

**United States Department of Housing and Urban Development**

Case No. 09-12-0708-8

**Conciliation Agreement**

Under the Fair Housing Act (Title VIII)

Between

National Fair Housing Alliance, et al.  
(Complainant)

And

Wells Fargo Bank, N.A.,  
(Respondent)

Approved by the Assistant Secretary for Fair Housing and Equal Opportunity on  
behalf of the United States Department of Housing and Urban Development

Effective Date: \_\_\_\_\_, 2013

## **I. PARTIES**

### **A. Complainants**

National Fair Housing Alliance  
1101 Vermont Avenue, NW, Suite 710  
Washington, DC 20005

Fair Housing Center of West Michigan  
20 Hall Street SE  
Grand Rapids, MI 49507

Housing Opportunities Project for Excellence, Inc.  
11501 NW 2nd Avenue  
Miami, FL 33168

Metro Fair Housing Services, Inc.  
175 Trinity Avenue SW  
Atlanta, GA 30303

Miami Valley Fair Housing Center  
505 Riverside Drive  
Dayton, OH 45405

North Texas Fair Housing Center  
8625 King George Drive, Suite 130  
Dallas, TX 75235

### **B. Aggrieved Persons**

Denver Metro Fair Housing Center  
3401 Quebec Street, Suite 6009  
Denver, Colorado 80207

Fair Housing Center of Central Indiana  
615 North Alabama Street, Suite 426  
Indianapolis, IN 46204

Fair Housing Continuum, Inc.  
4760 North Highway US-1, Suite 203  
Melbourne, FL 32935

Fair Housing Opportunities of Northwest Ohio, Inc.  
432 North Superior Street  
Toledo, OH 43604

Greater New Orleans Fair Housing Action Center  
404 South Jefferson Davis Parkway  
New Orleans, LA 70119

HOPE Fair Housing Center  
245 West Roosevelt Road, Building 15, Suite 107  
West Chicago, IL 60185

Metropolitan Milwaukee Fair Housing Council  
600 East Mason Street, Suite 401  
Milwaukee, WI 53202

South Suburban Housing Center  
18220 Harwood Avenue, Suite 1  
Homewood, IL 60430

Representing Complainants and Aggrieved Persons:

Joseph M. Sellers  
Peter Romer-Friedman  
COHEN MILSTEIN SELLERS & TOLL PLLC  
1100 New York Avenue NW  
Suite 500, West Tower  
Washington, DC 20005  
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Morgan W. Williams  
National Fair Housing Alliance  
1101 Vermont Ave., NW; Suite 710  
Washington, DC 20005  
(202) 898-1661  
mwilliams@nationalfairhousing.org

**C. Respondent**

Wells Fargo Bank, N.A., d/b/a Wells Fargo Home Mortgage and d/b/a Premiere  
Asset Services  
101 N. Phillips Avenue  
Sioux Falls, SD 57104

Representing Respondent:

Anand S. Raman  
Joseph L. Barloon  
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
1440 New York Avenue, NW  
Washington, DC 20005  
(202) 371-7000  
anand.raman@skadden.com  
joseph.barloon@skadden.com

**II. FACTUAL AND PROCEDURAL BACKGROUND**

1. On April 10, 2012, Complainants filed a complaint against Wells Fargo & Company and Wells Fargo Bank, N.A. pursuant to 42 U.S.C. §§ 3604 and 3610. Complainants later amended their complaint to add as Respondents Wells Fargo Home Mortgage and Premiere Asset Services (collectively, "Respondent"). By agreement of the parties, Complainants hereby amend their complaint to identify the Respondents in their proper corporate capacity, being Wells Fargo Bank, N.A., d/b/a Wells Fargo Home Mortgage and Wells Fargo Bank, N.A., d/b/a Premiere Asset Services (collectively, "Respondent") and do hereby dismiss the named parent company, Wells Fargo & Company. Complainants and the Aggrieved Persons listed above (hereinafter referred to as "Complainants") assert that Respondent has violated the Fair Housing Act by maintaining and marketing Real Estate Owned ("REO") properties in predominantly White areas in materially better condition than REO properties in neighborhoods that are predominantly African-American, Latino, and non-White communities ("communities of color"). For the purpose of this Agreement, "maintenance" means the preservation, maintenance, or repair of the exterior of a REO property, and "marketing" means the posting of a sign or other form of written communication posted on the REO property. Complainants allege, based on an investigation they have undertaken, that this differential treatment has occurred in the following 19 specific metropolitan areas: Washington, DC; Baltimore, MD;

Philadelphia, PA; Oakland, Richmond, and Concord, CA; Dayton, OH; Miami, FL; Dallas, TX; Grand Rapids, MI; Atlanta, GA; Prince George's County, MD; Charleston, SC; Orlando, FL; Indianapolis, IN; Milwaukee, WI; Metropolitan Chicago, IL; Homewood and Dolton, IL; Toledo, OH; Denver, CO; and Baton Rouge, LA. Complainants allege that the differential treatment observed in these communities violates the Fair Housing Act, 42 U.S.C. § 3604(a), (b), (c), and (d) (the "Act") and the implementing regulations issued by the U.S. Department of Housing and Urban Development ("HUD").

