JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE Thursday, January 15, 2015

Justice Department Reaches Settlement Agreement With First United Bank Over Allegations of Discrimination on the Basis of National Origin

The Justice Department announced today that First United Bank, of Dimmitt, Texas, will maintain uniform pricing policies, conduct employee training and pay $140,000 as part of a settlement to resolve allegations that it engaged in a pattern or practice of discrimination on the basis of national origin.

The settlement, which is subject to court approval, was filed in conjunction with the Justice Department's complaint in the U.S. District Court for the Northern District of Texas. The complaint alleges that First United Bank charged higher prices on unsecured consumer loans made to Hispanic borrowers in violation of the Equal Credit Opportunity Act (ECOA).

"The Civil Rights Division is committed to ensuring that lenders price all types of loans based on appropriate credit factors and not based on prohibited factors such as national origin," said Acting Assistant Attorney General Vanita Gupta for the Justice Department's Civil Rights Division. "We commend First United Bank for implementing a system of loan pricing that provides objective guidance to the bank's employees."

The lawsuit originated from a referral by the Federal Deposit Insurance Corporation (FDIC) to the Civil Rights Division. First United Bank is a member of the FDIC.

Under the settlement, First United Bank will pay a total of $140,000 to compensate hundreds of victims of discrimination, monitor its loans for potential disparities based on national origin and provide equal credit opportunity training to its employees. First United Bank will also maintain its revised pricing policies to ensure that the price charged for its loans is set in a non-discriminatory manner consistent with the requirements of ECOA. The agreement also prohibits the bank from discriminating on the basis of national origin in any aspect of a credit transaction.

"This district is committed to ensuring banks and other lending institutions do not discriminate against borrowers on the basis of national origin," said Acting U.S. Attorney John Parker for the Northern District of Texas. "I join the Acting Assistant Attorney General in recognizing First United Bank's cooperation in accomplishing this settlement that will compensate hundreds of victims of this discrimination."

The Justice Department's enforcement of fair lending laws is conducted by the Fair Lending Unit of the Housing and Civil Enforcement Section in the Civil Rights Division. Since the Fair Lending Unit was established in February 2010, it has filed or resolved 36 lending matters under the Fair Housing Act, ECOA and the Servicemembers Civil Relief Act. The settlements in these matters provide for over $1.2 billion in monetary relief for impacted communities and individual borrowers. The Attorney General's annual reports to Congress subject to ECOA highlight the department's accomplishments in fair lending and are available at www.justice.gov/crt/publication.