

**UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	Civil Action No. 2:24-cv-05426
v.	)	
	)	
	)	
CITADEL FEDERAL CREDIT UNION,	)	
	)	
Defendant.	)	
_____	)	

CONSENT ORDER

I. INTRODUCTION

The United States of America (“United States”) and Citadel Federal Credit Union (“Citadel”) (collectively, the “Parties”) jointly submit this Consent Order for approval and entry by the Court. This Consent Order resolves all claims by the United States that from at least 2017 through 2021, Citadel engaged in a pattern or practice of unlawful redlining 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, and its implementing Regulation B, 12 C.F.R. § 1002.1–1002.16, by discriminating on the basis of race, color, or national origin. Specifically, the United States alleges that Citadel engaged in illegal redlining by avoiding providing home loans and other mortgage services in majority-Black and Hispanic neighborhoods in its “Market Area,” which includes Bucks, Chester, Delaware, Lancaster, Montgomery, and Philadelphia Counties, Pennsylvania. The United States further alleges that Citadel also engaged in discriminatory conduct that would discourage mortgage applications from applicants and prospective applicants who are residents of, or seeking credit in, majority-Black and Hispanic neighborhoods in Citadel’s Market Area.

Critically, more than 75 percent of all majority-Black and Hispanic neighborhoods within Citadel's Market Area are in Philadelphia County. Citadel has disputed all the allegations made by the United States.

The Court has jurisdiction over the Parties and subject matter of this action. There have been no factual findings or adjudications in this case. The Parties enter into this Consent Order to voluntarily resolve all claims arising from the conduct alleged in the Complaint. Entry of this Consent Order is in the public interest. The Parties agree that the goal of this Consent Order is to remedy the harm alleged by increasing access to credit in majority-Black and Hispanic neighborhoods in Citadel's Market Area, and particularly in Philadelphia County, and that the full implementation of the terms in this Consent Order will provide a resolution to the claims asserted in the Complaint in a manner consistent with Citadel's legitimate business interests.

II. DEFINITIONS

The following definitions apply to this Consent Order:

- i. **"Effective Date"** means the date on which the Court enters this Consent Order.
- ii. Citadel's **"Market Area"** is Bucks, Chester, Delaware, Lancaster, Montgomery, and Philadelphia Counties, Pennsylvania.
- iii. **"Majority-Black and Hispanic neighborhood"** or **"Majority-Black and Hispanic census tract"** is one within the Market Area where more than 50 percent of the residents identify as either "Black or African American" or "Hispanic or Latino" based on the United States Census.
- iv. **"Majority-White neighborhood"** or **"Majority-White census tract"** is one within the Market Area where more than 50 percent of the residents identify

as “non-Hispanic White” based on the United States Census.

- v. “**Residential mortgage credit**” is credit secured by a residential property that will serve as the borrower’s primary residence, including home purchase, home refinance, and home improvement loans as well as home equity loans and lines of credit.

III. BACKGROUND

Citadel is a federal credit union headquartered in Exton, Pennsylvania. As a federal credit union, Citadel is a member-owned, not-for-profit institution subject to the regulatory authority of the National Credit Union Administration. Citadel has offered business and personal banking, mortgage and other home loan products, wealth management and retirement services, and insurance to its members. The United States alleges that in 2020, Citadel was the eighteenth largest lender in its Market Area and the second largest credit union in Greater Philadelphia. Citadel currently maintains twenty-four (24) branches within its Market Area, none of which is in Philadelphia County. As of June 2024, Citadel had over 263,000 members, and its total assets equaled approximately \$6.0 billion.

In November 2021, the United States notified Citadel that it was opening an investigation into whether Citadel had engaged in unlawful redlining in violation of the FHA and ECOA. After an investigation, the United States contends that, from at least 2017 through 2021, Citadel avoided serving the credit needs of majority-Black and Hispanic neighborhoods in Citadel’s Market Area, and particularly in Philadelphia County. The United States also alleges that Citadel discouraged those residing or seeking credit in majority-Black and Hispanic neighborhoods in Citadel’s Market Area, and particularly those in Philadelphia County, from obtaining mortgage loans. The United States contends that by undertaking this conduct in majority-Black and

Hispanic neighborhoods while acting to serve the credit needs for mortgage loans in majority-White neighborhoods, Citadel engaged in unlawful redlining.