2. Respondent denies that it has violated the Fair Housing Act or engaged in differential treatment of REO properties on the basis of race, national origin or any other prohibited basis. Respondent avers that it is firmly committed to the principles of home ownership, fair housing, and equal opportunity and has invested heavily in minority neighborhoods in the communities identified in the complaint and throughout the nation. Respondent asserts that it has managed REO properties in a responsible manner and without regard to the ethnic or racial composition of the communities it serves. Respondent asserts that it has implemented industry-leading policies and procedures for managing REO properties, and that these policies and procedures were and are applied to REO property maintenance and marketing without regard for race, national origin, or any other impermissible factor. Respondent enters this settlement solely for the purpose of avoiding contested litigation with Complainants, and instead to devote its resources to its REO maintenance and marketing responsibilities and to provide important and meaningful assistance to communities of color throughout the nation.
3. The Assistant Secretary of Housing and Urban Development for Fair Housing and Equal Opportunity ("Assistant Secretary"), Complainants and Respondent (collectively, the "Parties") have engaged in discussions in an effort to resolve the matter voluntarily. Although the Parties have differing views of the operative facts and legal framework, they share a commitment to the principles of fair housing and equal treatment. Accordingly, the Parties have been able to reach an agreement satisfactory to the Parties and which HUD deems to be in the public interest.

### **III. AGREEMENT**

#### **A. Term of Agreement**

4. This Conciliation Agreement ("Agreement") shall be in effect for a period of 18 months from the effective date of the Agreement, unless Respondent, Complainant National Fair Housing Alliance ("NFHA") and the Assistant

Secretary shall agree to an extension for purposes of completing the actions mandated by the Agreement.

**B. Effective Date**

5. The Parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a conciliation agreement pursuant to the Fair Housing Act, unless and until such time as it is approved by the parties and by the Assistant Secretary. This Agreement shall become effective and binding on the Parties on the date on which it is approved by the Assistant Secretary.

**C. General Provisions**

6. The Parties acknowledge that this Agreement is a voluntary and full settlement of the disputed complaint. No party has been coerced, intimidated, threatened, or in any way forced to become a party to this Agreement. The Parties have read and fully understand the significance of the terms set forth herein.
7. Each person who signs this Agreement in a representative capacity warrants that his or her execution of this Agreement is duly authorized, executed and delivered by and for the entity for which he or she signs.
8. It is understood that the Respondent denies any violation of law and that this Agreement does not constitute an admission by the Respondent or evidence of a determination by HUD of any violation of the Act or any other law.
9. This Agreement, after it has been approved by the Assistant Secretary, is binding upon HUD, as well as the Complainants, the Respondent, and their respective employees, successors and assigns.
10. It is understood that, pursuant to Section 801(b)(4) of the Act, upon approval of this Agreement by the Assistant Secretary, this Agreement is a public document. However, HUD will hold confidential all information of a personal or proprietary nature concerning Parties to this Agreement that is not contained in the body of the Agreement.
11. This Agreement is intended to fully and finally resolve all claims that were or could have been asserted based on the subject matter of or facts alleged in Complainants' Second Amended Complaint. However, this Agreement does not in any way limit or restrict HUD's authority or the Complainants' authority to investigate any other complaint involving Respondent made pursuant to the Fair Housing Act, or any other complaint within HUD's jurisdiction.

