UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TITLE VIII

CONCILIATION AGREEMENT

Between

[redacted]

(Complainants)

And

PNC Mortgage

(Respondent)

HUD Case Number: 01-13-0010-8

A. PARTIES

Complainants

[redacted]

[redacted]

Respondents

PNC Mortgage
965 White Plains Rd. Suite 301
Trumbull, Connecticut 06611

The PNC Financial Services Group
One PNC Plaza, 249 Fifth Ave
Pittsburgh, Pennsylvania15222

Anita Visconti
965 White Plains Rd. Suite 301
Trumbull, Connecticut 06611

B. STATEMENTS OF POSITION

1. Complainants' Position

The Complainants, [redacted] filed a complaint with the Department on October 11, 2012 pursuant to 42 U.S.C. § 3610(a)(1A)(i), alleging that Respondents PNC Mortgage[1] ("PNC"), The PNC Financial Services Group, and Anita Visconti, Senior Loan Officer at PNC Mortgage, violated the Fair Housing Act (the "Act") by utilizing discriminatory mortgage lending practices. The complaint formalizing the investigation alleges that PNC's policies and procedures regarding persons on pregnancy or maternity leave unlawfully discriminated against persons on the basis of sex and/or familial status with respect to making residential mortgage loans available and in terms and conditions of the sale a home.

[1] PNC Mortgage is a division of PNC Bank, National Association.

Complainants allege that on July 13, 2012, [redacted] informed Respondent Visconti that she and her husband were going to put an offer on a house at [redacted] in Newington, Connecticut. Complainant alleges Respondent Visconti told to her that she would not be able to close on the home until she could provide a month's worth of pay stubs. Complainant alleges that Respondent Visconti told her she would have to either end her maternity leave early and close on the house at the end of August, or take her full maternity leave and close on the house in the end of September. Complainant alleges that since she did not want to end her maternity leave earlier than planned, she put an offer on the house with a closing date of September 28, 2012. Complainant further alleges, however, that the seller would close at the end of September only if the price increased by $3000.00, to cover the extra costs of his keeping the house for an additional month. Complainant states she accepted the counterproposal's increased price in order to use her full maternity leave, rather than ending her maternity leave at the end of July to return to work and have the month of pay stubs necessary to close in August.

Under 42 U.S.C. § 3604(b) (Section 804(b) of the Act), it is unlawful "to discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith" because of sex or familial status. Under 42 U.S.C. § 3605 it is unlawful "for any person or other entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such a transaction" because of sex or familial status.

2. Respondents' Position

Respondents deny that they have discriminated in violation of the Act, and contend that they have engaged in prudent loan underwriting consistent with all legal requirements. In particular, Respondents assert that they have in place an appropriate Temporary Leave/Short-Term Disability Income policy for all loans, including Veterans Affairs ("VA") loans, which provides for consideration of temporary leave or disability income in qualifying income with appropriate documentation. Respondents further assert that documentation in the Complainant's loan file contradicts the allegations in the Complaint, and that the application was not denied. Respondents enter this agreement for

the purpose of avoiding the additional expense of investigation, while contending that all of its actions have been legally and prudentially sound. Finally, Respondents' position is that, because PNC Financial Services Group is the holding company for the parent of PNC Bank, N.A., of which Respondent PNC Mortgage is a division, it is not a proper party.

3. **Conciliation**

HUD has not reached a final determination regarding the complaint pursuant to 42 U.S.C. § 3610(g). Although the parties have differing views of the operative facts, they have been able to reach an agreement that meets the interest of each party and thus enter this conciliation agreement ("Agreement").

C. TERM OF AGREEMENT

This Agreement shall be in effect for a period of one (1) year from the effective date of the Agreement, unless an extension is necessary to complete the actions mandated by the Agreement. Time-frames specified in this Agreement are composed of calendar days.

D. EFFECTIVE DATE

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 signed by all parties and approved by the Region I FHEO Director.

This Agreement shall become effective on the date on which it is approved by the Region I FHEO Director, 10 Causeway St, Room 321, Boston, Massachusetts 02222.

E. GENERAL PROVISIONS

1. The parties acknowledge that this Agreement is a voluntary and full settlement of all issues related to the Department's investigation and the disputed complaint. The parties affirm that they have read and fully understand the terms set forth herein. No party has been coerced, intimidated, threatened or in any way forced to become a party to this Agreement.

2. Respondents acknowledge that the Act makes it 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. Respondents further acknowledge that any subsequent retaliation or discrimination constitutes both a material breach of this Agreement and a statutory violation of the Act.

