

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF MISSOURI - EASTERN DIVISION

UNITED STATES OF AMERICA,)

)

Plaintiff,)

CIVIL ACTION NO.)

)

v.)

)

MIDWEST BANKCENTRE,)

)

Defendant.)

)

AGREED ORDER

I. INTRODUCTION

This Order is submitted jointly by the parties for the approval of and entry by the Court simultaneously with the filing of the United States' Complaint in this action. This Order resolves the claims of the United States that Midwest BankCentre ("Midwest" or "Bank") has engaged in a pattern or practice of conduct in violation of the Fair Housing Act ("FHA"), 42 U.S.C. §§ 3601-3619, and the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. §§ 1691-1691f, by discriminating on the basis of race and color in the provision of residential real estate-related credit in the Missouri portion of the St. Louis MSA.

There has been no factual finding or adjudication with respect to any matter alleged by the United States. Accordingly, the execution of this Order is not, and is not to be considered as, an admission or finding of any violation of the FHA or the ECOA by Midwest. Rather, the

parties have entered into this Order to resolve voluntarily the claims asserted by the United States in order to avoid the risks and burdens of litigation. The parties agree that full implementation of the terms of this Order will provide a fair and reasonable resolution of the allegations of the United States in a manner consistent with Midwest's legitimate business interests.

Under the provisions of this Order, Midwest has committed itself to a program designed to expand opportunities to meet the credit needs of residents located in majority-black census tracts in the Missouri portion of the St. Louis MSA.¹ Midwest will ensure that its lending products and services are made available and marketed in majority-black census tracts on no less favorable a basis than in majority-white tracts. Midwest commits itself to take all reasonable, practicable actions, consistent with safety and soundness, to increase the level of its residential lending in majority-black census tracts, with the ultimate objective that Midwest offers mortgage lending services on an equal basis as it offers such services in majority-white census tracts. The remedial plan to achieve this objective, detailed in subsequent sections of this Order, includes the opening of one new branch in a majority-black census tract, targeted marketing programs, expanded community outreach, consumer education and credit repair efforts, and investment in those areas through subsidized loan offerings in order to aid in the revitalization and stabilization of the housing market.

¹ For purposes of this Order, a census tract will be considered to be "majority-black" if its racial composition is more than 50% African-American based on data from the 2000 or 2010 United States Census.

II. BACKGROUND

Midwest is a wholly-owned subsidiary of Midwest BankCentre, Inc., a financial holding company headquartered in St. Louis County, Missouri. Its principal office is in St. Louis County, Missouri. Midwest operates primarily as a commercial bank. The Bank also offers the traditional services of a financial depository and lending institution, including the receipt of monetary deposits and the financing of residential housing. As of December 31, 2010, Midwest had assets totaling just under \$1.1 billion. Midwest is subject to the regulatory authority of the Federal Reserve System.

On August 14, 2009, the Department of Justice informed the Bank that it had initiated an investigation into potential lending discrimination by Midwest, including whether Midwest had discriminated on the basis of race in providing lending services to predominantly African-American communities in the St. Louis Metropolitan Statistical Area ("MSA").

In 2009, the Federal Reserve System initiated a consumer compliance examination of Midwest. The examination included an evaluation of lending data from 2006 to 2008 related to Midwest's applications and originations in the City of St. Louis and St. Louis, St. Charles, and Jefferson Counties.² Based on the information gathered in its examination, the Federal Reserve concluded that there was reason to believe that Midwest engaged in a pattern or practice of conduct in violation of the FHA and ECOA. On October 14, 2010, the Board of Governors of

² The Missouri portion of the St. Louis MSA consists of Crawford, Franklin, Jefferson, Lincoln, St. Charles, St. Louis and Warren counties, as well as the City of St. Louis. The Board's investigation focused on Midwest's lending activities in the counties closest to the City of St. Louis, including Jefferson, St. Charles and St. Louis Counties, as well as the City of St. Louis itself.

the Federal Reserve System ("Board") referred this matter to the Attorney General pursuant to ECOA.