12. No amendments to, modifications of, or waiver of any provision of this Agreement shall be effective unless all of the following conditions are met: (a) all signatories or their successors to the Agreement are notified in advance and agree to the proposed 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 Parties and the Assistant Secretary, or his designee. Any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.
13. The Parties agree that this Agreement may be executed by the Parties' signatures of consent on separate pages. The separate pages will be attached to the body of the Agreement to constitute one document. The Parties agree that signature pages received via electronic transmission will be considered official, provided that the original copy of the signature page is forwarded to HUD immediately upon signing of the Agreement. Both the original and any electronically transmitted signature pages will be retained in the official case file.
14. In exchange for Respondent's compliance with the provisions of this Agreement, the Complainants (1) hereby forever waive, release and covenant not to sue Respondent, or its employees, assigns or successors, with regard to any and all claims, damages and injuries of whatever nature, whether presently known or unknown, arising out of the facts that occurred before the effective date of this Agreement and (A) that were alleged in or arise out of the same subject matter as HUD Case No. 09-12-0708-8 or (B) that could have been filed in any action or suit arising from such facts or subject matter; and (2) during the term of this Agreement covenant not to sue Respondent with respect to any facts that involve the same subject matter as HUD Case No. 09-12-0708-8 but which occurred after the effective date of this Agreement. This paragraph shall not limit the ability of Complainants or HUD to take legal action with respect to a breach of this Agreement, as described below.
15. Respondent hereby forever waives, releases and covenants not to sue HUD or the Complainants, or its employees, assigns or successors, with regard to any and all claims, damages and injuries of whatever nature, whether presently known or unknown, arising out of the facts alleged in or the same subject matter as HUD Case No. 09-12-0708-8 or which could have been filed in any action or suit arising from such facts or subject matter.
16. As a further material consideration of Respondent entering into this Agreement, Complainants shall refrain from making any disparaging comments about

Respondent as to any subject encompassed within the Second Amended Complaint. Likewise, as a further material consideration of Complainants entering into this Agreement, Respondent shall refrain from making any disparaging comments about Complainants as to any subject encompassed within the Second Amended Complaint.

17. Respondent acknowledges 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 and that any such act of retaliation constitutes a material breach of this Agreement and a violation of the Act.
18. If any provision of this Agreement is determined to be invalid or unenforceable for any reason, then such provision shall be treated as severed from the remainder of this Agreement, and shall not affect the validity and enforceability of all the other provisions of this Agreement.

**D. Confidentiality and Non-Disclosure**

i. Matters Subject to Confidentiality

19. Complainants and Respondents agree that the following matters (the "Confidential Matters") are, and shall remain, strictly confidential: (i) all negotiations, discussions, communications or correspondence between the Complainants and Respondent, or their respective counsel, with respect to any matter relating to this Agreement or the terms thereof; (ii) any future negotiations, discussions, communications or correspondence between Complainants and Respondent, or their respective counsel, with respect to any matter relating to this Agreement or the terms thereof, or regarding facts alleged in or the same subject matter as HUD Case No. 09-12-0708-8 or which could have been filed in any action or suit arising from such facts or subject matter; and (iii) the contents of any of Respondent's internal materials to which certain Complainants are provided access pursuant to this Agreement. Nothing in this paragraph shall prevent or bar any of the Parties from publicly describing or discussing the terms or contents of this Agreement, which is a public document.

ii. Prohibition Against Disclosure

20. In recognition of the confidential nature of the Confidential Matters, the Parties agree that, subject to the exclusions identified in Paragraph 21 below, they shall not disclose, discuss or communicate in any manner whatsoever the Confidential Matters to anyone. In particular, the Parties agree that they shall refrain in all

instances from making any comments or statements regarding the Confidential Matters to persons other than those enumerated in Paragraph 21 below.

iii. Limited Disclosure

21. Notwithstanding the limitations set out in Paragraph 20 above, the Parties agree that Confidential Matters may be disclosed to: (1) counsel for the Parties; (2) individuals who are affiliated or associated in a professional capacity with the Parties, so long as such disclosure is reasonably necessary to effectuate the terms and conditions of the settlement or to comply with legal, regulatory, or auditing requirements; (3) any competent public authority to which a Party is obligated to report the fact or terms of the Agreement, including HUD; (4) as required by order of any court of competent jurisdiction; or (5) as required by order of any administrative agency, including HUD.
22. Prior to making any disclosures pursuant to Paragraph 21 the Party seeking disclosure shall provide reasonable prior written notice to the legal counsel to the Parties as identified in this Agreement such that they may take any steps necessary to prevent or limit disclosure.

iv. Remedies

23. The Parties hereto agree that in the event of a breach of the Confidentiality and Non-Disclosure provisions of this Agreement: (a) each and every term of this Agreement shall remain in full force and effect; and (b) the exclusive remedy of the non-breaching Party shall be injunctive relief.