3. The parties to this Agreement agree that, after it has been approved by the Region I FHEO Director, it is binding upon them, their employees, heirs, successors and assigns and all others in active concert with them in the ownership or operation of their respective organization's services.

4. It is understood that, pursuant to Section 810(b)(4) of the Act, upon approval of this Agreement by the Region I FHEO Director, it is a public document.

5. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving Respondents made pursuant to the Act, or any other complaint within the Department's jurisdiction. This Agreement does resolve all claims that were asserted or could have been asserted by Complainant. However, this Agreement does not preclude the Department from performing the normal duties under the Fair Housing Act relating to investigating individual complaints alleging discrimination.

6. 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 PNC and the Region I FHEO Director.

7. The parties agree that the execution of this Agreement may be accomplished by separate executions of consent to this Agreement, and that the original executed signature pages attached to the body of the Agreement constitute one document.

F. SETTLEMENT TERMS

1. Within thirty (30) days after the date of entry of this Consent Decree, Respondent PNC shall pay to [redacted] the sum of fifteen thousand dollars ($15,000.00)

in full settlement of any and all claims that [redacted] could bring arising out of the allegations underlying the investigation or presented in the complaint. Such payment shall be by check. PNC shall send a copy of the check to the Region I FHEO Director. Upon receipt of the check, the Region I FHEO Director shall send to PNC a release executed by [redacted] of all claims, legal or equitable, that [redacted] may have against Respondents relating to the allegations underlying the investigation or claims asserted in the complaint. The release of all claims shall be in the form included hereto in Appendix A.

2. Within thirty (30) days of the execution of the Agreement, PNC shall review two years of applications for residential mortgage loans guaranteed by the VA to identify applications made by female applicants in branches in and/or secured by property in Maine, Vermont, Connecticut, New Hampshire, Massachusetts, Rhode Island, Pennsylvania, and New York, which applications were denied for failure to document income with 30 days of paystubs.

a. For purposes of this internal review, PNC shall include any loan with an action date between October 1, 2010 and September 30, 2012.

b. Within forty-five (45) days of execution of this Agreement, PNC shall provide the Region I FHEO Director a report on how many files were searched, the methods used, and a list of the identified applicants.

3. PNC shall hire an independent third party administrator (the "Administrator") approved by the Region I FHEO Director. PNC shall provide the Administrator with the names and last known addresses of the applicants identified pursuant to the review described in Paragraph F(2). Within forty-five (45) days of the execution of the Agreement, the Administrator shall mail a copy of the Notice included hereto in Appendix B to all applicants identified in PNC's internal review. The administrator shall keep a log of the efforts to contact the applicants, and through this log will document other efforts to contact an applicant if the Notice to an applicant is returned by the postal service, such as by sending the Notice to a forwarding address. The

Notice shall inform the applicants of the availability of compensatory funds and shall include the Claim form included hereto as Appendix C.

a. Within sixty (60) days of entry of this Agreement, the Administrator shall provide a certification to the Region I FHEO Director that it has sent the Notice to all identified applicants in accordance with Paragraph F(3).

b. Recipients of the Notice shall have sixty (60) days after receipt of the Notice to submit a Claim to the Administrator. The date of receipt shall be the date of mailing plus an additional five (5) calendar days.

c. Within ten (10) days after the conclusion of the sixty (60) day period referenced in Paragraph F3(b), the Administrator shall provide PNC and the Region I FHEO Director a list of all Claims.

d. For each Claim, the Administrator shall make an initial determination as to whether the person filing a claim with the Administrator ("Claimant") is entitled to a payment. To authorize a payment the Administrator must document in writing each of the following:

(i) That the Claimant was planning to be on, scheduled to be on, or expected to be on pregnancy or maternity leave or was in fact on pregnancy or maternity leave at the time of the Claimant's loan application with PNC.

(ii) That the Claimant's loan application was impacted detrimentally because of her pregnancy or maternity leave status notwithstanding documentation of intention and right to return to work and verification of regular employment income and temporary leave or disability income. Such detrimental impact might be established by demonstrating that a PNC official told a Claimant that she was not eligible for, or would be subjected to different terms and conditions of, a mortgage loan because she was on pregnancy or maternity leave, or that she would have to return to work before she would be considered eligible for a

mortgage loan, or that the loan application was delayed unreasonably because of the pregnancy or maternity leave status.

