

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	CIVIL ACTION NO. 11-882
v.	)	
	)	MAGISTRATE JUDGE MITCHELL
MORTGAGE GUARANTY INSURANCE	)	
CORP., et al.	)	<i>(Electronic Filing)</i>
	)	
Defendants.	)	

**CONSENT ORDER**

**I. INTRODUCTION**

This Consent Order (Order) is submitted jointly by the parties for the approval of and entry by the Court. The Order resolves the claims of the United States that Defendants have engaged in a violation of the Fair Housing Act (FHA), 42 U.S.C. §§ 3601-3619, by discriminating on the basis of sex and familial status in underwriting mortgage insurance. Specifically, the Order resolves the claims of the United States brought pursuant to 42 U.S.C. § 3612(o) on behalf of Carly Neals and her three minor children, and brought pursuant to the United States Attorney General's authority under 42 U.S.C. § 3614(a) to seek redress for housing discrimination that raises an issue of general public importance.

There has been no factual finding or adjudication with respect to any matter alleged by the United States. The parties have entered into the Order to avoid the risks, expense, and burdens of litigation and to resolve voluntarily the claims in the Complaint of the Defendants' alleged violations of federal fair housing laws.

## **II. BACKGROUND**

Defendant Mortgage Guaranty Insurance Corporation (“MGIC”) is the nation’s largest provider of private mortgage insurance coverage with \$172.9 billion primary insurance in force covering nearly 1.1 million mortgages as of December 31, 2011. MGIC insures loans secured by houses located across the United States against losses caused by borrower defaults. Mortgage insurance is a required part of the terms of many home mortgage loans for which the borrower has less than 20% equity at the time of origination. In determining whether to approve mortgage insurance for an individual home mortgage loan applicant, MGIC’s underwriters review whether the borrower will have sufficient income to afford the loan’s monthly payments.

In July 2010, MGIC received an application to insure a mortgage loan sought by Carly Neals. At that time, Ms. Neals was on paid maternity leave from her employer with plans to return to her pre-leave position. The United States’ Complaint alleges that MGIC determined that it would not proceed on the application until Ms. Neals had returned to work full time. As a result of her treatment, Ms. Neals filed a complaint of discrimination with the United States Department of Housing and Urban Development (“HUD”), which conducted an investigation and determined that reasonable cause existed to believe that illegal discriminatory housing practices had occurred. Additionally, the Attorney General determined the alleged housing discrimination at issue raises an issue of general public importance. Prior to the entry of the Order, MGIC adopted policies on nondiscriminatory treatment of mortgage loan applicants taking leave from work related to childbirth, and MGIC cooperated in good faith with the United States to resolve this litigation.

The United States through this settlement is obtaining monetary damages for Ms. Neals and dozens of other mortgage applicants it identified as aggrieved by similar alleged

discriminatory conduct by MGIC between July 2007 and September 2010. It is also obtaining agreement from MGIC to further strengthen its policies to ensure that borrowers on maternity and paternity leave are treated in a manner that does not discriminate on the basis of sex or familial status, consistent with the requirements of the FHA.

Defendants deny all allegations and claims of unlawful discrimination set forth in the United States' Complaint. Defendants deny any negative treatment of maternity or paternity leave in underwriting was discriminatory.

### **III. REMEDIAL ORDER**

1. Unless otherwise stated herein, the remedial provisions of the Order shall be implemented within thirty (30) days of the Effective Date of the Order and shall continue throughout its term. The Effective Date of the Order shall be the date on which it is approved and entered by the Court.

#### **A. General Nondiscrimination Injunction**

2. The Defendants, including all of Defendant MGIC's officers, employees, agents, assignees, successors in interest, and all those in active concert or participation with any of them, are hereby enjoined from engaging in any act or practice that unlawfully discriminates against a mortgage loan applicant<sup>1</sup> on the basis of sex or familial status in connection with a submitted or potential mortgage insurance application. This prohibition includes, but is not limited to, the adoption, performance, or implementation of any policy, practice, or act that results in unlawful discrimination against an applicant on paid or unpaid maternity or paternity leave in underwriting the loan for mortgage insurance.