After conducting its own extensive investigation and reviewing the information provided by the Board, the United States contends that Midwest has acted to meet the credit needs for residential real estate-related loans in majority-white census tracts of the Missouri portion of the St. Louis MSA and has avoided serving the similar credit needs of majority-black census tracts. The Complaint alleges that Midwest's policies and practices are intended to deny and discourage, or have the effect of denying or discouraging, an equal opportunity to the residents of the majority-black tracts in the Missouri portion of the St. Louis MSA to obtain residential real estate-related loans.

Midwest emphatically denies the alleged violations of law and strongly maintains that it has been and remains committed to engaging in lending practices in a manner that ensures compliance with the FHA and ECOA and is consistent with safe and sound banking operations. Nevertheless, to avoid the costs and burdens of litigation, both parties voluntarily consent to the entry of this Order.

The United States recognizes that, since being informed of the United States' investigation of this matter and during the course of the Board's examination, Midwest has voluntarily undertaken several initiatives to help meet the credit needs of residents located in majority-black census tracts in the Missouri portion of the St. Louis MSA. For example, Midwest has revised its Community Reinvestment Act ("CRA") assessment area to include all of St. Charles, St. Louis and Jefferson counties and the entire City of St. Louis.

In 2010, Midwest expanded its marketing and advertising efforts by placing advertisements in newspapers serving largely minority populations. Midwest has recently

conducted a financial education training class for residents of the College Hill neighborhood and collaborated with a newspaper serving largely minority populations in organizing three financial education workshops conducted at a local African-American owned business serving the African-American community. Midwest has also engaged an independent third party to assist the Bank in the development of internal programs around the subject of "unconscious bias."

Beginning in 2010, Bank managers have also been active participants in efforts to address the large number of unbanked and underbanked persons in St. Louis, which efforts were organized by the Federal Deposit Insurance Corporation and are currently led by community businesses and organizations. In one program designed to meet the needs of the community, Midwest has developed a small dollar (up to \$5,000) home improvement loan product with less stringent underwriting criteria at a low fixed rate to assist homeowners in low- and moderate-income neighborhoods repair and maintain their homes.

In terms of financial support to local community organizations, Midwest solicited and received \$200,000 through a federal home loan bank grant program focused on affordable housing, to partner with a St. Louis area community group to provide home repairs for homeowners in the predominantly African-American community of Pine Lawn, Missouri.³ The Bank has also approved and opened a \$250,000 line of credit to support a micro-lending program, which enabled that program to fund loans to minority-owned businesses and/or businesses located in majority-black census tracts that it could not have otherwise funded.

³ Pine Lawn is located in the Missouri portion of the St. Louis MSA.

III. REMEDIAL ORDER

A. **General Prohibitory Injunction**

1. Midwest, including all of its officers, employees, agents, representatives, assignees, and successors in interest, and all those in active concert or participation with any of them, is hereby enjoined from engaging in any act or practice that discriminates on the basis of race or color in any aspect of a residential real estate-related transaction in violation of the FHA, or in any aspect of a credit transaction in violation of ECOA. This prohibition includes, but is not limited to: marketing and advertising; the selection of sites for and the provision of services at branch offices or other channels; the delineation of an assessment area under the CRA, 12 U.S.C. §§ 2901-2906; and the determination of geographic areas in which loan applications are solicited or funded, except to remedy the violations alleged by the United States.

2. Midwest shall take the actions reasonable and necessary, consistent with safe and sound banking practices, to ensure that it offers and provides all persons with an equal opportunity to apply for and obtain credit, regardless of the predominate race or color of the area in which a person lives, or the area in which the property securing the loan is located. Those actions include, but are not limited to, the remedial actions specified in this Order.

3. Midwest shall take the actions described herein to ensure that all types of credit it offers – including residential loan products – are made available and marketed in majority-black census tracts in the Missouri portion of the St. Louis MSA within the Bank's assessment area on no less favorable a basis than in majority-white census tracts so that all persons throughout the Missouri portion of the St. Louis MSA within the Bank's assessment area will have an equal opportunity to access and obtain credit from Midwest.