(iii) That the Claimant otherwise qualified for the subject loan.

e. PNC shall provide any information PNC has within its possession or control that the Administrator needs to consider a Claim.

f. If the Administrator concludes, and documents in writing, that the standards required under Paragraph F(3)(d) are satisfied, the Administrator shall tentatively approve an Applicant's Claim.

g. Within one hundred-twenty (120) days of PNC sending the Notice to all Applicants, the Administrator shall make a tentative decision approving or denying all Claims and shall provide to PNC and to the Region I FHEO Director a list of all Claims the Administrator has received. That list shall specify those Claims that the Administrator has tentatively approved in accordance with the requirements of Paragraph F(2)(d). For Claims the Administrator has tentatively denied, the Administrator shall provide a brief explanation of the reason for denial.

h. The Region I FHEO Director shall have thirty (30) days in which to review the Claims that the Administrator tentatively approved and provide to the Administrator any written objections to the Administrator's tentative approval or denial of a Claim. If either PNC or the Region I FHEO Director disputes, in writing, the Administrator's tentative approval or denial of a Claim, the Administrator shall, within ten (10) days, provide any other factual information to PNC and the Region I FHEO Director that the Administrator believes should be considered by the parties.

i. PNC and the Region I FHEO Director, or her designee, will work cooperatively in an effort to resolve any disputed claims based on the information provided by the Administrator and any other available information. In the event that the parties are unable to reach agreement as to whether a claim(s) should be approved, each side may present relevant information to the Administrator; however, the Region I FHEO

Director will make the final determination. For all Claims that are not disputed by either party, the Administrator shall mail each Claimant a copy of the appropriate notice contained in Appendix D or E of this Agreement within ten (10) days of the expiration of the time for dispute, with a copy of each notice to PNC and the Region I FHEO Director. If the Administrator receives any notice returned with a forwarding address, it shall promptly re-send the notice to the forwarding address.

j. Within seventy-five (75) days of mailing the notices of approved Claims, the Administrator shall make a payment of $7,500.00 to each Claimant whose Claim was approved and who timely returned a signed release. The release of all claims shall be in the form included hereto in Appendix F. The Administrator shall provide PNC and the Region I FHEO Director a full accounting, including copies of all releases received, awards sent, and letters to which no response was received or that were returned as undeliverable.

k. All costs associated with the administration of the internal review, notifications to applicants, Administrator, shall be borne by PNC.

l. No Claimant shall be eligible for payment of an award if such Claimant has previously received compensation from PNC in response to any claim of discrimination and has executed a release in exchange for such compensation.

G. TRAINING

PNC shall provide at least one training session to first-lien residential mortgage loan originators, underwriters, and processors to ensure that their activities are conducted in a nondiscriminatory manner. This training shall encompass their fair lending obligations under the Act, and the provisions of this Agreement. In addition, within sixty (60) days after receiving direction, if any, from HUD relating to PNC's Temporary Leave/Short-Term Disability Income Policy, PNC shall provide to all such employees an explanation and copies of the applicable provisions of this Agreement, and allow an opportunity for such employees to have any questions concerning the Agreement answered.

H. POLICIES UPDATED

PNC has provided to the Department its Temporary Leave/Short-Term Disability Income policy. PNC shall revise such policy if necessary to meet HUD's satisfaction.

I. EVALUATING AND MONITORING COMPLIANCE

For the duration of this Agreement, PNC shall retain all records relating to its obligations hereunder. The Department shall have the right to review and copy such records upon request.

J. ADMINISTRATION

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

2. Any time limits for performance fixed by this Agreement may be extended by mutual written agreement of PNC and the Region I FHEO Director.

3. PNC's compliance with the terms of this Agreement shall fully and finally resolve all claims of the Department in the above-referenced Complaint relating to Respondents' alleged violation of the Act by means of discriminating against persons on the basis of their pregnancy or maternity leave status, including all claims for equitable relief and monetary damages and penalties.

4. The Department shall retain jurisdiction of this matter for the duration of this Agreement to enforce the terms of the Agreement.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

WHEREFORE, the parties hereto have duly executed this Agreement:

[redacted] Date

Complainant

[redacted] Date

Complainant

PNC signatory authority Date

Approving this Agreement:

Susan M. Forward Date
Region I Director
Office of Fair Housing and Equal Opportunity