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<sup>1</sup> For purposes of the Order, "applicant" shall refer to any individual who is seeking to borrow money as part of the mortgage transaction, without regard to who submits the mortgage insurance application to MGIC or the presence or absence of co-applicants.

**B. Mortgage Insurance Underwriting Policies and Procedures**

3. In underwriting loans for mortgage insurance, MGIC shall consider any applicant on maternity or paternity leave to be currently employed if the borrower provides written confirmation of her or his intent to return to work and the agreed upon date of return as evidenced by documentation provided by the employer or a designee of the employer so long as MGIC has not received evidence or information from the applicant's employer indicating that the applicant does not have the right to return to work after the leave period.<sup>2</sup>

4. For any applicant on maternity or paternity leave who is considered currently employed and who will be returning to work on or before the date the first payment is due on the mortgage submitted for insurance, MGIC shall treat the applicant as earning regular employment income in the amount the applicant earned prior to the maternity or paternity leave so long as MGIC has not received evidence or information from the applicant's employer, as part of the documentation obtained pursuant to the preceding Paragraph, indicating that the applicant will earn a different amount after the leave period.

5. For any applicant on maternity or paternity leave who is considered currently employed and who will not be returning to work on or before the date the first payment is due on the mortgage submitted for insurance, MGIC shall treat the applicant as earning the lesser of a) the regular employment income the applicant earned prior to the maternity or paternity leave; or b) the temporary leave income the applicant is earning while on the maternity or paternity leave

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<sup>2</sup> Provided that the employer does not indicate that the job will not exist or will not be available after the stated return date, MGIC shall treat the requirements of this sentence to be fully satisfied by any applicant who provides confirmation that she or he has been granted leave pursuant to the Family and Medical Leave Act (FMLA), 29 U.S.C. § 2601 *et seq.*, because of the birth of a child or the placement of a child with the employee for adoption or foster care, and confirms her or his intent to return to work no later than the first work day after the end of the leave period provided by the FMLA.

plus supplemental income in the amount of the applicant's available liquid reserves (the applicant's verified liquid assets minus any funds needed to close on the mortgage) divided by the number of months between the first mortgage payment due date and the return to work.

6. MGIC shall consider whether an applicant's employment or employment income is stable, predictable, or likely to continue without regard to the fact that an applicant previously took paid or unpaid maternity or paternity leave and returned to work with her or his pre-leave employer.

7. If MGIC receives evidence that an applicant is currently receiving stable employment income, MGIC shall not inquire if the applicant is presently on, or was previously on, maternity or paternity leave.

8. MGIC shall not inquire if an applicant plans to take maternity or paternity leave in the future if the applicant is not on maternity or paternity leave at the time of underwriting.

9. MGIC shall not inquire if any applicant or member of her or his household is pregnant, plans to become pregnant, plans to adopt a child, or plans to become a foster parent. MGIC shall consider whether a currently employed applicant's employment income is stable, predictable, or likely to continue without regard to the applicant's plans to become a parent or statistical likelihood of becoming a parent.

10. For applications received after the Effective Date of the Order, MGIC shall immediately re-underwrite any application it becomes aware was not treated in compliance with the requirements established in Paragraphs 3-9, and it shall immediately inform the party that submitted the application of any change in underwriting results.

11. MGIC shall include the policies it adopts to implement the requirements established in Paragraph 3-9 as part of providing written copies of its income underwriting

policies to lenders, mortgage brokers, or other parties from which it accepts mortgage insurance applications (including, but not limited to, as part of its Underwriting Guide). MGIC shall not encourage any lender, mortgage broker, or other non-related party from which it accepts mortgage insurance applications to treat an applicant on maternity or paternity leave inconsistent with the provisions of Paragraphs 3-9.

12. If MGIC becomes aware that a party from which it accepts applications has decreased an applicant's income, or failed to include a co-applicant, because of the applicant's, or potential co-applicant's, maternity or paternity leave status, and it is unable to approve the application based on income considerations, MGIC shall seek to obtain information about the applicant's, or potential co-applicant's, employment income. If MGIC receives that information, MGIC shall immediately re-underwrite the application considering the additional documented employment income. Nothing in this Paragraph, however, shall affect the right of a married individual to apply for or obtain a mortgage loan solely in his or her own name.