#### **IV. RELIEF IN THE PUBLIC INTEREST**

##### **A. REO Maintenance and Marketing Standards**

24. As specified below, Respondent has implemented or will implement certain enhancements to its REO maintenance and marketing standards.
  - i. Wells Fargo Portfolio Owned REO Properties
25. Respondent commits to maintain and market Wells Fargo portfolio owned REO properties ("Wells Fargo REO properties") according to best practices standards contained in the Wells Fargo Premiere Asset Services ("PAS") Broker Procedure Manual ("PAS Broker Procedure Manual"), as described in Paragraphs 29-30 below.
  - ii. REO Properties to be Conveyed to Government-Sponsored Enterprises Fannie Mae or Freddie Mac, HUD, or the U.S. Department of Veterans Affairs

26. Respondent will continue to maintain REO properties to be conveyed to the Government-Sponsored Enterprises Fannie Mae or Freddie Mac ("GSEs"), HUD, or the U.S. Department of Veterans Affairs ("VA") (collectively, "GSE REO properties") in accordance with the respective GSE, HUD or VA guidelines until the property is conveyed to the GSE, HUD, or VA. Consistent with the requirements of the GSEs, HUD, and VA, Respondent will play no role in the marketing, maintenance, repairs or renovation of the GSE REO properties following conveyance of the property to the GSE, HUD, or VA.
- iii. REO Properties Serviced for Private Third Party Investors for Which PAS has Responsibility for Maintenance and Marketing
27. Respondent commits to maintain and market REO properties serviced for private third party investors, for which PAS has responsibility for maintenance and marketing ("Third Party Investor REO properties") according to standards prescribed in the applicable Third Party Investor servicing agreement, or, in those cases where no specific standard is applicable, according to the "best practices" standard contained in the PAS Broker Procedure Manual. When a current or future Third Party Investor servicing agreement provides that Respondent shall maintain or market REO properties according to Respondent's own standards or the same manner in which Respondent maintains REOs in its own portfolio, Respondent will maintain and market the REO properties subject to the servicing agreement according to the "best practices" standard contained in the PAS Broker Procedure Manual.
- iv. REO Properties Serviced by Others on Behalf of Various Residential Mortgage Backed Securities Trusts for Which Wells Fargo's Corporate Trust Services Acts as Trustee
28. The Parties agree that this Agreement will not impose any legal right or obligation upon Wells Fargo's Corporate Trust Services ("CTS"), a division of Wells Fargo Bank, N.A., when acting as trustee on behalf of various residential mortgage backed securities trusts, and will not impose any legal right or obligation upon CTS to actively manage or monitor any REO properties within such trusts or the servicers of such properties for compliance with the terms hereof. Within 30 days of the effective date of this Agreement, Respondent will send all institutions or entities that service REO properties on behalf of trusts for which CTS acts as a trustee a written communication reminding these servicers of their legal and contractual obligations to properly service such properties, and Respondent will send the same or a substantially similar written communication on the one year anniversary of the effective date of the Conciliation Agreement.

**B. REO Process Improvements**

- i. Policies and Procedures

29. Respondent has made, and will continue to make, "best practices" revisions to the PAS Broker Procedure Manual, which will be used nationally by real estate professionals in the maintenance and marketing of Wells Fargo REO properties. "Best practices" are those policies and procedures that comply with applicable law and regulation and are commercially reasonable and common in the industry, for the maintenance and marketing of REO properties. Best practices were identified through a comparison of the policies and procedures in effect as of the signing of this Agreement of PAS, the GSEs, HUD, VA, and private Third Party Investors for which PAS services REO properties.
30. The "best practices" incorporated into the PAS Broker Procedure Manual include the use of a Property Condition Inspection Checklist (the "Checklist"). The Checklist includes information about the condition of various aspects of the REO property, and will serve as a tool for identifying issues to be escalated to PAS for evaluation and determination of what, if any, repairs or other actions will be taken. Respondent uses or will institute use of the Checklist for all Wells Fargo REO properties as defined in Paragraph 25 above, and for Third Party Investor REO properties as defined in Paragraph 27 above in the event that there is no specific standard applicable or if the servicing agreement provides that Respondent shall maintain or market REO properties according to Respondent's own standards.
  - ii. Wells Fargo REO Website
31. PAS currently provides on the Wells Fargo REO website information about all Wells Fargo REO properties listed for sale, including contact information for the listing broker/agent. PAS has implemented additional improvements to the website, including a toll free escalation number for complaints about Wells Fargo REO properties, and a toll free phone number for any buyer, buyer's agent, or any other person to inform Wells Fargo of any concerns with listing brokers/agents retained by PAS. PAS staffs or will staff each of these toll free numbers during business hours and ensure that messages may be left for PAS staff after business hours.
  - iii. Enhancing the First Look Program and the Homeowner Priority Period
32. Wells Fargo currently provides a "First Look" exclusivity period for qualified non-profit organizations, which runs from the time a Wells Fargo REO property is received in the PAS REO group until the date the Wells Fargo REO property is listed for sale with a licensed real estate broker or agent. During the First Look period, qualified non-profits are given an opportunity to purchase the property at a discounted price. Qualified non-profits are also eligible to make offers on Wells Fargo REO properties outside of the exclusivity period. Respondent has ensured or will ensure that Wells Fargo's website continues to provide any user the opportunity to register to receive updates on any Wells Fargo REO property presented on the website, allowing any qualified non-profit to register to be