APPENDIX A
RELEASE OF ALL CLAIMS

In consideration of the parties' agreement to the terms of the Conciliation Agreement in [redacted] *v. PNC Mortgage, et al, HUD case number 01-13-0010-8*, and the payment to us of $15,000, we hereby release and forever discharge PNC Mortgage, The PNC Financial Services Group, any and all entities, parents, predecessors, successors, subsidiaries, and affiliates related to those companies, and any and all of the past and present directors, officers, agents, managers, supervisors, shareholders, and employees and their heirs, executors, administrators, successors in interest, or assigns of those companies from any and all claims, counterclaims, cross-claims, defenses, affirmative defenses, causes of action of any type (whether common law, statutory, regulatory, administrative, in tort, contract, legal, equitable, or otherwise, and whether or not reduced to judgment, liquidated, un-liquidated, fixed, contingent, matured, unmatured, disputed, or undisputed), demands, disputes, damages, costs, losses, detriments, interest, expenses, penalties, fines, fees, attorneys' fees, actions, debts, controversies, suits and choses in action, whether known or unknown, or stated or unstated, relating to, arising out of, in connection with, based upon, or otherwise stemming from any of the facts, circumstances, acts, omissions, allegations, or purported violations of law relating to mortgage lending discrimination, including the prosecution or defense of those actions.

Executed on this____day of_____ ,2013.

Signature: _____

Print Name: _____

Address: _____

_____

Signature: _____

Print Name: _____

Address: _____

_____

APPENDIX B

NOTICE TO POTENTIAL VICTIMS OF HOUSING DISCRIMPIATION BECAUSE OF PREGNANCY MATERNITY STATUS (i.e., FAMILIAL STATUS)

PNC Mortgage, National Association ("PNC Mortgage") has established a fund to provide monetary relief to those PNC Mortgage residential loan applicants and borrowers who may have been discriminated against because they were pregnant, or on, or scheduled to be on, pregnancy or maternity leave when they applied for a residential mortgage loan ("Compensation Fund"). This notice provides you with information on how to file a claim should you qualify for relief from the Compensation Fund.

On [DATE], PNC Mortgage entered into a conciliation agreement with the U.S. Department of Housing and Urban Development ("HUD") to resolve a HUD discrimination complaint, FHEO **case** no. 01-13-0010-8 ("Conciliation Agreement"). The complaint was filed by an individual who alleged discrimination under the federal Fair Housing Act, as amended, with regard to a residential loan application.

PNC Mortgage denies the complainant's allegation, contending that its actions were nondiscriminatory. HUD and PNC Mortgage entered into the Conciliation Agreement to resolve the complaint. As part of the Conciliation Agreement, PNC Mortgage has agreed to establish the Compensation Fund for the purpose of paying damages to persons who may have suffered injury in the event that it is determined that PNC Mortgage made a loan decision on the basis of pregnancy, pregnancy leave or maternity leave.

In order to receive a payment from the Compensation Fund, you must demonstrate that you meet each of the following conditions (you can make the demonstration by describing in detail the facts of your claim and providing all available supporting documentation, such as evidence of maternity leave or the birth of your child, as well as evidence regarding your belief that PNC Mortgage acted in a discriminatory fashion):

1. You applied for a residential loan with PNC Mortgage and received a loan decision or loan from _____ to _____ .

2. At the time of loan application, you were pregnant, or on, scheduled to be on, or expected to be on pregnancy or maternity leave from work; and

3. That your loan application was impacted detrimentally because of the pregnancy or maternity leave status, without regard to prudential loan underwriting. Such detrimental impact may be established by demonstrating that a PNC Mortgage official told you that you were not eligible for, or would be subjected to different terms and conditions of, a mortgage loan because you were on pregnancy or maternity leave, or that you would have to return to work before you would be considered eligible for a mortgage loan, or that the loan application was delayed unreasonably because of the pregnancy or maternity leave status.

You are not entitled to payment if PNC Mortgage acted in a nondiscriminatory manner to document the level and continuity of income before, during and after pregnancy or maternity leave as necessary and appropriate to qualify you for the mortgage loan. It is

recognized that income documentation is an important part of the loan underwriting process.

If you believe that PNC Mortgage discriminated against you during the loan application process on the basis of your pregnancy or maternity leave status, **you must file a claim by [DATE] in order to be eligible for an award from the Compensation Fund**. If you wish to file a claim, you must provide: (1) your contact information, including your full name, address, telephone number(s), and, if available, email address; and (2) a full description of why you believe that PNC Mortgage has discriminated against you in violation of the Act because you were on, or scheduled to be on, pregnancy or maternity leave during the loan application process. If known, please also provide your application or loan numbers, and the names of any PNC Mortgage personnel who processed your application or loan. You are encouraged to include with the written description of your claim, copies of any documents you believe would help explain the basis for your claim, particularly any information necessary to establish the conditions described in this notice.
Eligible claims shall be paid in the order of date and time of receipt of each eligible claim by the Administrator on a first come, first served basis. If you intend on filing a claim you are encouraged to do so as soon as possible,
All claims must be sent to:

[ADMINISTRATOR]
[STREET ADDRESS]
[CITY], [STATE] [ZIP CODE]

More information on the claims process, including a complete copy of the Conciliation Agreement, is available at this address or by calling [NUMBER].
All Claimants will receive notice of whether their claim has been found to be meritorious. If it is determined that your claim has merit, the administrator will pay you from the Compensation Fund only if you sign a written release ("Release"), a copy of which will be sent to you if your claim is approved. The Release waives all claims, legal or equitable, that you might have against PNC Mortgage regarding the allegations asserted in your claim. You are not eligible for payment of an award from the Compensation Fund with respect to an application or loan if you have previously received compensation for a claim of discrimination regarding the same application or loan and have previously executed a release in exchange for the compensation.