13. MGIC shall prohibit all its officers, employees, agents, assignees, successors in interest, and all those in active concert or participation with any of them from violating the requirements established in Paragraphs 3-12.

**C. Monitoring Program**

14. Within 30 days of the Effective Date of the Order, MGIC shall implement a monitoring program designed to ensure compliance with the Order. The program shall be designed to monitor its underwriting activities for compliance with the requirements established in Paragraph 3-12 and for detection of any discrimination toward applicants related to maternity or paternity leave or becoming a parent for insurance applications received 30 or more days after the Effective Date of the Order.

15. As part of the monitoring program required by the preceding Paragraph, for any insurance application that results in MGIC obtaining information concerning present, past, or future maternity or paternity leave by an applicant or potential co-applicant (hereafter a "Maternity Application"), MGIC shall require an appropriate underwriting manager to re-underwrite the application to ensure compliance with the requirements established in Paragraph 3-12 and the absence of any unlawful discrimination against applicants related to maternity or paternity leave or becoming a parent. If upon completion of the original underwriting of a Maternity Application, the application is not approved, the required re-underwriting shall occur within 2 business days of the original underwriting. MGIC shall not deny a Maternity Application subject to re-underwriting, or seek further information regarding maternity or paternity leave in connection with a Maternity Application, before conducting the required re-underwriting and correcting any errors found in the original underwriting. If upon completion of the original underwriting of a Maternity Application, the application is approved, MGIC shall not delay communicating the approval and it shall conduct the required re-underwriting within 10 days of the original underwriting. MGIC shall record each failure to comply, or instance of discrimination, found during the re-underwriting. MGIC shall inform the original underwriter of the error and provide training on how to avoid such errors in the future.

16. MGIC shall conduct the re-underwriting provided by the preceding Paragraph for a minimum of one year. If the re-underwriting finds no more than one error during each of the final two months of that one-year period, MGIC may suspend the re-underwriting after one year. If the re-underwriting finds more than one error during each of the final two months of that one-year period, MGIC shall continue the re-underwriting until it finds no more than one error per month during a two month period.

17. After MGIC's re-underwriting obligations are suspended pursuant to the preceding Paragraph, MGIC shall track Maternity Applications in a manner that permits their easy retrieval so that underwriting audits of such applications can occur.<sup>3</sup> Once MGIC's re-underwriting obligations are suspended, MGIC will be required to have an appropriate underwriting manager audit, on a quarterly basis, no less than 20% of applications received in the applicable quarter that result in MGIC obtaining information concerning present, past, or future maternity or paternity leave by an applicant or potential co-applicant, to ensure compliance with the requirements established in Paragraph 3-12 and the absence of any discrimination against applicants related to maternity or paternity leave or becoming a parent. For each failure to comply, or instance of discrimination, found during the audit, MGIC shall immediately re-underwrite the application, and it shall immediately inform the party that submitted the application of any change in underwriting results. If any audit finds greater than a 5% error rate, MGIC must recommence the re-underwriting provided by Paragraph 15 until it finds no more than one error per month during a two month period.

18. A report on the results of the monitoring program required by Paragraph 14 for the preceding 3 months shall be presented to MGIC's senior managers and Board of Directors for review. If a Board Meeting is scheduled 45 or more days after the end of the quarter, the presentation regarding the prior 3 months results shall be made at that Board Meeting. If a Board Meeting is to occur less than 45 days after the end of the quarter, then MGIC may defer the presentation of the prior 3 months results to the next regularly scheduled Board Meeting.

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<sup>3</sup> Should tracking not prove feasible or in the event of a problem, the parties agree that MGIC may identify Maternity Applications by performing electronic searches of its underwriting notes and Boomerang databases for use of the following terms: "maternity"; "paternity"; "parental"; "return to work"; "back to work"; "pregnant"; "pregnancy"; "baby"; "short term disability"; "paid leave"; and "unpaid leave."



