UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TITLE VIII

CONCILIATION AGREEMENT

between

National Community Reinvestment Coalition
(Complainant)

and

First Tennessee Bank, National Association
(Respondent)

Approved by the FHEO Regional Director on behalf of the United States Department of Housing and Urban Development

FHEO CASE NUMBER: 04-16-0075-8

A. PARTIES

Complainant

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

Respondent

First Tennessee Bank, National Association
165 Madison Avenue
Memphis, TN 38103

B. STATEMENT OF FACTS

A complaint, No. 04-16-0075-8, was filed with the United States Department of Housing and Urban Development ("HUD" or the "Department") by the National Community Reinvestment Coalition ("Complainant") on October 5, 2015, alleging that First Tennessee Bank, National Association ("Respondent" or "First Tennessee Bank") violated Section 805 of the Fair Housing Act as amended in 1988, 42 U.S.C. §§ 3604(f)(2) and 3605 (the "Act"), by engaging in one or more discriminatory housing practices (the "Complaint"). The Complaint alleged that Respondent was responsible for discriminatory terms and conditions for making loans, discrimination in the making of loans, and discriminatory financing, with respect to real estate transactions. The Complaint further alleged that Respondent denied loan applications submitted by African American and Hispanic borrowers at higher rates than applications submitted by non-Hispanic white borrowers. The most recent violation is alleged to have occurred on September 21, 2015. The alleged violations relate to Respondent's lending practices in in census tracts with a majority of minority (African American or Hispanic) residents of the four Metropolitan Statistical Areas containing the Tennessee cities of Chattanooga, Knoxville, Memphis, and Nashville ("Affected Area").

First Tennessee Bank denies any allegation that it engaged in discriminatory lending on a prohibited basis, including but not limited to allegations of disparate treatment of applicants and/or borrowers. Complainant has provided no data or other evidence to support its claims that minority applicants have been inappropriately denied credit, nor has Complainant pointed to any policy of First Tennessee Bank that would lead to such a result. Moreover, Complainant previously filed substantially the same allegations with the Office of the Comptroller of the Currency ("OCC") and the Board of Governors of the Federal Reserve System ("Federal Reserve"), the primary Federal regulators of First Tennessee Bank and its holding company, respectively, in connection with Respondent's recent merger with another institution. Those agencies conducted a lengthy and detailed review of First Tennessee Bank, which included a robust analysis of Respondent's fair lending compliance in the Affected Area. In consideration of, among other things, First Tennessee Bank's record of compliance with the fair lending laws and its commitment to continue enhancing its fair lending program, the Federal Reserve, in consultation with the OCC and the Consumer Financial Protection Bureau ("CFPB"), approved

the proposed transaction. While First Tennessee Bank continues to deny that any violation of law occurred, it has entered into this settlement in order to avoid the extraordinary expense to all parties associated with a lengthy, duplicative investigation by the Department that already has been undertaken and resolved by the Federal Reserve and OCC.

Complainant and Respondent, without admitting fault, liability, or responsibility for Complainant's alleged damages, agree that it is in their respective interests to voluntarily settle this controversy and resolve this matter without the necessity of an evidentiary hearing or other judicial process available under the laws cited above.

C. TERM OF AGREEMENT

1. This Conciliation Agreement (hereinafter "Agreement") shall govern the conduct of the parties to it for a period of three (3) year from the effective date of the Agreement unless the Respondent has not satisfied all financial obligations specified in this Agreement, including disbursement of all monies recited in this Agreement, in which case the Agreement shall extend in one year increments until such time as the Respondent has fulfilled all financial obligations.

D. EFFECTIVE DATE

2. The parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a Conciliation Agreement pursuant to the Act, unless and until such time as it is approved by the U.S. Department of Housing and Urban Development, through the FHEO Regional Director, or his or her designee.

3. This Agreement shall become effective on the date on which it is approved by the Regional Director, Office of Fair Housing and Equal Opportunity (FHEO), Atlanta Regional Office of the United States Department of Housing and Urban Development.

E. GENERAL PROVISIONS

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

5. Respondent acknowledges that it has an affirmative duty not to discriminate under the Act, and that it is unlawful to retaliate against any person because that person has made a complaint, testified, assisted, or participated in any manner in a proceeding under the Act. Respondent further acknowledges that any subsequent retaliation or discrimination constitutes both a material breach of this Agreement and a statutory violation of the Act.

6. This Agreement, after it has been approved by the FHEO Regional Director, or his or her designee, is binding upon Respondent, its employees, heirs, successors and assigns and all others in active concert with Respondent in its operations, and

Complainant, its employees, heirs, successors and assigns and all others in active concert with Complainant in its operations.

7. It is understood that, pursuant to Section 810(b)(4) of the Act, upon approval of this Agreement by the FHEO Regional Director, or his or her designee, it is a public document.

8. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving Respondent made pursuant to the Fair Housing Act, or any other complaint within the Department's jurisdiction.

9. No amendment to, modification of, or waiver of any provisions of this Agreement shall be effective unless: (a) all signatories or their successors to the Agreement agree in writing to the amendment, modification or waiver; (b) the amendment, modification or waiver is in writing; and (c) the amendment, modification, or waiver is approved and signed by the FHEO Regional Director.

10. The parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement, the executed signature pages to be attached to the body of the Agreement to constitute one document.

11. Complainant hereby forever waives, releases, and covenants not to sue the Department, Respondent, jointly or severally, or their respective affiliates, heirs, executors, assigns, agents, directors, officers, employees, partners and attorneys, or pursue any administrative action or civil action, with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of the subject matter of HUD Case Number 04-16-0075-8, or which could have been filed in any action or suit arising from said subject matter.