IV. TERMS

A. Lending Practices

1. Citadel, including all of its officers, agents, servants, employees, assignees, successors in interest, and all other persons in active concert or participation with them who have actual notice of this Consent Order, is hereby enjoined from engaging in any act or practice that discriminates on the basis of race, color, or national origin that: (a) violates the FHA in any aspect of a residential real estate-related transaction; and (b) violates ECOA and Regulation B in any aspect of a credit transaction.

2. Citadel will ensure that it offers and provides all persons with an equal opportunity to apply for and obtain credit, regardless of the demographic composition of the area in which a person lives or the location of the property securing the loan.

B. Community Credit Needs Assessment

3. A Community Credit Needs Assessment is a research-based market study to help a lender identify the needs for financial services in an area.

4. Citadel will submit to the United States for non-objection a Community Credit Needs Assessment for majority-Black and Hispanic census tracts within Citadel's Market Area. This Assessment must include the following information about majority-Black and Hispanic census tracts within Citadel's Market Area:

- a. an evaluation (to include market research and interviews) of residential mortgage credit needs¹ and current lending opportunities available in the area;
- b. recent demographic, socioeconomic, and language data;
- c. potential strategies for Citadel to provide residential mortgage products and lending services in these census tracts;
- d. an assessment of the potential need to provide marketing materials and loan origination materials in Spanish;
- e. an assessment of potential appropriate locations for new branches in majority-Black and Hispanic census tracts within Philadelphia County;
- f. a review of residential mortgage products and lending services offered by other lenders and their success in the market;
- g. an overview of federal, state, and local programs that are available to Market Area residents seeking and obtaining residential mortgage loans and;
- h. recommendations that address how each requirement of this Consent Order should be carried out to best achieve the remedial goals of this settlement.

5. The Community Credit Needs Assessment will be conducted by one or more independent, qualified third-party consultants selected by Citadel and subject to non-objection by the United States. Within thirty (30) days of the Effective Date, Citadel will submit to the United States for non-objection the qualifications of the third-party consultant(s) and a statement of work from the consultant(s) describing their methodology for assessment. Citadel will bear all costs associated with the consultant.

¹ Residential mortgage credit needs include all dwelling-secured lending, including home purchase, home refinance, and home improvement loans.

6. Within sixty (60) days of receiving the United States' written notice of non-objection regarding the third-party consultant(s) and the statement of work, Citadel will submit to the United States the Community Credit Needs Assessment described in Paragraph 4.

7. Within forty-five (45) days of the United States' non-objection to the Community Credit Needs Assessment, Citadel will present the Assessment to all senior management, employees, and committees that are responsible for overseeing fair lending compliance. Citadel will certify its compliance with this requirement as part of its annual reporting requirement under Section V.

8. Within ninety (90) days of receiving non-objection from the United States regarding the Community Credit Needs Assessment, Citadel will submit a Remedial Plan that details, in light of the recommendations made in the Assessment, the actions Citadel proposes to take to comply with the requirements of this Consent Order (e.g., physical expansion, loan subsidy, community partnerships and consumer initiatives, and advertising and outreach), including implementation plans, specific timeframes for these actions, and the employee(s) responsible for implementation. The Remedial Plan will be subject to non-objection by the United States. If the United States objects to any portion of the Remedial Plan, Citadel will make revisions and resubmit its plan within fourteen (14) days of receiving the United States' objection. Citadel will begin implementation of its Remedial Plan within sixty (60) days of receiving non-objection from the United States.

C. Fair Lending Compliance

9. Citadel will select and retain an independent, qualified third-party consultant ("Fair Lending Consultant") to conduct a detailed assessment of Citadel's fair lending program as it relates to obligations and lending in majority-Black and Hispanic census tracts and draft the Fair

Lending Status Report and Compliance Plan. Citadel will bear all costs associated with the consultant.

10. Within thirty (30) days of the Effective Date, Citadel will submit to the United States the qualifications of the proposed Fair Lending Consultant. If the United States objects to the proposed Fair Lending Consultant, within thirty (30) days of the United States' objection, Citadel will identify and propose a new Fair Lending Consultant and submit their qualifications to the United States for non-objection.

