



**U.S. Department of Housing and Urban Development**  
Philadelphia Regional Office  
The Strawbridge Building, 12<sup>th</sup> Floor  
801 Market Street  
Philadelphia, Pennsylvania 19107

April 01, 2022

Sara Pratt  
Relman Colfax, PLLC  
1225 19th Street, NW, Suite 600  
Washington, DC 20036

Dear Sara Pratt:

Subject: Housing Discrimination Complaint

[REDACTED]  
Inquiry No.: 662347  
HUD File No.: 03-22-9870-8

Attached is a copy of a closure document sent to your client, relating to the subject housing discrimination complaint.

Sincerely,

*Carolyn Kornegay Punter*

Carolyn K. Punter  
Acting Director, Region III  
Office of Fair Housing and Equal Opportunity

Enclosures



**U.S. Department of Housing and Urban Development**  
Philadelphia Regional Office  
The Strawbridge Building, 12<sup>th</sup> Floor  
801 Market Street  
Philadelphia, Pennsylvania 19107

April 01, 2022

[REDACTED]

Dear S [REDACTED]:

Subject: Housing Discrimination Complaint

[REDACTED]  
Inquiry No.: 662347

HUD File No.: 03-22-9870-8

The above-referenced housing discrimination complaint, which was filed with the U.S. Department of Housing and Urban Development (HUD), on November 01, 2021, has been resolved by the execution of a HUD Conciliation Agreement (Agreement), as provided under §810(b) of the Fair Housing Act of 1968, (Act) as amended [42 U.S.C. §3601 et seq.].

On **March 31, 2022**, the Conciliation Agreement was signed and approved on behalf of the Secretary, as required under §810(b)(2) of the Act and §103.310 of HUD's regulations implementing the Act. By executing this Agreement, the parties have agreed that all issues that were raised in the above-referenced complaint are resolved. By approving this Agreement, HUD has concluded that its provisions will adequately vindicate the public interest. Accordingly, HUD has terminated its investigation, and has administratively closed the complaint, effective as of **March 31, 2022**. A copy of the HUD-approved Agreement is enclosed for your records.

This closure is not a determination on the merits of the allegations contained in the HUD complaint.

By executing this Conciliation Agreement, the parties have committed to comply with the provisions specifically designed to resolve the issues raised in the complaint, and to further the public interest in fair housing.

**Retaliation is a violation of the Fair Housing Act.** Section 818 of the Act makes it unlawful to retaliate against any person because he or she has filed a housing discrimination complaint; is associated with a complainant; has counseled or otherwise assisted any person to file such a complaint; or has provided information to HUD during a complaint investigation. Section 818 also protects complainants against retaliatory acts that occur after a complainant has withdrawn, settled, or conciliated a housing discrimination complaint. Any person who believes that he or she has been a victim of retaliation for any of the reasons listed above may file a

housing discrimination complaint with HUD within one (1) year of the date on which the most recent alleged retaliatory act(s) occurred or ended.

**Enforcement by the Attorney General.** Section 810(c) of the Act provides that whenever HUD has reasonable cause to believe that a respondent has breached a Conciliation Agreement, HUD shall refer the matter to the Attorney General with a recommendation that a civil action be filed on behalf of the complainant. Section 814(b)(2) of the Act authorizes the Attorney General to file a civil action in an appropriate United States District Court for appropriate relief with respect to the breach of a HUD Conciliation Agreement.

If an aggrieved person believes that a respondent has breached a HUD Conciliation Agreement, he or she should promptly report the alleged breach to the HUD Office that investigated the complaint.

**Public Disclosure.** Section 103.330(b) of HUD's regulations implementing the Act provides that Conciliation Agreements shall be made public, unless the aggrieved person and the respondent request nondisclosure and HUD determines that disclosure is not required to further the purposes of the Act. Notwithstanding a determination that disclosure of an Agreement is not required, HUD may publish tabulated descriptions of the results of all conciliation efforts.

If you have any questions regarding this closure, please contact Rachel Leith, Enforcement Branch Chief at 410-209-6548 or [Rachel.l.leith@hud.gov](mailto:Rachel.l.leith@hud.gov) for assistance.