19. The results of the monitoring program required by Paragraph 14, including the results of the re-underwriting and audits, and the reports reviewed by MGIC's senior managers and Board of Directors pursuant to the previous Paragraph, shall be presented to the United States as part of the reports required by Paragraph 38. If the United States raises any objections to MGIC's determinations or remedial actions, MGIC and the United States shall meet and confer to consider appropriate steps to address the objections. If the parties are unable to come to an agreement regarding such objections, any party may bring the dispute to this Court for resolution.

**D. Notification to United States and Right to Object**

20. MGIC shall provide a copy of the policies it utilizes to implement Paragraphs 3-13 of the Order and descriptions of the monitoring program required under Paragraph 14 to the United States within 30 days of the Effective Date of the Order.<sup>4</sup> The United States shall have 30 days from receipt of the policies and descriptions to raise any objections to them, and if it raises any, the parties shall confer to resolve their differences. In the event they are unable to do so, any party may bring the dispute to this Court for resolution.

**E. Notices of Nondiscrimination**

21. Within 30 days of the Effective Date of the Order, MGIC shall include a notice of nondiscrimination, substantially similar to the sample notice attached as Appendix A to the Order, as part of providing written copies of its income underwriting policies to lenders,

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<sup>4</sup> All material required by the Order to be sent to counsel for the United States shall be sent by commercial overnight delivery service addressed as follows: Chief, Housing and Civil Enforcement Section, Civil Rights Division, U.S. Department of Justice, 1800 G Street NW, Suite 7002, Washington, DC 20006, Attn: DJ 175-64-186. The parties may also agree to delivery electronically.

mortgage brokers, or other parties from which it accepts mortgage insurance applications (including, but not limited to, as part of its Underwriting Guide).

22. Within 30 days of the Effective Date of the Order, MGIC shall include a notice of nondiscrimination, substantially similar to the sample notice attached as Appendix A to the Order, in any written "Request for Additional Information" (also known as a "Suspense Notice"), "Statement of Denial of Application for Mortgage Guaranty Insurance", or "Adverse Action" notice it sends to applicants, lender, mortgage brokers, or other parties from which it accepts mortgage insurance applications.

**F. Fair Lending Training Program**

23. Within 120 days of the Effective Date of the Order, MGIC shall provide fair lending training to its management officials and employees who participate in underwriting mortgage insurance. During this training, MGIC shall provide to each participant: (a) access to a copy of the Order and the policies adopted pursuant to it; and (b) training on the terms of the Order, the policies adopted pursuant to it, the requirements of the FHA, and his or her responsibilities under each. For the duration of the Order, MGIC shall provide annual fair lending training to covered management officials and employees with respect to his or her responsibilities and obligations under the FHA and the Order. The training may be conducted by television or computer, so long as it allows viewers to interact in real time with the individual conducting the training (such as through a videoconference or a webinar). The content of the training program required by this Paragraph shall be approved in advance by the United States. Any expenses associated with this training program shall be borne by MGIC.

24. MGIC shall secure from each management official or employee specified in the preceding Paragraph a signed statement acknowledging that he or she has received access to a

copy of the Order and the underwriting policies and has completed the initial fair lending training. These statements shall be substantially in the form of Appendix B (Employee Acknowledgment) and Appendix C (Employee Training Certification). During the term of the Order, each new management official or employee whose responsibilities include those set forth in the preceding Paragraph shall be provided access to a copy of the Order and given an opportunity to have any questions answered, and shall sign the acknowledgment form statement (Appendix B) within 10 days of beginning his or her employment in that position. MGIC shall retain the statements required by this Paragraph for the duration of the Order, and make them available to the United States upon request.

**G. Damages for Aggrieved Persons**

25. MGIC shall deposit in an interest-bearing escrow account the total sum of \$511,250 to compensate for monetary damages aggrieved persons nationwide may have suffered as a result of the alleged violations of the FHA (the "Settlement Fund"). Title to this account shall specify that it is "for the benefit of aggrieved persons pursuant to Order of the Court in *United States v. MGIC, et al.*" MGIC shall provide written verification of the deposit to the United States within five days of the Effective Date of the Order. Any interest that accrues shall become part of the Settlement Fund and be utilized and disposed of as set forth herein.