11. Within one hundred twenty (120) days of the United States' non-objection to the Fair Lending Consultant, Citadel will submit to the United States the Fair Lending Status Report and Compliance Plan for non-objection.

12. At a minimum, the Fair Lending Status Report and Compliance Plan will include a review, analysis, and any recommendations relating to Citadel's existing fair lending policies and practices; policies and practices related to the branch locations, including the selection of locations and consolidation, opening, or closure of branches; policies and practices related to solicitation of applications, outreach, training, and oversight/monitoring; marketing and advertising; and Citadel's process for ongoing statistical monitoring of mortgage underwriting, pricing, and redlining risk, including statistical peer analysis of applications and originations from majority-Black and Hispanic census tracts. Citadel will bear all costs associated with the consultant.

13. The Fair Lending Status Report and Compliance Plan will also specifically include the status of progress relating to, at least:

- a. The steps Citadel has taken to revise its mortgage lending policies and practices that pose redlining risks, including at minimum, risk that may arise from branch locations, types of loan products, and marketing;

- b. Citadel's adoption of written policies and procedures regarding its marketing, as well as the training and monitoring of its loan officers in marketing mortgage loan products, soliciting, and originating mortgage loans;
- c. Any changes to Citadel's formal process for ongoing statistical monitoring of mortgage underwriting, pricing, and redlining risk, including statistical peer analysis of applications and originations from majority-Black and Hispanic census tracts, and for responding to any identified risks;
- d. Any changes made to the reporting process of the Compliance Department to senior management and the Board of Directors once mortgage underwriting, pricing, and redlining risk have been identified and the remediation process to address such risk;
- e. Any additional steps Citadel will take to promptly revise its mortgage lending policies and practices to ensure compliance with the FHA and ECOA; and
- f. Any changes to Citadel's practices to improve its outreach to solicit applications for mortgage loan products, including home improvement loans.

14. If the United States objects to any portion of Citadel's Fair Lending Status Report and Compliance Plan, Citadel will make revisions and resubmit its proposal within thirty (30) days of receiving the objection. Citadel will begin implementing its Fair Lending Status Report and Compliance Plan within thirty (30) days of receiving the United States' non-objection.

15. For the term of this Consent Order, Citadel will notify the United States in writing of any material changes to Citadel's Fair Lending Status Report and Compliance Plan. All material changes are subject to non-objection by the United States.

D. Fair Lending Training and Distribution of the Complaint and Consent Order

16. Within thirty (30) days of the Effective Date, Citadel will provide an electronic copy of the Complaint and Consent Order in this matter to all employees with substantive involvement in mortgage lending, marketing, or fair lending, or who have management responsibility over such employees; senior management with fair lending and marketing oversight; and members of the Board of Directors (collectively, “the Relevant Staff and Officials”). Citadel will provide an opportunity for the Relevant Staff and Officials to ask any questions concerning the Complaint and Consent Order, and Citadel will provide answers. Citadel will implement a system for each individual to acknowledge that they received a copy of the Complaint and Consent Order, had the opportunity to ask questions, and received answers. Citadel will provide a report to the United States that lists all persons and their titles to whom this Consent Order was made available within sixty (60) days of the Effective Date.

17. Citadel will provide live and interactive training to the Relevant Staff and Officials on Citadel’s obligations under the FHA, ECOA, Regulation B, and this Consent Order. The training will also include a module on redlining and the allegations in the Complaint. This fair lending training will be developed and presented by an independent, qualified third-party trainer selected by Citadel.

18. Within ninety (90) days of the Effective Date, Citadel will submit the qualifications of the third-party trainer to the United States for non-objection. Within ninety (90) days of receiving written notice of non-objection from the United States regarding the independent, qualified third-party trainer, Citadel will submit the proposed fair lending training curricula, including materials, and anticipated run time, to the United States for non-objection. Within sixty

(60) days of the United States' non-objection to the training curricula, Relevant Staff and Officials will receive the training described in Paragraph 17. Citadel will implement a system for each individual to acknowledge that they completed fair lending training within the sixty (60) days and received a copy of the Complaint and Consent Order. Citadel will provide a report to the United States within thirty (30) days after it has delivered the training that includes the dated acknowledgements required in this Paragraph, a list of Relevant Staff and Officials who were required to complete the training and their titles, and the date(s) on which Relevant Staff and Officials completed the training.