4. This Order requires Midwest to take these actions to remedy its alleged fair lending violations. Midwest retains the discretion to take any additional actions intended to achieve the goals of this Order.

B. CRA Assessment Area

5. In 2010, Midwest revised its CRA assessment area to include all of St. Louis, St. Charles and Jefferson Counties and the City of St. Louis. Midwest agrees to continue to include the entirety of St. Louis, St. Charles and Jefferson Counties and the City of St. Louis in its CRA assessment area during the term of this Order. During the term of this Order, Midwest shall provide written notice to the United States thirty (30) days prior to implementing any proposed changes to its current CRA assessment area. Nothing in this Order precludes Midwest from expanding its CRA assessment area in the future in a manner consistent with the provisions of the CRA and its implementing regulations.

C. Branch Expansion

6. Midwest shall evaluate future opportunities for expansion, whether by acquisition or opening new offices, in a manner consistent with achieving the remedial goals of this Order.

7. Midwest shall open or acquire at least one (1) additional full-service branch office located in a majority-black census tract in the City of St. Louis or the adjacent northern portion of St. Louis County. This new branch will provide the complete range of services typically offered at Midwest's full-service branches located in majority-white census tracts and shall provide a residential mortgage-lender who is fully trained in all relevant aspects of home mortgage and home equity lending. That residential mortgage lender shall work on-site as well as spend a portion of his or her time in the field, attending community events, making telephone

calls and engaging in other outreach activities targeted towards residents of majority-black census tracts. When the residential mortgage lender is not on-site, a new account representative will be available and trained to take home equity applications. The new account representative will also be available to take contact information from potential borrowers and to set up appointments for those applicants with a residential mortgage lender.⁴ The training of the mortgage lender and the new account representative will also encompass the fair lending obligations of Midwest under the FHA, ECOA, and CRA. Midwest shall promptly evaluate possible locations for this new branch and shall present its proposal for the branch to the United States for its review and approval, which shall not be unreasonably withheld, within six (6) months of the date of entry of this Order.

8. Midwest will make all reasonable efforts, subject to local government and regulatory approval, to open or acquire the new branch located in a majority-black census tract within eighteen (18) months of the entry of the Consent Order.

9. To meet the target date for the opening of this new branch, Midwest shall act as quickly as possible to obtain any required local or state governmental permits and approvals and to seek the approval of Midwest's federal regulator, currently the Board.

10. Nothing in this Order precludes Midwest from opening or acquiring additional branch offices in its existing CRA assessment area or elsewhere. However, Midwest shall notify

⁴ The new account representative at this branch will maintain a log of all individuals inquiring about mortgage loan products. That log shall include the time and date of the inquiry, the name and contact information of the potential applicant, and the name of the mortgage lender to whom the inquiry is referred. The responding mortgage lender shall update the log to indicate when, and by what means, contact is made, as well as the type of mortgage loan information provided.

the United States of its plans to do so when it so notifies the Board, and/or any other banking regulatory agency.

D. Director of Community Development and Director of Compliance

11. The Bank asserts that it has recently increased its internal focus on fair lending and diversity. Specifically, in 2010, Midwest established a management-level Fair and Responsible Lending Committee to develop and implement a comprehensive CRA, fair lending and community development strategy. A Board of Directors' Fair and Responsible Lending Committee also has been established to make certain that there is appropriate focus on Midwest's fair and responsible lending responsibilities. Midwest shall maintain these committees for the duration of this Order.

12. For the duration of this Order, Midwest shall continue to employ a full-time Director of Community Development, whose primary responsibilities will include overseeing the continued development of the Bank's lending in majority-black census tracts. The Director of Community Development is a member of the management-level Fair and Responsible Lending Committee and will report directly to the board-level Fair and Responsible Lending Committee regarding the following responsibilities: monitoring the activities of loan officers regarding the solicitation and origination of loans in majority-black census tracts, including the special loan programs identified in this Order; coordinating Midwest's involvement in community lending initiatives and outreach programs; serving as a resource to lending staff to encourage and develop more lending within majority-black census tracts; promoting financial education; providing financial counseling; and building relationships with community groups.