26. MGIC shall pay \$7,500 in monetary damages to each aggrieved person whom the United States has identified as suffering from discriminatory conduct related to a requirement to return to work based on its review of MGIC's underwriting records and \$3,750 in monetary damages to each aggrieved person whom the United States has identified as suffering from discriminatory conduct related to underwriting of employment income after returning from leave based on its review of MGIC's underwriting records. In addition, MGIC shall pay the HUD complainant, Ms. Neals, an additional \$25,000 for pain and suffering incurred as a result of

aggravating a pre-existing, medically-documented condition and an additional \$10,000 for her documented loss of vacation and leave time in order to return to work under her belief that this is what MGIC required in order to approve her lender's insurance application. The names, and the final four digits of MGIC's identification number for the loan associated with each aggrieved person, is contained in Appendix D to the Order.

27. The total amount paid by MGIC collectively to the aggrieved persons shall not exceed the amount of the Settlement Fund, including accrued interest.

28. No aggrieved person shall be paid any amount from the Settlement Fund until he or she has executed and delivered to MGIC a written release as set forth in Appendix E.

29. Unless there is an appeal from or challenge to the Order, neither of which is expected, MGIC shall, no later than 35 days after entry of the Order, notify each aggrieved person eligible for compensation by a letter (using reasonable methods to locate each person). The form of this letter shall be subject to the review and approval of the United States. At a minimum, the letter shall state that the aggrieved person is eligible for the prescribed payment. It shall also explain the requirement, in order to receive the prescribed payment, to execute a release that preserves the right to obtain any additional relief they may be entitled to through any claims process in the class action case in the U.S. District Court for the Western District of Pennsylvania Carly F. Neals v. Mortgage Guaranty Insurance Corporation, No. 2:10-cv-01291-DSC-RCM (W.D. Pa.) (hereafter the "Neals Class Action"). The letter shall enclose a release form and an addressed and postage-paid return envelope. Each letter shall identify the loan MGIC underwrote related to the aggrieved person. The letter shall also include a statement that the aggrieved person will separately be sent notice regarding their rights to pursue any additional relief that may be provided by the Neals Class Action. If the parties are unable to agree on the

terms of the letter, any party may bring the dispute to the Court for resolution. Any letters that are returned with a forwarding address shall promptly be re-sent to that new address. MGIC shall provide the United States with an accounting of these notifications, indicating the name and address to which each was dispatched, within the 30-day period referred to in this Paragraph.

30. MGIC shall require the return of releases from aggrieved persons within 6 months from the date the initial notifications are sent. MGIC shall provide, as part of the reporting required in Paragraph 38, an accounting of responses received and notifications for which no response has been received or that were reported to be undeliverable. The United States may make its own efforts to locate aggrieved persons.

31. MGIC shall issue checks no later than 21 days after the receipt of an executed release. MGIC shall provide, as part of the reporting required in Paragraph 38, an accounting of checks issued.

32. Any money not distributed from the Settlement Fund, including accrued interest, within 3 months after the deadline for the return of releases, shall be distributed to qualified organization(s) that conduct fair housing enforcement, fair lending enforcement, or educational activities addressing sex or familial status discrimination. MGIC will consult with and obtain the non-objection of the United States in selecting recipient(s) of these funds and the amount to be distributed to each, and the parties shall obtain the Court's approval prior to distribution of any such funds. MGIC shall require each recipient to submit to MGIC and the United States a detailed report on how funds are utilized within one year after the funds are distributed.

33. MGIC shall not be entitled a set-off, or any other reduction, of the amount of payments to an aggrieved person because of any debts owed by an aggrieved person. MGIC also

shall not refuse to make a payment based on a release of legal claims previously signed by any aggrieved person.

**G. Civil Penalty**

34. Within 5 days of entry of the Order, MGIC shall pay the sum of \$38,750 to the United States as a civil penalty to vindicate the public interest, pursuant to 42 U.S.C. § 3614(d)(1)(C). This payment shall be delivered to counsel for the United States in the form of a cashier's check payable to "United States Treasury."