19. Citadel will continue to provide the training described in Paragraph 17 annually to the Relevant Staff and Officials. After the first year, this annual training may be held virtually or in person. Citadel will obtain an acknowledgment for each individual who completed annual fair lending training. As part of its annual reporting requirements under Section V, Citadel will provide a report to the United States that includes the dated acknowledgements required in this Paragraph for the prior year, a list of Relevant Staff and Officials who were required to complete the training and their titles, and the date(s) on which Relevant Staff and Officials completed the training. Any proposed changes to the third-party trainer or the training curriculum are subject to non-objection by the United States.

20. Any individual who becomes a Relevant Staff or Official will, within thirty (30) days of beginning the covered position, receive an electronic copy of the Complaint, this Consent Order, and the training discussed in Section IV, unless the individual has already been provided with a copy of the Consent Order previously and/or attended the required training. Citadel will utilize its existing system for each such individual to acknowledge that they received a copy of the Complaint and Consent Order, were given the opportunity to ask questions, and that they

completed fair lending training. Citadel will provide a report that includes these acknowledgements to the United States as part of its annual reporting requirement under Section V.

21. Citadel will bear all costs associated with the trainings.

E. Community Lending Officer and Chief Compliance Officer

22. Within ninety (90) days of the Effective Date, Citadel will hire or designate an employee for a new full-time position of Community Lending Officer with the responsibility of assisting in the development of Citadel's lending in majority-Black and Hispanic census tracts in its Market Area, particularly in Philadelphia County, and its compliance with this Consent Order. Citadel will notify the United States within ten (10) days of the hiring or designation of the Community Lending Officer. Citadel will ensure this position is filled throughout the term of this Consent Order. Within seventy-five (75) days of the Effective Date, Citadel will notify the United States of its compliance with this Paragraph, including the identity of the appointed Community Lending Officer. If a new Community Lending Officer is appointed at any time during the term of this Consent Order, Citadel will notify the United States within thirty (30) days of the staffing change.

23. The Community Lending Officer will support increasing access to credit in majority-Black and Hispanic neighborhoods and will assist in the preparation of regular reports to Citadel's risk management function, senior leadership team (including the designated Fair Lending Officer) and Board.

24. The Community Lending Officer will be primarily assigned to one of the branches opened by Citadel in accordance with Paragraph 27 of this Consent Order and will be further responsible for monitoring of lending activities at each of the three branches established in

accordance with Paragraph 27 of this Consent Order as well as any branches located in other majority Black and Hispanic census tracts in Citadel's Market Area.

25. Within ninety (90) days of the Effective Date, Citadel will hire or designate an employee as Chief Compliance Officer with the responsibility of overseeing Citadel's compliance with this Consent Order. Citadel will notify the United States within ten (10) days of the hiring or designation of the Chief Compliance Officer. Citadel will ensure this position is filled throughout the term of this Consent Order. Within seventy-five (75) days of the Effective Date, Citadel will notify the United States of its compliance with this Paragraph, including the identity of the appointed Chief Compliance Officer. If a new Chief Compliance Officer is appointed at any time during the term of this Consent Order, Citadel will notify the United States within thirty (30) days of the staffing change.

26. The Chief Compliance Officer will be responsible for overseeing Citadel's compliance with this Consent Order and will work with the Community Lending Officer to provide reports on at least a quarterly basis to Citadel's Fair Lending Officer, Chief Executive Officer, and Board of Directors on the steps Citadel has taken and plans to take to comply with this Consent Order. Citadel will attach those quarterly updates to each annual report to the United States required by this Consent Order. These quarterly updates will include, but are not limited to, the following:

- a. implementing and administering all aspects of Citadel's compliance with this Consent Order;
- b. monitoring loan officers' solicitation and origination of loans in majority-Black and Hispanic census tracts in its Market Area, particularly in Philadelphia County, including use of the Loan Subsidy Fund described herein;

- c. coordinating Citadel's involvement in community lending initiatives and outreach programs;
- d. encouraging and developing more lending within majority-Black and Hispanic census tracts;
- e. promoting financial education to residents of majority-Black and Hispanic census tracts;
- f. providing financial counseling to residents of majority-Black and Hispanic census tracts; and
- g. building relationships with community groups within majority-Black and Hispanic census tracts.