13. For the duration of this Order, Midwest shall continue to employ a full-time Director of Compliance, whose responsibilities will include overseeing compliance with the

provisions of this Order. The Director of Compliance is a member of the management-level Fair and Responsible Lending Committee. The Director of Compliance will oversee the development and implementation of mandatory fair lending training of all branch personnel with significant involvement in residential lending (both existing and new employees) as summarized in Section III. E. of this Order; and report directly to Midwest's Board of Directors on the progress of these initiatives at least quarterly, including recommending changes in the fair lending training program to increase its effectiveness.

E. Fair Lending Training

14. Midwest shall provide periodic training to all employees with significant involvement in residential lending, including independent contractors with substantive responsibility in developing, marketing, or generating residential mortgage loans or loan products, to ensure that its activities are conducted in a nondiscriminatory manner. This training shall encompass the fair lending obligations of residential mortgage lending personnel under the FHA and ECOA, their obligations under the CRA, and their responsibilities under this Order. The training required by this paragraph shall be conducted by an independent qualified third party approved in advance by the United States. In addition, within fifteen (15) days of the entry of this Order, Midwest shall provide to all such employees an explanation and copies of the applicable provisions of this Order, and allow an opportunity for such employees to have any questions concerning the Order answered. Midwest shall bear all costs associated with the training.

F. Marketing, Advertising and Outreach

15. Midwest shall continue to expand its marketing, advertising, and outreach programs to improve their performance in meeting the credit needs of the residents in majority-black census tracts in the Missouri portion of the St. Louis MSA within the Bank's assessment area.

16. Midwest shall spend a minimum of \$50,000 per year (\$250,000 over the term of the Order) on one or more of the targeted advertising and marketing campaigns described in paragraphs 17 (a)-(d) below and outreach activities described in paragraph 17(f) below.⁵

17. The marketing, advertising and outreach program shall be specifically targeted to generate a significant additional numbers of applications for all types of credit products from qualified residents in majority-black census tracts in the Missouri portion of the St. Louis MSA within the Bank's assessment area. This program shall include advertising or marketing in one or more of the mediums described in (a) through (d):

(a) Print media specifically directed to African-American readers.⁶ Midwest retains the discretion to determine the size, content, and frequency of such advertising subject to the standards set forth above;

⁵ The funds expended by Midwest under paragraphs 15 through 17 may cover the costs associated with hiring third parties to develop the advertisements and marketing materials in addition to costs of placing or distributing targeted advertisements or marketing materials, but salaries or other compensation for participating Bank personnel shall not be counted towards the amount spent on these advertising, marketing and community outreach programs.

⁶ Midwest need not include every credit product it offers in each advertisement, but must include in this targeted advertising over the course of a year their principal prime loan products and all special credit products or programs available under the terms of this Order.

(b) African-American-oriented St. Louis-area radio stations;

(c) Point-of-distribution materials, such as posters and brochures, targeted toward the majority-black census tracts in the Missouri portion of the St. Louis MSA within the Bank's assessment area to advertise products and services offered by Midwest, including any special loan products or services made available pursuant to this Order; or

(d) Direct mailings to advertise the new branch location and/or the loan program required by this Order to residents in the majority-black census tracts in the Missouri portion of the St. Louis MSA within the Bank's assessment area, so long as those mailings are not targeted exclusively or primarily at existing customers. This does not preclude Midwest from conducting other marketing not focused on residential lending or other consumer products, by direct mail or otherwise, that is limited to current customers.

(e) All of Midwest's print advertising and promotional materials shall contain an equal housing opportunity logo-type, slogan, or statement. All of Midwest's radio and television advertisements shall include the audible statement "Equal Housing Lender."

(f) In addition to the targeted efforts described in subparagraphs (a)-(d), during the term of this Order, Midwest will conduct a minimum of four (4) outreach programs per year for real estate brokers and agents, developers, and public or private entities engaged in residential real estate-related business in the majority-black census tracts in the Missouri portion of the St. Louis MSA within the Bank's assessment area, to inform them of the products and services Midwest offers, including those detailed in this Order, and to otherwise develop business relationships with them.