**H. Complaint Resolution Program**

35. During the duration of the Order, MGIC shall maintain a complaint resolution program to address complaints alleging discrimination on a basis prohibited by the FHA in its mortgage insurance underwriting. Documentation regarding such complaint resolution program, including documentation of individual complaints and resolutions, if any, shall be included in the semi-annual reports referenced in Paragraph 38. There is no requirement under the Order that any complaint necessarily be resolved for or against MGIC.

**IV. EVALUATING AND MONITORING COMPLIANCE**

36. For the duration of the Order, MGIC shall retain all records relating to its obligations hereunder as well as their compliance activities as set forth herein. The United States shall have the right to review and copy such records upon request, including files and electronic data for mortgage insurance applications underwritten during the duration of the Order.

37. MGIC shall provide to the United States the data on its activities that it submits to the Mortgage Insurance Companies of America ("MICA"), or MICA's designee, to satisfy the mortgage guaranty insurance industry's commitment to voluntarily submit HMDA data to the Federal Financial Institutions Examination Council. The data, including the record layout, will

be provided in the same format in which it is presented to MICA, or its designee, within 30 days of its submission each year, for the duration of the Order.

38. In addition to the submission of any other plans or reports specified in the Order, MGIC shall submit semi-annual reports to the United States on its progress in completing the requirements of the Order. Each such report shall provide a complete account of MGIC's actions to comply with each requirement of the Order during the previous 6 months, an objective assessment of the extent to which each obligation was met, an explanation of why any particular obligation was not met for the previous 6 months, and any recommendations for additional actions to achieve the obligations of the Order. MGIC shall submit its first report no later than 6 months after the Effective Date of the Order, and every 6 months thereafter for so long as the Order is in effect. In addition, if applicable, MGIC shall attach to the semi-annual reports representative copies of training materials disseminated pursuant to the Order.

#### **V. ADMINISTRATION**

39. The Order shall terminate 3 months after the submission of MGIC's eighth semi-annual report due under Paragraph 38 to the United States. Notwithstanding the above, the Order may be extended further upon motion of the United States to the Court, for good cause shown.

40. The details in administration of the Settlement Fund set forth in Paragraphs 29-31 can be modified by written agreement of the parties and without further Court approval. Any time limits for performance fixed by the Order may be extended by written agreement of the parties. Other modifications to the Order may be made only upon approval of the Court, upon motion by any party.

41. The Order shall be binding on Defendants, including all their officers, employees, agents, representatives, assignees, and successors in interest, and all those in active concert or participation with any of them. The Order shall consider employees of joint ventures operated by Defendant MGIC, and the loans they underwrite, to be employees of Defendant MGIC and to be loans underwritten by employees of Defendant MGIC. The Order also shall consider loans to be underwritten by employees of Defendant MGIC even when underwriting functions are completed by contractors. In the event Defendant MGIC seeks to transfer or assign all or part of its operations, and the successor or assign intends on carrying on the same or similar use, as a condition of sale, Defendant MGIC shall obtain the written accession of the successor or assign to any obligations remaining under the Order for its remaining term.

42. Nothing in the Order shall excuse Defendants' compliance with any currently or subsequently effective provision of law or order of a regulator with authority over Defendants that imposes additional obligations on Defendants.

43. The parties agree that, as of the date of entry of the Order, litigation is not "reasonably foreseeable" concerning the matters described in the Order. To the extent that any party previously implemented a litigation hold to preserve documents, electronically stored information, or things related to the matters described in the Order, the party is no longer required to maintain such a litigation hold.

44. In the event that any disputes arise about the interpretation of or compliance with the terms of the Order, the parties shall endeavor in good faith to resolve any such dispute between themselves before bringing it to this Court for resolution. If the United States believes that any Defendant has violated any provision of the Order, it will provide the Defendant written notice thereof and allow 30 days to resolve the alleged violation before presenting the matter to



this Court. In the event of either a failure by any Defendant to perform in a timely manner any act required by the Order or an act by any Defendant 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.