informed of all price changes, including reductions, on any Wells Fargo REO property. This provides and will continue to provide qualified non-profits the opportunity to purchase the property if the price is reduced.

33. Within 30 days of the effective date of this Agreement, Respondent will provide HUD with documentation showing that its website provides information about the "First Look" program described in Paragraph 32. Specifically, the documentation should show that Wells Fargo's website affords users the opportunity to register to receive updates on Wells Fargo REO properties, such that qualified non-profits may register to be informed of all price reductions on Wells Fargo REO properties.
34. Respondent has expanded or will expand the Homeowner Priority period so that it lasts from calendar Day 8 to calendar Day 15 following the date the Wells Fargo REO property is listed in the multiple listing service. This is consistent with the marketing of GSE REO properties by Fannie Mae and Freddie Mac. Previously, the Homeowner Priority period extended from calendar Day 8 to calendar Day 12. In addition, Respondent will renew Wells Fargo's Homeowner Priority period for a period of up to 5 business days after any reduction in the price of a Wells Fargo REO property. Renewing the Homeowner Priority period for up to 5 days after the reduction in price of an REO will not prevent or bar Respondent from receiving an offer after the expiration of the 5 day Homeowner Priority period from a non-profit or investor who wishes to purchase the REO property. This renewal period is intended to help owner-occupants consider purchasing the REO property and make an offer, and is consistent with Respondent's intent to give priority in such sales to owner-occupants who make offers that meet or exceed the price of offers from those who do not intend to live at the property. Receipt of an acceptable offer from an intended owner-occupant will allow Respondent to terminate the Homeowner Priority period. A cash offer from an investor or non-profit organization to purchase an REO property shall not be considered a better offer if the offer is for the same or a lesser amount than an offer by an owner-occupant who is purchasing the REO property with cash or with financing.
35. Within 30 days of the effective date of this Agreement, Respondent shall provide HUD with documentation establishing that the Homeowner Priority period has been extended as described in Paragraph 34 and that its website contains information advising consumers and real estate agents of the expanded Homeowner Priority period.

iv. Listing Brokers/Agents

36. Respondent has provided or will provide, for each Wells Fargo REO property listed in a multiple listing service, a toll-free phone number for any buyer, buyer's agent, or other persons to inform Respondent of any concerns with a listing broker/agent, and has or will post a similar toll-free number on Respondent's website for any escalated concerns by a prospective buyer.

37. Within 30 days of the effective date of this Agreement, Respondent shall provide documentation to HUD showing that its website publicizes a toll-free number for buyer's agents as described in Paragraph 36 and that it has taken other steps as appropriate to disseminate the number to buyer's agents. Within 30 days of the effective date of this Agreement, Respondent will also provide documentation to HUD establishing that its website publicizes a toll-free number for prospective buyers to express escalated concerns as described in Paragraph 31.
38. Respondent has developed fair housing training (the "fair housing training module") that shall be made available, at no cost, to any interested real estate professional and to the public. As set forth in a separate agreement, Respondent will engage and pay NFHA as a consultant the amount set forth in that separate agreement to review the fair housing training module and the revised PAS Broker Procedure Manual and to provide non-binding recommendations regarding these materials. PAS listing brokers/agents currently under contract to maintain and market Wells Fargo REO properties will be required to complete the fair housing training module within six months of the completion of NFHA's review of the fair housing training module. All such training shall be provided at no charge to PAS listing brokers/agents. Respondent has incorporated or will incorporate the fair housing training module into the introductory training required of all newly-retained listing brokers/agents and has or will incorporate the same or similar fair housing content in the PAS Broker Procedure Manual, as may be appropriate.
39. Within 30 days of the completion of NFHA's review, Respondent shall provide a copy of the fair housing training module to HUD, along with documentation establishing that Respondent's website contains information offering the fair housing training module at no cost to real estate professionals and members of the public. Respondent will provide documentation showing that all PAS listing brokers/agents currently under contract to maintain and market Wells Fargo REO properties have completed the training within ten days of such completion. The response shall indicate the date of the training. Further, within 30 days of the completion of NFHA's review, Respondent will provide documentation to HUD showing that the fair housing training module has been included in the introductory training required of all newly-retained listing brokers/agents, and that substantially similar content has been incorporated into the PAS Broker Procedure Manual.

