage Bank collectively to the affected persons shall not exceed the amount of the Settlement Fund, including accrued interest.

27. Sage Bank shall, at the expiration of the latter of sixty (60) days after receiving the compensation list referred to in Paragraph 25 or thirty (30) days after resolving any issues raised with the United States pursuant to Paragraph 25, notify each identified person eligible for compensation by a letter (using its reasonable best efforts to locate each person). The letter shall be provided to each identified person in English and Spanish and the form of this letter, including the Spanish translation, shall be subject to the review and approval of the United States. At a minimum, the letter shall identify the loan(s) the bank originated to the identified person and state that the identified person is eligible for compensation in the indicated amount provided he or she executes and returns to the bank a copy of the agreed-upon release. English and Spanish versions of the release, the English version of which shall take the form of **Appendix D** and the Spanish translation of which shall be subject to the review and approval of the United States, shall be enclosed with the letter along with an addressed and postage-paid return envelope. Any letters that are returned with a forwarding address shall promptly be re-sent to that new address. Sage Bank shall provide an accounting of these notifications, indicating the name and address to which each was dispatched, within the sixty (60) day period referred to in this Paragraph. Sage Bank shall make all reasonable efforts to provide effective translation and interpretation services, including means for persons with disabilities to communicate effectively, in all communications that Sage Bank may have with the identified persons.

28. Sage Bank shall issue checks in the amount indicated on the compensation list to all identified persons who execute and return an executed release. Sage Bank shall issue and mail such checks no later than thirty-five (35) days after the receipt of the release. Sage Bank shall set forth reasonable deadlines for requirements of return of releases, and for the timely

deposit of checks, subject to approval of the United States, so that the compensation is distributed and checks are presented for payment or become void prior to the date that is one year from the date the initial notifications are sent. For the twelve (12) month period after the initial notifications are sent to affected persons pursuant to Paragraph 27, Sage Bank shall provide the United States with a quarterly accounting of releases received, checks sent, and notifications for which no response has been received or that were reported to be undeliverable. The United States may make its own efforts to locate affected persons.

29. All money not distributed to allegedly affected persons from the Settlement Fund, including accrued interest, within one year of the date the initial notifications are sent to persons deemed to be affected by the United States shall be distributed to one or more organizations that provide services including credit and housing counseling (including assistance in obtaining loan modification and preventing foreclosure), legal representation of borrowers seeking to obtain a loan modification or to prevent foreclosure, financial literacy, and other related educational programs targeted at African-American and Hispanic potential and former borrowers in the communities where Sage Bank's branches are located or in MSAs where Sage Bank presently or formerly operated. Recipient(s) of such funds must not be related to Sage Bank, its parent, or any entity owned by the bank. Before selecting the qualified organization(s), Sage Bank shall obtain a proposal from the organization(s) on how the funds will be used consistent with the above-stated purpose, submit such proposal to the United States, and consult with and obtain the non-objection of the United States. The United States and Sage Bank may request modification of the proposal before approving the organization(s).

30. The parties shall obtain the Court's approval for the organizations to receive funds and the amount to be distributed to each prior to distribution provided by Paragraph 29. The

parties shall provide the Court with information regarding how the proposed organizations meet the requirements set forth in Paragraph 29. Sage Bank shall require each recipient to submit to the Court, the bank, and the United States a report detailing that funds are utilized for the purposes identified in Paragraph 29 within one year after the funds are distributed, and every year thereafter until the funds are exhausted. For any recipient that does not provide such a report, Sage Bank shall require that the funds be returned to it for redistribution to other organization(s) approved to receive funds.

31. Sage Bank shall not be entitled a set-off, or any other reduction, of the amount of payments to affected persons because of any debts owed by the identified persons. Sage Bank also shall not refuse to make a payment based on a release of legal claims or loan modification previously signed by any affected persons.

#### **V. EVALUATING AND MONITORING COMPLIANCE**

32. For the duration of this Order, Sage Bank shall retain all records relating to its obligations under this Order as well as its compliance activities as set forth herein, including all documentation required by the Pricing Policy and Compensation Policy. The United States shall have the right to receive such records upon request.