G. Credit Needs Assessment

18. Throughout the term of this Order, Midwest will continue its efforts to assess the residential real estate-related credit needs of the Missouri portion of the St. Louis MSA's majority-black census tracts within the Bank's assessment area. This assessment shall include, but not be limited to: (a) analysis of the most recent available demographic and socioeconomic data about those census tracts; (b) evaluation of the residential credit needs of and corresponding lending opportunities in these majority-black census tracts, including, but not limited to, the need for and feasibility of alternative mortgage and other credit products aimed at borrowers at or near area median income whose credit may have been damaged by the subprime lending practices in those areas during the last decade; (c) consideration of how Midwest's residential lending operations can serve the remedial goals of this Order; and (d) thorough review of the availability of relevant federal, state, and local governmental programs and evaluation of how participation in each of them would assist in achieving the remedial goals of this Order. Midwest may retain outside parties to provide expert analysis and assistance in performing this assessment.

19. Recently, Midwest has met with representatives of a number of community organizations and has participated on the steering committee for the St. Louis Regional Unbanked Task Force. In accomplishing this assessment, representatives of Midwest shall continue to meet with representatives of these and other St. Louis metropolitan area community organizations significantly involved in promoting fair lending, home ownership, or residential development in majority-black census tracts, including the Metropolitan St. Louis Equal Housing Opportunity Council ("EHOC"). Midwest may also meet with representatives of any other appropriate entity in conducting this needs assessment. Midwest will take into account its assessment under paragraphs 18 and 20, as well as the most recently available information about

the credit needs of this area when implementing the terms of this Order, including directing the activities of the Director of Community Development as described in paragraph 12 and implementing the branch expansion, advertising, outreach, consumer education, credit repair, and special financing program as described herein.

20. Midwest shall present to counsel for the United States a written report of this special credit needs assessment, together with recommendations, if any, for actions beyond those specified in this Order to be taken to meet those needs, not later than six (6) months after the entry of this Order.

21. For the term of this Order, Midwest shall meet annually with EHOC and other community organizations as part of an ongoing credit needs assessment and evaluation of their community development strategy, in order to better meet the residential credit needs of the residents in the majority-black census tracts of the Missouri portion of the St. Louis MSA within the Bank's assessment area.

IV. SATISFACTION OF UNITED STATES' CLAIMS FOR MONETARY RELIEF

A. Loan Subsidy Fund

22. Midwest will invest a minimum of \$900,000 over the duration of this Order in the special financing program described below for residential loans.⁷ When combined with the other financial commitments described herein, this special financing program will satisfy fully the claims of the United States for damages and other monetary relief in this case.

⁷ No loan originated under this program shall exceed the conforming loan limit applicable to Fannie Mae and Freddie Mac, as determined annually by the Federal Housing Finance Board.

23. Through this special financing program for home purchase, refinancing or home improvement loans, Midwest will offer qualified residents in majority-black census tracts in the Missouri portion of the St. Louis MSA loan products at interest rates and/or on terms that are more advantageous to the applicant than it would normally provide.

24. Under this special financing program, Midwest may provide one or more of the following forms of financial assistance to any qualified applicant:

(a) originating or brokering a loan for a home purchase, refinancing, or home improvement at an interest rate a minimum of 1/2 of a percentage point (50 basis points) below the otherwise prevailing rate, provided that if the prevailing rate ("APR") for any such loan exceeds 8% at any time during the term of this Order, the interest rate subsidy shall be a minimum of 1%, and if the prevailing APR exceeds 9% at any time during the term of this Order, the subsidy shall be a minimum of 1.5%;

(b) originating a home purchase loan at Midwest's prevailing prime interest rate for a conventional fixed-interest rate mortgage to a borrower who would ordinarily not qualify for such rates for reasons including, for example, the lack of required credit quality, income, or down payment;

(c) providing a direct grant of a minimum of 2% of the loan amount, up to a maximum of 3%, for the purpose of down payment assistance;

(d) providing closing cost assistance⁸ in the form of a direct grant of a minimum of \$500.00 and a maximum of \$1,000.00;