v. PAS REO Employee Training

40. Respondent will continue to use the same or similar fair housing content from the fair housing training module in training program(s) for its REO asset managers, pre-marketing team members, and field inspection team members, with an emphasis on fair housing compliance as it relates to REOs.
41. Within 60 days of the effective date of this Agreement, Respondent shall provide documentation to HUD showing that information substantially similar to that in

the fair housing training module is included in training programs for REO asset managers, pre-marketing team members, and field inspection team members.

**C. REO Monitoring**

42. Respondent will engage Complainant NFHA as a consultant at its customary hourly rates to assist Respondent in connection with monitoring of maintenance and marketing of Wells Fargo portfolio owned REO properties ("Wells Fargo REO properties") and REO properties serviced by Wells Fargo for Third Party Investors in communities of color from a fair housing and property preservation perspective. NFHA will assist Respondent in identifying communities in which to conduct enhanced monitoring. Respondent will retain qualified service providers to inspect randomly selected Wells Fargo REO properties. The property inspections will include use of a Property Condition Inspection Checklist (the "Checklist"). The Checklist, to be used in evaluating the condition of REO properties, includes information about the condition of various aspects of the REO property, and will serve as a tool for identifying issues to be escalated to PAS for evaluation and determination of what, if any, repairs or other actions will be taken. Respondent will provide NFHA reports regarding the results of the monitoring, and will consult with NFHA regarding findings and potential improvements to maintenance and marketing practices and procedures identified as a result of the monitoring. NFHA will be paid an hourly consulting fee based on its customary consulting rates during the term of this Agreement.

**D. Education and Outreach**

43. During the effective term of this Agreement, and at times to be agreed upon by the Parties, Respondent and NFHA will sponsor two conferences designed to bring together approximately 100 industry and non-profit participants, including the licensing and regulatory agencies for real estate professionals, at each conference, to discuss issues and solutions on topics of mutual interest and the intersection of fair housing with these issues, including REO, short sales, deeds-in-lieu of foreclosure, vacant property registration, accelerating foreclosure of vacant and abandoned properties, property preservation, and promotion of renovation lending programs. Respondent will cover costs for each conference including space, audio visual, meals, reasonable and customary travel stipends for certain participants or speakers that will be mutually agreed to by Respondent and NFHA, and costs associated with production, up to \$150,000 for each conference, for a total of \$300,000.
44. In addition, Respondent will provide an additional \$250,000 to be allocated by NFHA to its partners and other local organizations to hold seminars and address

delinquencies, foreclosures, and REOs in communities where NFHA identifies the greatest need for such information. Within 7 business days of NFHA providing Respondent with a list describing the allocation of the \$250,000 to its partners and other local organizations, Respondent will transfer the funds to the relevant partners and other local organizations via a wire transfer or any other mutually acceptable method.

**V. RELIEF FOR COMMUNITIES AND COMPLAINANTS**

45. Pursuant to terms separately agreed upon, Respondent shall provide \$27 million in grant money to Complainants, in full and final satisfaction of this matter.
46. The \$27 million payment will be used by Complainants to provide programs and services to promote home ownership, neighborhood stabilization, property rehabilitation, and development in communities of color within the 19 metropolitan areas identified in Paragraph 1.
47. Complainants believe that it is important for communities of color to understand how they have benefited from the \$27 million in grant money and how these funds will be used to affirmatively further fair housing and help stabilize these communities. Thus, Complainants are willing to report on the unique programs that will be implemented with these funds in each of the 19 metropolitan areas identified in Paragraph 1. Beginning 6 months from the effective date of this Conciliation Agreement and every six months thereafter for the term of this Agreement, Complainants will provide a report to HUD describing the various ways the grant money has been used to benefit homeowners and communities in each of the 19 metropolitan areas identified in Paragraph 1, and at the same time will provide Respondent with a copy of each report that is provided to HUD.
48. In addition, within 7 business days of the effective date of this Agreement, Respondent shall provide, via wire transfer or any other mutually agreed upon method, \$3 million to Complainants' counsel for distribution to the Complainants. Such amount is intended to reimburse NFHA and the other Complainants for costs and damages, including diversion of resources incurred in connection with the subject matter of the Second Amended Complaint and attorneys' fees and costs.