33. For the duration of this Order, Sage Bank shall provide the United States the periodic reports of its fair lending analyses and remediation actions, pursuant to Section III.E.<sup>2</sup> In addition to these reporting requirements, Sage Bank shall submit a report to the United States within six months of the effective date of this Consent Order regarding its progress in establishing and implementing each of the remedial items specified in this Consent Order. A

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<sup>2</sup> Sage Bank will send all reports referenced in this Consent Order by overnight mail to: Chief, Housing and Civil Enforcement Section, Civil Rights Division, DJ 188-36-16, United States Department of Justice, 1800 G Street, NW, Washington, D.C. 20006.

second report shall be submitted to the United States on the first anniversary of this Consent Order. Thereafter, Sage Bank shall submit a report annually to the United States for the term of the Consent Order describing the actions taken in compliance with the provisions of the Consent Order. The report shall include an 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 this Consent Order. If applicable, Sage Bank shall attach to reports described in this Paragraph representative copies of training material disseminated pursuant to this Consent Order. In addition, Sage Bank shall annually provide to the United States, on the anniversary of the date of entry of this Consent Order, an electronic database that contains all the mortgage loan-related data that it is required to submit pursuant to HMDA, supplemented by any additional data fields that the United States may request.

34. For the duration of this Order, Sage Bank will maintain a complaint resolution program to address consumer complaints alleging discrimination regarding loans originated by Sage Bank. Documentation regarding this complaint resolution program, including documentation of individual complaints and resolutions, if any, will be made available to the United States on a semi-annual basis and included in the reports referenced in Paragraph 33. A person will not be deemed ineligible for the complaint resolution program on the basis of having executed the release described in Paragraph 27, but there is no requirement under this Order that any complaint necessarily be resolved for or against the lender.

## **VI. ADMINISTRATION**

35. This Consent Order shall terminate ninety (90) days after the submission of Sage Bank's fourth annual report to the United States pursuant to Paragraph 33. Notwithstanding this

provision, the term of this Consent Order may be extended by agreement of the parties or upon motion to the Court by the United States, for good cause shown.

36. Any time limits for performance fixed by this Consent Order may be extended by mutual written agreement of the parties. Additionally, details related to administration of the Settlement Fund as set forth in Section IV may be modified by written agreement of the parties and without further Court approval. Any other modifications to this Consent Order may be made only upon approval of the Court, upon motion by any party.

37. In the event that any disputes arise about the interpretation of or compliance with the terms of this Consent Order, the parties shall endeavor in good faith to resolve any such dispute between themselves before bringing it to this Court for resolution. The parties agree that if any party reasonably believes that another party failed to comply with any obligation under this Consent Order, it shall provide written notice thereof and allow a period of at least thirty (30) days to discuss a voluntarily resolution of the alleged violation before presenting the matter to this Court. In the event of either a failure by Sage Bank to perform in a timely manner any act required by this Consent Order or an act by Sage Bank in violation of any provision hereof, the United States may move this Court to impose any remedy authorized by law or equity, including attorneys' fees and costs.

38. Nothing in this Consent Order shall excuse Sage Bank's compliance with any currently or subsequently effective provision of law or order of a regulator with authority over Sage Bank that imposes additional obligations on it.

39. The parties agree that, as of the date of the entry of this Consent Order, litigation is not "reasonably foreseeable" concerning the matters described above. To the extent that any party previously implemented a litigation hold to preserve documents, electronically stored



information (ESI), or things related to the matters described above, the party is no longer required to maintain such litigation hold. Nothing in this Paragraph relieves any party of any other obligations imposed by this Consent Order or any record retention obligations imposed by statute or regulation.