45. Defendants' compliance with the terms of the Order shall fully and finally resolve all FHA claims, including all claims brought under 42 U.S.C. § 3614(a), that are raised in the Complaint's allegations of discrimination on the basis of sex and familial status against individuals on maternity or paternity leave, including all claims for equitable relief and monetary damages and penalties arising from those claims, for mortgage insurance applications that Defendants underwrote between July 26, 2007 and September 30, 2010. The Order does not release any other legal claims, including claims that may be held or are currently under investigation by any federal agency. The Order does not release legal claims under the FHA for practices not addressed in the allegations of discrimination on the basis of sex and familial status contained in the Complaint, including any claims currently under investigation by federal agencies. The Order does not release any claims under any statute other than the FHA.

46. The United States and Defendants shall bear their own costs and attorneys' fees associated with this litigation.

47. The Court shall retain jurisdiction for the duration of the Order to enforce the terms of the Order, after which time the case shall be dismissed with prejudice.

SO ORDERED, this 30<sup>th</sup> day of April 2012.

  
UNITED STATES MAGISTRATE JUDGE

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

**For Plaintiff United States of America:**

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**APPENDIX A**

**We do Business in Accordance with  
Federal Fair Lending Laws**

**UNDER THE FAIR HOUSING ACT, IT IS  
ILLEGAL TO DISCRIMINATE IN ANY  
MORTGAGE INSURANCE TRANSACTION:**

**On the basis of race, color, religion, sex, handicap,  
familial status (including pregnancy), or national  
origin;**

**IF YOU BELIEVE DISCRIMINATION HAS  
OCCURRED, YOU SHOULD SEND  
A COMPLAINT TO:**

**U.S. Department of Housing and  
Urban Development  
Office of Fair Housing and  
Equal Opportunity  
451 Seventh Street, SW  
Washington, DC 20410  
Tel: 1-800-669-9777  
Website:  
<http://www.hud.gov/offices/fheo>**

**OR U.S. Department of Justice  
Civil Rights Division  
Housing and Civil Enforcement  
Section  
950 Pennsylvania Avenue, NW  
Washington, DC 20530  
Tel: 1-800-896-7743  
Website:  
<http://www.usdoj.gov/crt/housing>**

**APPENDIX B**

Employee Acknowledgment

I acknowledge that on \_\_\_\_\_, I was provided copies of the Consent Order entered by the Court in United States v. Mortgage Guaranty Insurance Corp. et al., (W.D. Pa.), and the loan policies developed pursuant thereto. I have read and understand these documents and have had my questions about these documents answered. I understand my legal responsibilities and shall comply with those responsibilities.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Job Title

\_\_\_\_\_  
Date

**APPENDIX C**

Employee Training Certification

I certify that on \_\_\_\_\_, I received training with respect to my responsibilities under the Consent Order entered by the Court in United States v. Mortgage Guaranty Insurance Corp. et al., (W.D. Pa.), and the federal fair lending laws. I have had the opportunity to have my questions about them answered. I understand my legal responsibilities not to discriminate under the federal fair lending laws, including the Fair Housing Act, and shall comply with those responsibilities.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Job Title

\_\_\_\_\_  
Date

**APPENDIX D**

## List of Aggrieved Persons

**Aggrieved persons whom the United States has identified as suffering discriminatory conduct related to a requirement to return to work:**

<u>Name</u>	<u>MGIC Loan Identification Number</u>
Dina M. Aldellizzi	xxxx0448
Joanna Badzio-Lain	xxxx9047
Jamie L. Barnes	xxxx0840
Bethany L. Bassett	xxxx4743
Monica Biswas	xxxx1242
Mitsy Burgardt	xxxx6957
Elizabeth A. Cipolla	xxxx1771
Kathleen J. Correll	xxxx5277
Sarah J. Crabb	xxxx7689
Jaime Dawes	xxxx6307
Jodi M. Defelice	xxxx4964
Kimberly Delaney	xxxx8199
Beatriz E. Duque	xxxx6479
Deborah Fatzynytz	xxxx1522
Monika M. Felker	xxxx8738
Amy E. Forester	xxxx3155
Kimberly L. Giancola	xxxx5998
Jill M. Glowniak	xxxx1546
Jeanie Godbey	xxxx7472
Jasmine C. Godly	xxxx9244
Natasha M. Hernandez	xxxx1563
Christopher M. Hooten	xxxx1283
Staci L. Jorgenson	xxxx2441
Jamie Karanas	xxxx2343
Robin H. Kelleher	xxxx5032
Stacey E. Kilroy	xxxx8189
Tinaanne Marie Landa	xxxx8946 and xxxx3940
Renata Lech	xxxx6947
Ivette Llopiz	xxxx5990
Angelica Martinez	xxxx1934
Allison McBrierty	xxxx4420
Amanda L. McNulty	xxxx8950
Carol A. Milliken	xxxx2787
Celeste M. Monroe	xxxx2869
Jennifer S. Montgomery	xxxx6369
Elizabeth A. Morris	xxxx1298
Carly F. Neals	xxxx1082
Rebecca L. Nix	xxxx8810