F. Physical Expansion to Majority-Black and Hispanic Census Tracts

27. Citadel will open or acquire three (3) additional full-service branches located in majority-Black and Hispanic census tracts in Philadelphia County. The specific sites of the full-service branches will consider the Community Credit Needs Assessment and will be subject to non-objection by the United States. The full-service branches must be in retail-oriented spaces in visible locations and have signage that is visible to the general public. The full-service branches must provide Citadel's range of products and services as are provided at Citadel's other branches, will maintain hours of operation reasonably consistent with the range of hours maintained at other Citadel branches and other financial institutions in the vicinity of such branches, and must accept first-lien mortgage loan applications.

28. Citadel must make all reasonable efforts to open the first additional full-service branch within eighteen (18) months of the Effective Date, the second additional full-service branch within twenty-seven (27) months of the Effective Date, and the third additional full-service branch

within thirty-six (36) months of the Effective Date. If Citadel fails to open new full-service branches within these timeframes, Citadel will provide to the United States a written report and proposal detailing the reason(s) it has not opened the branches and describing how, and within what timeframe, it will comply with its obligations in Paragraph 27. Citadel will maintain the new full-service branches for the term of this Consent Order.

29. Citadel will evaluate future opportunities for expansion within majority-Black and Hispanic census tracts in its Market Area, whether by merger, acquisition, or opening additional branches, in consideration of the goals of this Consent Order and the Community Credit Needs Assessment. Citadel must notify the United States of any plans to close any branches or loan production offices in majority-Black and Hispanic census tracts within its Market Area.

30. Within one hundred and twenty (120) days of the opening of any additional branch in accordance with Paragraph 27, Citadel will ensure that its mortgage loan advisors and the Community Lending Officer, collectively, will be capable of providing necessary residential mortgage lending support to the designated locations, including by providing support in Spanish when necessary. In the event it is necessary to hire new employees to support Citadel's residential mortgage lending operations at the additional branches, Citadel shall do so within a reasonable time frame. Citadel will maintain the staffing assignments described in this Section for the term of this Consent Order unless it requests and receives a written non-objection from the United States to the proposed staffing adjustments. Compensation for individuals hired to support any additional branch established in accordance with Paragraph 27 will be comparable to the compensation of other similar employees in the Market Area. Citadel will make best efforts to ensure that the individuals assigned to the positions described in this Paragraph have ties to majority-Black and Hispanic neighborhoods in Philadelphia County or experience conducting outreach and generating

loan applications in majority-Black and Hispanic neighborhoods. Within 120 days of the Effective Date, Citadel will notify the United States of its compliance with this Paragraph, including the identity of any individuals hired to support Citadel's compliance with this Consent Order and their office locations. Citadel will maintain this number of positions hired to support its compliance with this Consent Order and focused on majority-Black and Hispanic census tracts in Philadelphia County for the term of this Consent Order.

G. Loan Subsidy Fund

31. Citadel will invest a minimum of \$6,000,000 in a Loan Subsidy Fund with the goal of increasing credit for home mortgage loans, home improvement loans, and home refinance loans extended in majority-Black and Hispanic census tracts in Philadelphia County. This fund will be used solely to provide subsidies to consumers and will not be used for administrative costs of implementing the fund. No more than 25% of the Loan Subsidy Fund may be used for home refinance loans.

32. With the Loan Subsidy Fund, Citadel will subsidize home mortgage, home improvement, and/or refinance loans made to "Qualified Applicants." A "Qualified Applicant" is any applicant who qualifies for a loan under Citadel's underwriting standards and applies for a mortgage for a residential property located in a majority-Black and Hispanic census tract in Philadelphia County that will serve as the applicant's primary residence.

33. Loan subsidies under the Loan Subsidy Fund can be provided by the following means:

- a. originating a loan for a home purchase, refinancing, or home improvement at an interest rate below the otherwise prevailing market interest rate offered by Citadel;

- b. down payment assistance in the form of a direct grant;
- c. closing cost assistance in the form of a direct grant;
- d. payment of the initial mortgage insurance premium on loans subject to such mortgage insurance; and
- e. any other assistance measures approved by the United States.