12. Respondent hereby forever waives, releases, and covenants not to sue the Complainant, the Department, jointly or severally, or their successors, assigns, agents, officers, board members, employees, respective affiliates, executors and/or attorneys with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of the subject matter of HUD Case Number 04-16-0075-8 or which could have been filed in any action or suit arising from said subject matter.

13. It is understood that the Agreement does not constitute an admission by Respondent of any violation of the Act or any other federal or state statute or regulation, nor does the Agreement constitute evidence of a determination by the Department of any violation of the Act or other federal statute or regulation.

F. RELIEF FOR COMPLAINANT

14. Respondent agrees to pay Complainant by certified or cashier's check, the amount of $25,000.00 (Twenty-Five Thousand Dollars) on or before December 31, 2015, or five (5) business days after Respondent receives notice that the Agreement has been executed by the FHEO Regional Director, whichever is later ("Settlement Check").

15. The Settlement Check shall be made payable to National Community Reinvestment Coalition and shall be sent via overnight delivery to the Department at the following address:

Curtis Barnes, Conciliator
U.S. Department of HUD-FHEO
40 Marietta St.-16th Floor
Atlanta, Georgia 30303

G. RELIEF IN THE PUBLIC INTEREST

16. Respondent agrees to take the actions set forth in this Section G, and will provide the Department with written certification that these requirements have been met within 30 days after each calendar year. Said certification shall include a detailed accounting of all funds disbursed, including the following: date of payment, method of payment, and documentation of payment. Documentation of payment may include copies of certified checks, electronic wire transfer receipts, or other appropriate documentation. Said certification shall also identify any and all housing counseling agencies, community-based organizations, or governmental organizations with which the Bank partners as contemplated under this Section G.

17. Respondent shall establish a Subsidy Fund for interest rate reduction, down payment assistance, and closing cost assistance for qualified residential First Tennessee Bank borrowers in the Affected Area in the amount of $500,000.00 (Five Hundred Thousand Dollars) per year for 3 (three) years, for a total of $1,500,000.00 (One Million Five Hundred Thousand Dollars). The Subsidy Fund may be developed and implemented in partnership with housing counseling agencies selected by First Tennessee Bank. For the purposes of accounting for the Subsidy Fund, the monetary value of the subsidy on a loan with a reduced interest rate shall be determined using the Respondent's rate sheets for comparable Fannie Mae, Freddie Mac, or FHA products.

18. Respondent will partner with one or more community-based organizations or governmental organizations that provide (a) home repair or other grants designed to assist homeowners on their properties, or (b) credit, financial, homeownership, or foreclosure-prevention services, in either case to the residents of Affected Area. Respondent shall contribute $90,000.00 (Ninety Thousand Dollars) per year for 3 (three) years for a total of $270,000.00 (Two Hundred Seventy Thousand Dollars) to these partnerships. Respondent shall contribute an additional $35,000 (Thirty-Five Thousand Dollars) per year for 3 (three) years for a total of $105,000.00 (One Hundred Five Thousand Dollars) to Complainant to fund programs and services identified in this paragraph18.

19. Within thirty (30) days after the end of each calendar year, Complainant shall submit to the Department a report detailing the use of funds disbursed by Complainant pursuant to Paragraph 18, including but not limited to, copies of any canceled checks, electronic wire transfer receipts, or other proper documentation.

20. Respondent acknowledges that it has a fair lending program, including annual fair lending training for all relevant employees through the My Performance Learning Achievement Network (MyPLAN). Such training is subject to periodic review and evaluation by Respondent's principal Federal regulators, the OCC and CFPB.

H. POLICIES AND PROCEDURES

21. Respondent agrees to comply with the Act by providing full and fair access to all home loan products regardless of an applicant's race, color, religion, sex, disability, familial status or national origin.

I. MONITORING

22. The Department has the authority to determine compliance with the terms of this Agreement. The Department may conduct reviews of Respondent's operations and facilities relevant to this Agreement to ensure compliance with this Agreement. Respondent agrees to provide its full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement.

J. REPORTING AND RECORDKEEPING

23. All required certifications and documentation of compliance must be submitted to:

U.S. Department of Housing & Urban Development
Natasha J. Watson, Enforcement Director
40 Marietta Street
Atlanta, Georgia 30303
natasha.j.watson@hud.gov

K. CONSEQUENCES OF BREACH

24. Whenever the Department has reasonable cause to believe that Respondent has breached this Agreement, the Department shall first notify Respondent and provide Respondent with a detailed description of the alleged breach(es) and provide Respondent with a reasonable time to correct such alleged breach(es) before pursuing any further action.

25. In the event Respondent has not corrected such breach(es) in a reasonable time, the matter may be referred to the Attorney General of the United States, to commence a civil action in the appropriate U. S. District Court, pursuant to §§ 810(c) and 814(b)(2) of the Act.

26. This Agreement represents the entire agreement and understanding between and among the parties with respect to the subject matter hereof, and it supersedes any and all prior or contemporaneous discussions and/or settlement offers relating thereto.

L. SIGNATURES

1-19-16

John Taylor, President & CEO
National Community Reinvestment Coalition

Date

First Tennessee Bank, National Association

By:

1/15/2016

Yousef A. Valine, Chief Risk Officer
Executive Vice President

Date

M. APPROVAL

Carlos Osegueda
FHEO Region IV Director

Date