Kathleen A. Novitsky	xxxx2518
Beth Ombati	xxxx8975
Nancy Plazola	xxxx2502
Rebecca Diane Pruitt	xxxx4697
Briana F. Reed	xxxx0271
Kerri C. Schweissing	xxxx2940
Cynthia L. Sitarski	xxxx3231
Ashleigh B. Smith	xxxx4897
Krysta Smith	xxxx2942
Cheryl Teichert	xxxx2862
Jeana M. Thomas	xxxx3730
Julie A. Tumey	xxxx6065
Racheal Turner	xxxx0078
Michelle T. Udasco	xxxx0371
Dena M. Valenza	xxxx2514
Margaret Vasquez	xxxx6814
Laurae Villarreal	xxxx0232
Kriste M. Ward	xxxx5875
Mary Wong-Mason	xxxx6008

**Aggrieved persons whom the United States has identified as suffering from discriminatory conduct related to underwriting of employment income after returning from leave:**

<u>Name</u>	<u>MGIC Loan Identification Number</u>
Connie M. Augustine	xxxx7163
Diana Beatriz Escutia	xxxx5062
Tara L. Gawer	xxxx0102
Katie Granville	xxxx2730
Rebecca A. Hehl	xxxx9053
Melinda Myles	xxxx2970
Erika S. Reese	xxxx0765
Linsey R. Ryckman	xxxx1209
Tammy L. Sell	xxxx6252
Mila Tempels	xxxx8927
Christi S. Vacca	xxxx7046
Nishita P. Watson	xxxx6067
Carolyn K. Youngbauer	xxxx7251



**APPENDIX E**

Release

In consideration for the parties' agreement to the terms of the Consent Order entered in United States v. Mortgage Guaranty Insurance Corp. et al., (W.D. Pa.), and the payment to me of \$\_\_\_\_\_, pursuant to the Consent Order and effective upon that payment, I hereby release and forever discharge all claims, rights, remedies, and recoveries related to the facts of housing and credit discrimination on the basis of sex and familial status in the underwriting of mortgage insurance at issue in the litigation referenced above, and release and forever discharge all claims, rights, remedies, and recoveries arising from housing and credit discrimination on the basis of sex and familial status alleged in that litigation in connection with the underwriting of mortgage insurance related to my loan(s), known and unknown, up to and including the date of execution of this release. This release includes all claims made in private class action Carly F. Neals v. Mortgage Guaranty Insurance Corporation, No. 2:10-cv-01291-DSC-RCM (W.D. Pa.) (the "Neals Class Action"), except that I am not releasing my right to attempt to receive relief that may become available to me in the Neals Class Action for any out of pocket loss of actual funds or money or benefits (other than a loan application fee or expenses incurred in the mortgage application process) or any incurred extraordinary emotional distress or significant pain and suffering necessitating contemporaneous medical attention as a proximate cause of MGIC's discriminatory conduct.<sup>5</sup>

I understand that this releases those claims, rights, remedies and recoveries against Mortgage Guaranty Insurance Corporation, Elgina Cunningham, Kelly Kane, and against any

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<sup>5</sup> The exception language will not appear in Ms. Neals' release because she is receiving full compensation for these claims.

and all related entities, parents, predecessors, successors, subsidiaries, and affiliates, and against any and all of their past and present directors, officers, agents, managers, supervisors, shareholders, and employees and their heirs, executors, administrators, successors in interest, or assigns.

Executed this \_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address