Citadel must offer qualified applicants the choice of at least two (2) such forms of subsidy from which they may select. The combined form of subsidies set forth in this Paragraph cannot exceed \$18,000 per loan origination for a Qualified Applicant unless Citadel receives a written non-objection from the United States to increase that amount. A Qualified Applicant may not obtain loan subsidy funds, on their own or through a co-applicant, for more than one (1) loan origination.

34. Citadel will annually evaluate the effectiveness of its Loan Subsidy Fund program and its progress in deploying funds to Qualified Applicants to identify any needed changes to the program to better reach residents of majority-Black and Hispanic census tracts in Philadelphia County. Citadel will present a summary of its evaluation and any proposed changes to the program to the United States as part of its annual reporting requirement under Section V. Any proposed changes will be subject to non-objection by the United States.

35. The annual reports described in Section V will also include an accounting of all subsidies provided and mortgage loans originated to date under the loan subsidy program in accordance with the data specifications of the United States.

36. No provision of this Consent Order, including any loan subsidy or equivalent program, requires Citadel to make any unsafe or unsound loan or to make a loan to a person who is not qualified for the loan based upon lawful, nondiscriminatory terms; however, Citadel may choose to apply more flexible underwriting standards in connection with its programs under this

Consent Order. Citadel's underwriting standards applied to residents of, and individuals seeking to purchase residential properties in, majority-Black and Hispanic census tracts must be no less favorable than the standards applied in majority-White census tracts.

H. Community Development Partnership Program

37. Citadel will partner with one (1) or more community-based or governmental organizations that provide the residents of majority-Black and Hispanic census tracts in Citadel's Market Area with services related to credit, consumer financial education, homeownership, and/or foreclosure prevention. Citadel will develop these partnerships in a manner consistent with achieving the goals of this Consent Order. Through these partnerships, Citadel will spend at least \$250,000 over the term of this Consent Order (or an average of \$50,000 per year) to provide services related to credit, consumer financial education, homeownership, and/or foreclosure prevention to residents of majority-Black and Hispanic census tracts in an effort to increase access to residential mortgage credit and serve the credit needs of those communities.

38. As part of the Remedial Plan under Section IV.B of this Consent Order, Citadel will submit a proposal to the United States describing how it will implement the requirements of Paragraph 37. The proposal will include an explanation of its proposed partner(s) and, to the extent available, Citadel's plans to implement the partnership(s) and a description of how the partnership(s) will be used to meet the credit needs identified in the Community Credit Needs Assessment. The proposal will be subject to non-objection by the United States.

39. Citadel will evaluate the partnership(s) outlined in Paragraph 37 annually, including by considering the Community Credit Needs Assessment, to identify any needed changes to the program or better assist residents of majority-Black and Hispanic census tracts in the Citadel Market Area in obtaining credit. Citadel will present a summary of its evaluation and

any proposed changes to the United States as part of its annual reporting requirement under Section V. Any proposed changes will be subject to non-objection by the United States.

I. Advertising, Outreach, Consumer Financial Education, and Credit Initiatives

40. Citadel will spend at least \$270,000 over the term of this Consent Order (or an average of \$54,000 per year) on advertising, outreach, consumer financial education, and credit counseling targeted toward majority-Black and Hispanic census tracts within Philadelphia County. Citadel's employee time or compensation will not be counted toward the amount spent on these efforts.

41. As part of the Remedial Plan required by Section IV.B, Citadel will submit a plan to the United States detailing how Citadel will spend these funds to increase access to credit extended in majority-Black and Hispanic census tracts in Citadel's Market Area for the period remaining in the term of this Consent Order ("Outreach Plan"). The Outreach Plan will include an explanation of why Citadel selected certain approaches and community partnerships and how Citadel's advertising, community outreach, community financial education, and credit counseling initiatives will meet the credit needs identified in the Community Credit Needs Assessment. The Outreach Plan will be subject to non-objection by the United States. If the United States objects to any portion of the Outreach Plan, Citadel will make revisions and resubmit its proposal within thirty (30) days of receiving the United States' objection. Citadel will begin implementation of its Outreach Plan within thirty (30) days of receiving written notice of non-objection from the United States.

