HUD No. 14-122
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FOR RELEASE
Thursday
October 2, 2014

HUD REACHES SETTLEMENT WITH MIDLAND STATES BANCORP
RESOLVING ALLEGATIONS OF REDLINING BY THE BANK

WASHINGTON – The Department of Housing and Urban Development (HUD) announced today that it has negotiated a Conciliation Agreement with Illinois-based Midland States Bancorp, resolving allegations that the bank avoided doing business in predominantly African American and Hispanic neighborhoods in St. Louis, Missouri and northern Illinois.

The Fair Housing Act makes it unlawful to deny or discriminate in the terms and conditions of a mortgage or loan modification based on race, color, national origin, religion, sex, familial status, or disability.

"Today's settlement demonstrates HUD's ongoing commitment to addressing lending discrimination, no matter what form it takes," said Gustavo Velasquez, HUD Assistant Secretary for Fair Housing and Equal Opportunity. "Everyone, regardless of their race or national origin, should have equal access to banking services and HUD will continue to take appropriate action to end discriminatory practices."

The settlement with Midland States Bancorp is the result of a housing discrimination complaint that was filed by Metropolitan St. Louis Equal Housing and Opportunity Council (EHOC), a HUD Fair Housing Initiatives Program agency. EHOC's complaint alleged that the bank delineated its service area in a discriminatory manner that excluded areas of high minority concentration, a practice known as redlining. EHOC's complaint also alleged that the bank located branches in a manner that did not give equal access to customers based on race and national origin, and failed to market residential real estate loans in African American and Hispanic communities.

Under the terms of the agreement, Midland States Bancorp will:

- originate $8 million in mortgage loans in majority-minority neighborhoods over the next three years,

and establish a $550,000 Subsidy Fund to provide discounted home purchases or home refinancing loans in majority-minority markets in St. Louis, Central Illinois/Champaign, and Northern Illinois and/or Joliet;

- originate $3 million in home repair loans in majority-minority census tracts, and establish a $400,000 Subsidy Fund for affordable home repair loans that will assist homeowners in majority-minority census tracts in St. Louis and northern Illinois, including Joliet, who experienced financial distress and deferred maintenance on their properties, and
- originate an aggregate of $4 million in loans for multifamily housing located in majority-minority census tracts in St. Louis and northern Illinois over the next three years.

In addition, the bank will open a full-service branch in Joliet, Illinois, a loan production branch in St. Louis, and, tentatively, a full service branch in St. Louis. All of the branches will be located in majority-minority census tracts.

The agreement also provides funding for affirmative marketing to African Americans and Hispanics, financial education for individuals and small businesses, support for training and education, and $200,000 for EHOC.

Persons who believe they have experienced discrimination may file a complaint by contacting HUD's Office of Fair Housing and Equal Opportunity at (800) 669-9777 (voice) or (800) 927-9275 (TTY). Housing discrimination complaints may also be filed by going to www.hud.gov/fairhousing, or by downloading HUD's free housing discrimination mobile application, which can be accessed through Apple devices, such as the iPhone, iPad, and iPod Touch.

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HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes: utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business. More information about HUD and its programs is available on