⁸ Closing cost assistance may include the waiver of standard application and processing fees

(e) providing down payment or closing cost assistance through a second mortgage that provides for principal forgiveness of a minimum of \$500 and a maximum of \$3,500 based on loan performance during the term of the Order; or

(f) purchasing interest free mortgage loans originated by a non-profit organization that builds affordable housing for families in the Missouri portion of the St. Louis MSA who are in need of shelter in a manner that provides funds to such organization for the establishment of "cash reserve repair fund" accounts for the homeowners. These pre-paid savings accounts would be opened and maintained by Midwest and available to the homeowner for home repair and maintenance expenses to be approved by Midwest, which are directly related to the repair or maintenance of the structure of the house. At the time of each loan purchase, the homeowner would receive a minimum of \$500 and a maximum of \$3,500 in the pre-paid savings account depending on amount of the loan. Midwest will service the homeowners' interest free loans without any additional servicing fees.

25. Midwest retains the discretion to offer more than one, or all, of the foregoing forms of financial assistance to qualified applicants on an individual basis as it deems appropriate under the factual circumstances of a particular application, so long as the maximum total financial assistance provided by Midwest to an individual qualified applicant does not exceed \$7,500. Midwest will exercise this discretion in a manner which maximizes the likelihood that it will originate a loan to a qualified applicant, consistent with applicable underwriting guidelines and safety and soundness standards and the goal of serving the credit

assessed in connection with residential mortgage loan applications (e.g., application fee, loan origination or underwriting fee, processing fee, appraisal fee, home inspection fee, flood determination fee, and title fees).

needs of majority-black census tract residents in the Missouri portion of the St. Louis MSA within the Bank's assessment area.

26. Midwest shall have discretion to provide the loan subsidy among its residential loan products.

27. The special financing program will be marketed in a manner that includes all of the majority-black census tracts in the Missouri portion of the St. Louis MSA within the Bank's assessment area so that all eligible residents of these areas have an opportunity to participate.

28. No provision of this Order, including this special financing program commitment, requires Midwest to make any unsafe or unsound loan. During the term of this Order, Midwest shall assess the effectiveness of this special financing program in achieving its remedial goal and shall recommend to the United States any changes it reasonably believes are necessary and appropriate to increase the program's effectiveness.

B. Consumer Financial Education and Credit Repair

29. The parties acknowledge that financially-educated consumers are essential to the remedial goal of sustained increases in Midwest's residential lending in majority-black census tracts within the Bank's assessment area in the Missouri portion of the St. Louis MSA. The parties also acknowledge that assisting residents of these census tracts in maintaining and improving their consumer credit ratings is essential to the remedial goals of this Order. The consumer education and credit repair program shall help identify and develop qualified loan applicants from majority-black census tracts in the Missouri portion of the St. Louis MSA within the Bank's assessment area. Midwest shall spend a minimum of \$60,000 per year (\$300,000

over the term of the Order) on one or more component of the following consumer education and credit repair program. Those components include:

(a) Financial Education: Midwest will sponsor a minimum of twelve (12) financial education events per year offered by community or governmental organizations engaged in fair lending work, or through the Bank's own financial education programs.⁹ These financial education events shall be marketed towards residents of majority-black census tracts in the Missouri portion of the St. Louis MSA within the Bank's assessment area and held at locations intended to be convenient to those residents.

(b) Credit Establishment and Repair: Midwest may provide one or more of the following forms of credit establishment and repair assistance to residents of majority-black census tracts in the Missouri portion of the St. Louis MSA:

(1) Financial support to HUD-approved financial education counselors who provide services targeted towards majority-black census tracts, up to an aggregate annual contribution of \$10,000 per year for all partner organizations to offset the organizations' direct cost of housing counseling services;

(2) Within six (6) months of the effective date of this Order, Midwest will offer special purpose checking accounts with terms that are more advantageous to the accountholder than it would normally provide to residents of majority-black census tracts in the Missouri portion of the St. Louis MSA within the Bank's assessment area whose

⁹ Salaries or other compensation for participating Bank personnel shall not be counted towards the amount spent on these programs.