APPENDIX C
CLAIM FORM

RETURN TO: [ADMINISTRATOR], [STREET ADDRESS], [CITY], [STATE] [ZIP CODE]
FULL, NAME (please print): _____
ADDRESS: _____
CITY: _____
STATE: _____
ZIP CODE: _____
PHONE NUMBER: _____
EMAIL ADDRESS: _____
WHY DO YOU BELIEVE THAT PNC MORTGAGE DISCRIMINATED AGAINST YOU BECAUSE YOU WERE ON PREGNANCY OR MATERNITY LEAVE?

_____

_____

Use additional pages if necessary. Submit relevant documents.
If known:

Loan or application number: _____
Type of loan (home purchase or refinance): _____
PNC office(s) you interacted with (include complete address): _____
Name of PNC official with whom you dealt: _____
Approximate date of loan application: _____

SIGNATURE: _____ TODAY'S DATE: _____

APPENDIX D
[DATE]

[APPLICANT NAME]
[APPLICANT STREET ADDRESS]
[APPLICANT CITY, STATE ZIP]

Re: PNC Mortgage Compensation Fund

Dear [APPLICANT]:

On [DATE], you submitted a claim for relief under a compensation fund established by PNC Mortgage, for payment to persons who may have been discriminated against on the basis of pregnancy or maternity leave during the process of applying for a mortgage with PNC Mortgage. After considering your claim, it has been determined that you are eligible for payment from the compensation fund in the amount of [AMOUNT]. In order to receive this payment, you must first sign the enclosed release and return it to the following address within thirty (30) days of the date of this letter. **Failure to submit a signed copy of the release within thirty (30) days will result in your forfeiture of any payment from the Compensation Fund.**

RETURN SIGNED RELEASES TO:

[ADMINISTRATOR]

[STREET ADDRESS]

[CITY]; [STATE] [ZIP CODE]

Sincerely,
[ADMINISTRATOR]

APPENDIX E

[DATE]

[APPLICANT NAME]
[APPLICANT STREET ADDRESS]
[APPLICANT CITY, STATE ZIP]

Re: PNC Mortgage Compensation Fund

Dear [APPLICANT]:

On [DATE], you submitted a claim for relief under a compensation fund established by PNC Mortgage, for payment to persons who may have been discriminated against on the basis of pregnancy or maternity leave during the process of applying for a mortgage with PNC Mortgage. Thank you for taking the time to complete the claim form and submitting it to us. We have carefully reviewed the information pertaining to your claim. After considering your claim, it has been determined that you are not eligible for payment.

Sincerely,
[ADMINISTRATOR]

APPENDIX F
RELEASE OF ALL CLAIMS

In consideration of the payment to us of $ 7,500, we hereby release and forever discharge PNC Mortgage, The PNC Financial Services Group, any and all entities, parents, predecessors, successors, subsidiaries, and affiliates related to those companies, and any and all of the past and present directors, officers, agents, managers, supervisors, shareholders, and employees and their heirs, executors, administrators, successors in interest, or assigns of those companies from any and all claims, counterclaims, cross-claims, defenses, affirmative defenses, causes of action of any type (whether common law, statutory, regulatory, administrative, in tort, contract, legal, equitable, or otherwise, and whether or not reduced to judgment, liquidated, un-liquidated, fixed, contingent, matured, unmatured, disputed, or undisputed), demands, disputes, damages, costs, losses, detriments, interest, expenses, penalties, fines, fees, attorneys' fees, actions, debts, controversies, suits and choses in action, whether known or unknown, or stated or unstated, relating to, arising out of, in connection with, based upon, or otherwise stemming from any of the facts, circumstances, acts, omissions, allegations, or purported violations of law relating to mortgage lending discrimination, including the prosecution or defense of those actions.

Executed on this____day of_____ ,2013.

Signature: _____

Print Name: _____

Address: _____

_____

Signature: _____

Print Name: _____

Address: _____

_____