42. Citadel will evaluate the strategies outlined in its Outreach Plan annually, including by considering the Community Credit Needs Assessment, to identify any changes necessary to

better assist residents of majority-Black and Hispanic census tracts in its Market Area in obtaining credit. Citadel will present a summary of its evaluation and any proposed changes to the United States as part of its annual reporting requirement under Section V. Any proposed changes will be subject to non-objection by the United States. In the annual report required by Subsection V, Citadel will also include all advertising, outreach, promotional, and educational materials distributed each year pursuant to this Section.

a. Advertising

43. Citadel will endeavor to effectively advertise its residential loan products, including products for which the Loan Subsidy Fund outlined in Section IV.G will be applied, to majority-Black and Hispanic census tracts in its Market Area to generate mortgage loan applications from Qualified Applicants in these census tracts. Citadel's advertising may include print media, radio, digital advertising, television, direct mail, social media, and any other appropriate medium non-objected to by the United States in writing. These advertisements must include similar information to other advertisements by Citadel. Citadel must advertise its mortgage lending services and products to majority-Black and Hispanic census tracts in its Market Area at least to the same extent that it advertises its mortgage lending services and products to majority-White census tracts.

44. All of Citadel's print advertising and promotional materials referencing residential mortgage loans must contain an equal housing opportunity logo, slogan, or statement. Citadel agrees that all radio or television advertisements will include an audible statement that Citadel is an "Equal Opportunity Lender" or "Equal Housing Lender."

b. Outreach

45. Citadel will provide at least two (2) outreach programs per year for real estate brokers and agents, developers, and public or private entities engaged in residential real estate-

related business in majority-Black and Hispanic census tracts in its Market Area to inform them of its products and services and to develop business relationships. As part of its annual reporting requirement under Section V, Citadel will provide a list of the outreach programs conducted in the past year, including the date, location, and a description of the content of each program.

c. Consumer Financial Education and Credit Initiatives

46. Citadel will deploy a consumer financial education and credit and/or housing counseling program designed to provide information, training, and counseling services to individuals in majority-Black and Hispanic census tracts in Citadel's Market Area.

47. Citadel will provide a minimum of two (2) seminars per year, with translation and interpretation services in Spanish if warranted, targeted and marketed toward residents in majority-Black and Hispanic census tracts in its Market Area and held in locations intended to be reasonably convenient to those residents. These seminars will cover credit counseling, financial literacy, and other related consumer financial education, to help identify and develop qualified loan applicants from those areas. Citadel may develop and provide the seminars in conjunction with the community-based or governmental organizations described in Section IV.H.

48. Within sixty (60) days of the Effective Date, Citadel will submit to the United States for non-objection a list of its planned consumer education events for the first twelve (12) months of this Consent Order, specifying the program, date, location, any associated community partners, and identifying whether the events will be in-person or virtual. Beginning twelve (12) months after the Effective Date, Citadel will submit to the United States a list of its planned consumer education seminars, specifying whether those events will be in-person or virtual, as part of its annual reporting requirement under Section V. These programs and seminars will be subject to non-objection by the United States. Each year, at least one (1) such event must be held in person.

V. EVALUATING AND MONITORING COMPLIANCE

49. For the duration of this Consent Order, Citadel will retain all records related to its obligations under and activities to carry out this Consent Order. The United States has the right to review and copy these records upon request.

50. At the written request of the United States, Citadel will provide to the United States its annual Home Mortgage Disclosure Act (“HMDA”) data in the same format as submitted to Financial Institutions Examination Council (“FFIEC”), including the record layout.

51. Beginning twelve (12) months after the Effective Date, Citadel will submit annual reports to the United States on its progress in complying with the terms of this Consent Order and associated plans and programs. The final report will be delivered to the United States at least sixty (60) days prior to the expiration of this Consent Order. Citadel’s Board of Directors and CEO will review and approve the reports prior to submission to the United States.

52. The annual reports will provide a complete account of Citadel’s actions to comply with this Consent Order and Citadel’s assessment of the extent to which each obligation was met and plans were implemented. If Citadel is unable to satisfy any obligations under this Consent Order, Citadel will provide an explanation of why it believes it was unable to complete any particular component and will make recommendations to continue to pursue the goals set forth in this Consent Order.