credit history does not present an unacceptably high risk to the Bank or indicate a history of fraudulent transactions:¹⁰

- (a) No annual fees or fees for non-use;
- (b) No minimum balance;
- (c) Online access;
- (d) Debit Cards;
- (e) No fees for one box of checks annually;
- (f) An optional, affordable overdraft protection provision, which includes reduced fees, for overdraft and related fees totaling \$100 for qualified customers;
- (g) No fees for the user of ATMs belonging to the Bank or the Bank's affiliates; and
- (h) A fee waiver for the additional 200 ATMs in the St. Louis MSA in the MoneyPass system.
- (i) A special purpose checking account may be closed by the Bank if the account is overdrawn for 60 consecutive days.
- (j) Any fees that are waived or assessed in an amount lower than the Bank's standard checking account fees for qualified accountholders of special

¹⁰ Once Midwest opens the new branch described in paragraph III.C, these accounts will be available to all qualified customers who open accounts at that branch.

purpose checking accounts described in this paragraph may be counted toward the monetary investment required under section IV.B.

(3) Debt forgiveness (including unpaid principal, interest, escrow payments and/or fees) up to \$5,000 per borrower (but not to exceed 90% of the total amount owed) for borrowers or co-borrowers who experience difficulty repaying their Affordable Home Improvement loan or any other residential or consumer loan in the Bank's portfolio;

(4) Other related programs intended to help establish or remediate consumer credit that are targeted at the residents of majority-black census tracts in the Missouri portion of the St. Louis MSA, as may be proposed during the term of this Order by Midwest and approved prior to implementation by the United States.

30. The consumer education and credit repair programs will be marketed in a manner that includes all of the majority-black census tracts in the Missouri portion of the St. Louis MSA within the Bank's assessment area so that all eligible residents of these areas have an opportunity to participate.

C. Other Relief

31. Within thirty (30) days after the entry of this Order, Midwest will also deliver to the United States a check payable to the Metropolitan St. Louis Equal Housing Opportunity Council ("EHOC") a sum of \$25,000 to compensate that organization for monetary damages associated with this matter. Prior to receipt of such payment, EHOC shall execute a release in which the organization agrees to forever release and discharge Midwest, its agents, employees, attorneys, affiliates, successors and assigns from any and all claims, damages and injuries of

whatever nature arising out of the allegations presented in the Complaint giving rise to this Order.

V. EVALUATING AND MONITORING COMPLIANCE

32. For the duration of this Order, Midwest shall retain all records relating to its obligations hereunder, including its residential lending activities, as well as its marketing, outreach, branching, special programs, and other compliance activities as set forth herein. Electronic mail messages, calendars, contacts, tasks and other electronic data stored in the Bank's electronic mailbox system shall only be retained for Bank employees in the following positions: Chairman, President, Chief Credit Officer, Director of Compliance, Director of Community Lending, Director of Marketing, community development mortgage lender, and Branch Leader and new account representative at the branch established pursuant to paragraph 7. The United States shall have the right to review and copy such records upon request.

33. Midwest shall provide to counsel for the United States the data it submits to the Federal Financial Institutions Examination Council ("FFIEC") pursuant to the Home Mortgage Disclosure Act and the CRA. The data will be provided in the same format in which it is presented to the FFIEC within thirty (30) days of its submission to the FFIEC each year for the duration of this Order, including the record layout.

34. In addition to the submission of any other plans or reports specified in this Order, Midwest shall make an annual report to the United States on its progress in fulfilling the goals of this Order. Each such report shall provide a complete account of Midwest's actions to comply with each requirement of this Order during the previous year, an objective assessment of the extent to which each quantifiable obligation was met, an explanation of why any particular

component fell short of meeting the goal for that year, any recommendations for additional actions to achieve the goals of this Order, and a description of any additional actions taken by Midwest pursuant to paragraphs 28 and 29.b.4, above. Midwest shall submit this report each year for the term of this Order within sixty (60) days of the anniversary of the date of the entry of this Order. In addition, Midwest shall attach to each annual report representative copies of training material and advertising and marketing materials disseminated pursuant to this Order.