## **VI. EVALUATING AND MONITORING COMPLIANCE**

### **A. Reporting and Recordkeeping**

49. For the duration of this Agreement, Respondent shall retain all records relating to its obligations under this Agreement. HUD shall have the right to review and copy such records upon request.
50. On or before the one year anniversary of the effective date of this Agreement, Respondent shall make a report to HUD on its progress in fulfilling the goals of this Agreement. The report shall provide a complete account of Respondent's actions to comply with each requirement of this agreement during the preceding year.
51. HUD may review and shall determine compliance with the terms of this Agreement during the term of this Agreement. Respondent and Complainants agree to provide full cooperation in any such monitoring review undertaken by HUD.
52. All certifications and documentation of compliance required under this Agreement shall be submitted to:

U.S. Department of Housing and Urban Development  
Fair Housing Enforcement Center  
ATTENTION: CONCILIATION REVIEW  
San Francisco Regional Office – Region IX  
600 Harrison Street, 3<sup>rd</sup> Floor  
San Francisco, CA 94107-1300

### **B. Enforcement and Consequences of Breach**

53. The Parties will endeavor in good faith to resolve informally any differences regarding interpretation and compliance with this Agreement pursuant to Paragraph 55 below. Pursuant to Paragraph 51 the Assistant Secretary shall determine whether the Respondent has complied with the terms of this Agreement. In the event that the Parties and HUD are unsuccessful at resolving any disputes regarding interpretation and compliance, the Agreement may be enforced pursuant to the provisions of 42 U.S.C. Section 3610(c).
54. If HUD has reasonable cause to believe that Respondent has breached this Agreement, 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.

**C. Dispute Resolution**

55. During the term of this Agreement, Complainants will notify Respondent in writing within 60 days of any evidence they believe demonstrates non-compliance with the terms of the Agreement. In that event, Complainants and Respondent will meet and confer in good faith about the evidence presented and attempt to resolve the matter. It is the intent of the Parties that they will collaborate to resolve any disputes in a mutually agreeable manner.

**SIGNATURE PAGE**

**Respondent:**

Wells Fargo Bank, N.A.

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By:  
Title:

**Complainants:**

National Fair Housing Alliance

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By:  
Title:

Fair Housing Center of West Michigan

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By:  
Title:

Housing Opportunities Project for  
Excellence, Inc.

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By:  
Title:

Metro Fair Housing Services, Inc.

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By:  
Title:

Miami Valley Fair Housing Center

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By:  
Title:

North Texas Fair Housing Center

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By:

**Respondent:**

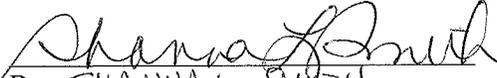
Wells Fargo Bank, N.A.

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By:  
Title:

**Complainants:**

National Fair Housing Alliance

  
By: SHANNA L. SMITH  
Title: PRESIDENT/CEO

Fair Housing Center of West Michigan

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By:  
Title:

Housing Opportunities Project for  
Excellence, Inc.

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By:  
Title:

Metro Fair Housing Services, Inc.

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By:  
Title:

Miami Valley Fair Housing Center

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By:  
Title:

North Texas Fair Housing Center

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By:  
Title:

SIGNATURE PAGE

**Respondent:**

Wells Fargo Bank, N.A.

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By:  
Title:

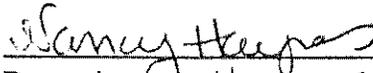
**Complainants:**

National Fair Housing Alliance

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By:  
Title:

Fair Housing Center of West Michigan



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By: Nancy Haynes  
Title: Executive Director

Housing Opportunities Project for  
Excellence, Inc.

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By:  
Title:

Metro Fair Housing Center, Inc.

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By:  
Title:

Miami Valley Fair Housing Center

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By:  
Title:

**Respondent:**

Wells Fargo Bank, N.A.

By:  
Title:

**Complainants:**

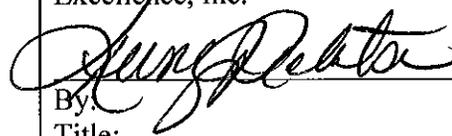
National Fair Housing Alliance

By:  
Title:

Fair Housing Center of West Michigan

By:  
Title:

Housing Opportunities Project for  
Excellence, Inc.

  
By:  
Title:

Metro Fair Housing Services, Inc.

By:  
Title:

Miami Valley Fair Housing Center

By:  
Title:

North Texas Fair Housing Center

By:  
Title:

**Respondent:**

Wells Fargo Bank, N.A.