53. All materials required by this Consent Order will be sent to the United States by email or other means agreed upon by the Parties to the Department of Justice attorney(s) assigned to this matter: Terrence Mangan, Jr. (Terrence.Mangan2@usdoj.gov), Adam Wesolowski (Adam.M.Wesolowski@usdoj.gov), and Bryan Hughes (Bryan.Hughes@usdoj.gov). The United States will notify Citadel in writing if the assigned attorneys change.

54. Upon request by the Department of Justice attorney(s) assigned to this matter, the United States may request that Citadel submit materials required by this Consent Order by commercial overnight delivery service addressed as follows:

Chief, Housing and Civil Enforcement Section
Civil Rights Division
U.S. Department of Justice
150 M Street NE, 8th Floor
Washington, DC 20002
Attn: Citadel, DJ# 188-62-23

and

U.S. Attorney's Office for the Eastern District of Pennsylvania
615 Chestnut Street, Suite 1250
Philadelphia, PA 19106
Attn: AUSA Bryan Hughes

VI. ADMINISTRATION

55. The requirements of this Consent Order will remain in effect for five (5) years, except as provided in Paragraph 57.

56. If, within three (3) years of the Effective Date, it does not appear that Citadel will be able to distribute all money in the Loan Subsidy Fund described in Section IV.G., then Citadel and the United States will work to develop alternate methods of distributing the Fund that are agreeable to both parties, including by potentially changing the definition of "Qualified Applicant" or approving additional methods of distribution in accordance with Paragraph 33(e).

57. If Citadel has not distributed the Loan Subsidy Fund within five (5) years of the Effective Date, this Consent Order will remain in full effect until three (3) months after Citadel has invested all the money in the Loan Subsidy Fund and has submitted a final report to the United States that demonstrates the fulfillment of this obligation.

58. Any time limits for performance may be extended by mutual written agreement of the Parties. Other modifications may be made only upon approval of the Court, by motion of any party. If there are changes in material factual circumstances, the Parties will work cooperatively to discuss and attempt to agree to proposed modifications to this Consent Order.

59. If disputes arise about the interpretation of, or compliance with, this Consent Order, the Parties will endeavor in good faith to resolve any dispute before bringing it to the Court for resolution. If Citadel is in material non-compliance with any provision of this Consent Order or has a material failure to perform an act required by this Consent Order, the United States may move the Court to impose any remedy authorized by law or equity, including attorneys' fees and costs.

60. If the United States objects to any submission, the Parties will have thirty (30) days to confer and resolve their differences. The Parties may mutually agree to additional time to confer, if necessary. If the Parties are unable to resolve their differences, either party may bring the dispute to the Court for resolution.

61. Nothing in this Consent Order excuses Citadel's compliance with any current, or subsequently effective, provision of law or order of a regulator.

62. The United States may take steps reasonably necessary to monitor Citadel's compliance with this Consent Order.

63. Citadel will notify the United States of any development that may materially affect compliance obligations arising under this Consent Order, including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency

proceeding by or against Citadel; a change in Citadel's field of membership; or a change in Citadel's name or main office address. Citadel will provide this notice as soon as practicable but, in any case, at least thirty (30) days before the occurrence of such event or, if applicable, the full execution of a definitive written agreement with respect to such event.

64. This Consent Order is binding on Citadel, including all its officers, agents, servants, employees, and all other persons in active concert or participation with them who have actual notice of this Consent Order, assignees, and successors in interest. If Citadel seeks to transfer or assign all or part of its operations to a successor or assign that intends to carry on the same or similar business, Citadel will obtain the written agreement of the successor or assign to obligations under this Consent Order as a condition of sale, merger, or other transfer.

65. The Parties agree that litigation is not reasonably foreseeable. If any party implemented a litigation hold to preserve information, the party is no longer required to maintain it. Nothing in this Paragraph relieves either party of any other obligations imposed by this Consent Order.

66. Except as provided in Paragraph 59, the Parties will bear their own costs and attorneys' fees.

67. The Court will retain jurisdiction over this civil action to enforce the terms of this Consent Order.

IT IS SO ORDERED this ____ day of _____, 2024.

UNITED STATES DISTRICT JUDGE

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

FOR THE UNITED STATES OF AMERICA:

/s/ Jacqueline C. Romero
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Eastern District of Pennsylvania

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