VI. ADMINISTRATION

35. The requirements of this Order shall be in effect for five (5) years, except as specified below. The Order shall terminate: (a) three months after the submission of Midwest's fifth annual report to the United States or (b) if the Court grants a joint motion by the parties to terminate the Order prior to that date, which motion may be proposed by Midwest at any time after the Order has been in effect for four (4) years, if the bank has fully complied with all its terms, including the following investment requirements: (i) a minimum of \$250,000 in advertising, marketing, and community outreach campaigns as described in Section III.F; \$900,000 in the special financing program described in Section IV.A; and \$300,000 in the consumer education and credit repair program described in Section IV.B. If Midwest has not invested \$250,000 in its advertising, marketing and community outreach programs, \$900,000 in its special finance program and \$300,000 in its consumer education and credit repair program in five (5) years from the date entry of this Order, the Order shall terminate three months after the submission of Midwest's final report to the United States that demonstrates the fulfillment of those obligations. It shall only be extended further upon motion of the United States to the Court, for good cause shown.

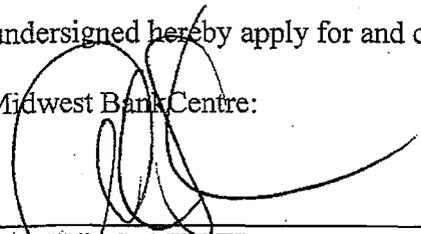
36. Any time limits for performance fixed by this Order may be extended by mutual written agreement of the parties. Other modifications to this Order may be made only upon approval of the Court, by motion by either party. The parties recognize that there may be changes in relevant and material factual circumstances during the term of this Order that may impact the accomplishment of its goals. The parties agree to work cooperatively to discuss and attempt to agree upon any proposed modifications to this Order resulting therefrom.

37. In the event that any disputes arise about the interpretation of or compliance with the terms of this Order, the parties shall endeavor in good faith to resolve any such dispute between themselves before bringing it to this Court for resolution. The United States agrees that if it reasonably believes that Midwest has violated any provision of this Order, it will provide the Bank written notice thereof and give it sixty (60) business days to reach a resolution with the United States regarding a corrective action plan to resolve the alleged violation before presenting the matter to this Court. In the event of either a failure by Midwest to perform in a timely manner any act required by this Order or an act by Midwest in violation of any provision hereof, the United States may move this Court to impose any remedy authorized by law or equity, including attorneys' fees and costs.

38. Midwest's compliance with the terms of this Order shall fully and finally resolve all claims of the United States relating to Midwest's alleged violation of the fair lending laws by means of discriminating on the basis of race or color, as alleged in the Complaint in this action, including all claims for equitable relief and monetary damages and penalties. Each party to this Consent Order shall bear its own costs and attorney's fees associated with this litigation.

The undersigned hereby apply for and consent to the entry of this Order:

For Midwest Bank Centre:

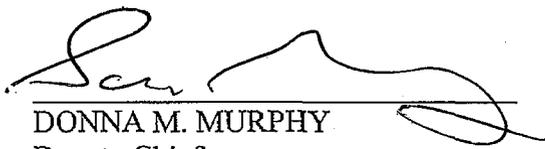


ANDREW L. SANDLER
JOHN P. KROMER
ANDREA K. MITCHELL
BuckleySandler LLP
1250 24th Street, NW, Suite 700
Washington, DC 20037
Tel.: (202) 349-8001
Fax: (202) 349-8080
asandler@bucklesandler.com

For the United States of America:

THOMAS E. PEREZ
Assistant Attorney General
Civil Rights Division

STEVEN H. ROSENBAUM
Chief
Civil Rights Division
Housing and Civil Enforcement Section



DONNA M. MURPHY
Deputy Chief
SARA L. NILES
Trial Attorney
United States Department of Justice
Civil Rights Division
Housing and Civil Enforcement Section
950 Pennsylvania Avenue, N.W. - G St.
Washington, DC 20530
Tel.: (202) 514-2168
Fax: (202) 514-1116
Sara.Niles@usdoj.gov