By:  
Title:

**Complainants:**

National Fair Housing Alliance

By:  
Title:

Fair Housing Center of West Michigan

By:  
Title:

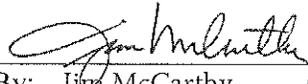
Housing Opportunities Project for  
Excellence, Inc.

By:  
Title:

Metro Fair Housing Services, Inc.

By:  
Title:

Miami Valley Fair Housing Center

  
By: Jim McCarthy  
Title: President/CEO

North Texas Fair Housing Center

By:  
Title:

**Respondent:**

Wells Fargo Bank, N.A.

By:  
Title:

**Complainants:**

National Fair Housing Alliance

By:  
Title:

Fair Housing Center of West Michigan

By:  
Title:

Housing Opportunities Project for  
Excellence, Inc.

By:  
Title:

Metro Fair Housing Services, Inc.

*Crail L. Williams*

By: *Crail L. Williams*  
Title: *Executive Director*

Miami Valley Fair Housing Center

By:  
Title:

North Texas Fair Housing Center

By:  
Title:

**Respondent:**

Wells Fargo Bank, N.A.

By:  
Title:

**Complainants:**

National Fair Housing Alliance

By:  
Title:

Fair Housing Center of West Michigan

By:  
Title:

Housing Opportunities Project for  
Excellence, Inc.

By:  
Title:

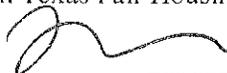
Metro Fair Housing Services, Inc.

By:  
Title:

Miami Valley Fair Housing Center

By:  
Title:

North Texas Fair Housing Center

By:   
Title: EXECUTIVE DIRECTOR

**Aggrieved Persons:**

Denver Metro Fair Housing Center



By: Arturo T Alvarado

Title: Executive Director

Fair Housing Center of Central Indiana

By:

Title:

Fair Housing Continuum, Inc.

By:

Title:

Fair Housing Opportunities of  
Northwest Ohio, Inc.

By:

Title:

**Aggrieved Persons:**

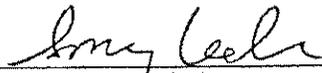
Denver Metro Fair Housing Center

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By:

Title:

Fair Housing Center of Central Indiana



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By: Amy Nelson

Title: Executive Director

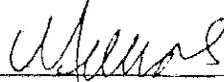
Fair Housing Continuum, Inc.

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By:

Title:

Fair Housing Opportunities of  
Northwest Ohio, Inc.



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By: Michael P. Marsh

Title: President/CEO

**Aggrieved Persons:**

Denver Metro Fair Housing Center

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By:  
Title:

Fair Housing Center of Central Indiana

---

By:  
Title:

Fair Housing Continuum, Inc.



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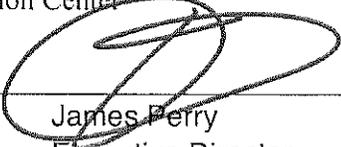
By: *D. L. BAADE*  
Title: *PRESIDENT/CEO*

Fair Housing Opportunities of  
Northwest Ohio, Inc.

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By:  
Title:

Greater New Orleans Fair Housing  
Action Center

  
By: James Perry  
Title: Executive Director

HOPE Fair Housing Center

By:  
Title:

Metropolitan Milwaukee Fair Housing  
Council

By:  
Title:

South Suburban Housing Center

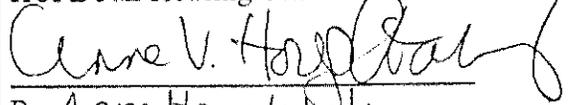
By:  
Title:

Greater New Orleans Fair Housing  
Action Center

---

By:  
Title:

HOPE Fair Housing Center



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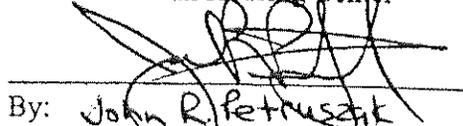
By: Anne Houghtaling  
Title: Executive Director

Metropolitan Milwaukee Fair Housing  
Council

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By:  
Title:

South Suburban Housing Center



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By: John R. Petruszick  
Title: Executive Director

Greater New Orleans Fair Housing  
Action Center

---

By:  
Title:

HOPE Fair Housing Center

---

By:  
Title:

Metropolitan Milwaukee Fair Housing  
Council

  
By: WILLIAM R. TISDALE  
Title: PRESIDENT & CEO

South Suburban Housing Center

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By:  
Title:

**Approved:**

On Behalf of the Department of Housing and Urban Development

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By: Sara K. Pratt  
Deputy Assistant Secretary for Enforcement and Programs

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Date

Conciliators: Catherine Ross-Perry  
Sara K. Pratt