40. Sage Bank's compliance with the terms of this Consent Order, including any modifications agreed to by the parties or ordered by the Court, shall fully and finally resolve all claims of the United States arising prior to the effective date of this Consent Order relating to the alleged violation of the fair lending laws by means of discriminating on the basis of race and national origin, as alleged in the Complaint in this action, including all claims for equitable relief and monetary damages and penalties. This Consent Order does not release claims for practices not addressed in the Complaint's allegations, or that were not within the subject matter of the United States' investigation, including claims that may be held or are currently under investigation by any federal agency, or any claims that may be pursued for 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 Sage Bank or any of its affiliated entities.

41. Each party to this Consent Order shall bear its own costs and attorneys' fees associated with this litigation.

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

IT IS 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:*

CARMEN M. ORTIZ  
United States Attorney  
District of Massachusetts

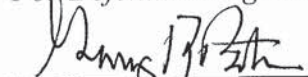
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SAMEENA SHINA MAJEED  
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*For Defendant Sage Bank:*

  
\_\_\_\_\_  
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**APPENDIX A**

**We do Business in Accordance with  
Federal Fair Lending Laws**

**UNDER THE EQUAL CREDIT OPPORTUNITY ACT, IT IS ILLEGAL TO  
DISCRIMINATE IN ANY CREDIT TRANSACTION:**

**On the basis of race, color, national origin, religion,  
sex, marital status, or age;**

**Because income is from public assistance; or**

**Because a right has been exercised under the Federal  
Consumer Credit Protection Laws.**

**IF YOU BELIEVE YOU HAVE BEEN DISCRIMINATED AGAINST, YOU SHOULD  
SEND A COMPLAINT TO ONE OF THE FOLLOWING:**

**U.S. Department of Justice  
Civil Rights Division  
Housing and Civil Enforcement Section  
Washington, DC 20530  
1-800-896-7743  
<http://www.usdoj.gov/crt/housing>**

**FDIC Consumer Response Center  
1100 Walnut Street, Box #11  
Kansas City, MO 64106  
1-877-ASK-FDIC (1-877-275-3342)  
(Monday - Friday 8:00 am to 8:00 pm EST)  
703-812-1020 (Fax number)  
<https://www2.fdic.gov/starsmail/>**

**APPENDIX B**

Acknowledgement

I acknowledge that on \_\_\_\_\_, I was provided copies of the Consent Order entered by the Court in United States v. Sage Bank (D. Mass.), and the loan policies developed pursuant thereto. I have read and understand these documents and have had my questions about these documents answered. I believe I understand my legal responsibilities and shall comply with those responsibilities.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Job Title

\_\_\_\_\_  
Date

**APPENDIX C**

**Training Certification**

I certify that on \_\_\_\_\_, I received training with respect to my responsibilities under the Consent Order entered by the Court in United States v. Sage Bank (D. Mass.) and the federal fair lending laws. I have had the opportunity to have my questions about them answered. I believe I understand my legal responsibilities not to discriminate under federal fair lending laws, including the Fair Housing Act and Equal Credit Opportunity Act, and shall comply with those responsibilities.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Job Title

\_\_\_\_\_  
Date

**APPENDIX D**

Full and Final Release of Claims

In consideration for the parties' agreement to the terms of the Consent Order entered in United States v. Sage Bank as approved by the United States District Court for the District of Massachusetts, and in consideration for the payment of \$ \_\_\_\_\_, I, \_\_\_\_\_ **[print name]**, do hereby agree, to remise, release, and forever discharge any and all claims of any kind, nature or description whatsoever, related to the facts at issue in the litigation referenced above, or in any way related to that litigation, up to and including the date of the entry of the Consent Order, that I may have against Sage Bank and its agents, employees, officers, members, heirs, executors, spouses, administrators, successors, insurers, and assigns.

I acknowledge and understand that, by signing this Release, I am waiving any right to pursue my own legal action against Sage Bank based on the discrimination alleged by the United States in this case.

I also acknowledge that I have been informed that I may review the terms of this Release with an attorney of my choosing, and to the extent that I have not obtained legal advice, I voluntarily and knowingly waive my right to do so.

I waive any claims I may have against the United States, the Department of Justice, or its agents or employees, arising out of this action. This Release constitutes the entire agreement between Sage Bank and me, without exception or exclusion.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name