Sincerely,

*Carolyn Kornegay Punter*

Carolyn K. Punter  
Acting Director, Region III  
Office of Fair Housing and Equal Opportunity

Enclosures

cc: Sara Pratt  
Relman Colfax, PLLC  
1225 19th Street, NW, Suite 600  
Washington, DC 20036

**UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**CONCILIATION AGREEMENT**

**BETWEEN**

**[REDACTED]**

**(Complainants)**

**AND**

**POLICE AND FIRE FEDERAL CREDIT UNION  
(Respondent)**

**HUD Complaint No: 03-22-9870-8**

**Approved by the FHEO Regional Director on behalf of the  
United States Department of Housing and Urban Development**

**A. PARTIES AND SUBJECT PROPERTY**

**The parties to this Conciliation agreement are as follows:**

**Complainants:**

[REDACTED]  
[REDACTED]  
[REDACTED]  
  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Complainants' Representative**

Sara Pratt  
Relman, Colfax, PLLC  
1225 19<sup>th</sup> Street, NW, Suite 600  
Washington, DC 20036

**Respondent:**

Police and Fire Federal Credit Union  
901 Arch Street  
Philadelphia, PA 19107

**Respondent's Representative**

Joseph R. Loverdi  
Police and Fire Federal Credit Union  
901 Arch Street  
Philadelphia, PA 19107

**Subject Property:**

[REDACTED]  
[REDACTED]

**B. STATEMENT OF FACTS**

1. Complainants filed a complaint with the United States Department of Housing and Urban Development ("Department") on November 1, 2021. Complainants alleged Respondent violated sections 804(b), 804(c), 804(f)(2), and 805 of the Fair Housing Act ("Act") as amended in 1988, 42 U.S.C. 3601 et seq. Complainants allege the Respondents violated Sections 804(b) through discriminatory terms, conditions, privileges, or services and facilities because of familial status; 804(c) through discriminatory statements because of familial status and disability; 804(f)(2) through discriminatory terms, conditions, privileges, or services and facilities because of

disability; and 805 through discrimination in residential real estate-related transactions because of familial status and disability.

2. Respondent denies having discriminated against Complainants and admits no liability or wrongdoing. Respondent nevertheless agrees to settle the claims in the underlying action by entering into this Conciliation Agreement. This Agreement terminates the investigation of the complaint by the Department.

**C. TERM OF AGREEMENT**

This Conciliation Agreement (hereinafter “Agreement”) shall govern the conduct of the parties to it for a period of three (3) years from the Effective Date of this Agreement.

**D. EFFECTIVE DATE**

1. The parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a Conciliation Agreement pursuant to the Act, unless and until such time as it is approved by the Department, through the Fair Housing and Equal Opportunity (“FHEO”) Regional Director or his or her designee.
2. This Agreement shall become effective on the date on which it is approved by the Department’s FHEO Regional Director or his or her designee.

**E. GENERAL PROVISIONS**

1. The parties acknowledge that this Agreement is a voluntary and full settlement of the disputed complaint. The parties affirm that they have read and fully understand the terms set forth herein. No party has been coerced, intimidated, threatened or in any way forced to become a party to this Agreement.
2. Respondent, including its officers, employees, agents, representatives, assignees, and successors in interest, and all those in active concert or participation with any of them, reaffirms its commitment not to discriminate against any person based on sex or familial status in the terms and conditions of loans nor will it otherwise deny, delay or withhold loans from any person based on their current, projected, or past maternity, adoptive, or paternity leave status in violation of the FHA, 42 U.S.C § 3604((b), (c) and (f)(2) and 42 U.S.C. § 3605. It is understood and agreed that the protections provided against familial status and sex in these laws apply to any person who is pregnant or who has secured or is in the process of securing legal custody of any individual who has not attained the age of 18 years. This commitment includes all

aspects of Respondent's Loan origination process, including marketing and underwriting Loans.

3. This Agreement, after it has been approved by the FHEO Regional Director, or his or her designee, is binding upon Respondent, its employees, heirs, successors, and assigns, and all others in active concert with Respondent in the ownership or operation of the subject property.
4. It is understood that pursuant to Section 810(b)(4) of the Act, upon approval of this Agreement by the FHEO Regional Director or his or her designee, it is a public document.
5. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving Respondent made pursuant to the Act, or any other complaint within the Department's jurisdiction.
6. No amendment to, modification of, or waiver of any provisions of this Agreement will be effective unless: (a) all signatories (or their successors) to the Agreement agree in writing to the amendment, modification, or waiver; (b) the amendment, modification or waiver is in writing; and (c) the amendment, modification or waiver is approved and signed by the FHEO Regional Director or his or designee.
7. The parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement and that the original executed signature pages attached to the body of the Agreement constitute one document.
8. The Complainants hereby forever waive, release, and covenant not to sue the Department or Respondent, their heirs, executors, assigns, agents, employees, insurers, and attorneys with regard to any and all actions, complaints, claims, damages and injuries of whatever nature, whether presently known or unknown, arising out of the subject matter of HUD Case Number 03-22-9870-8, or which could have been filed in any action, administrative proceeding or suit arising from or related to said subject matter.
9. The Respondent hereby forever waives, releases, and covenants not to sue the Department or Complainants, and its successors, assigns, agents, officers, board members, employees, and attorneys with regard to any and all actions, complaints, claims, damages and injuries of whatever nature whether presently known or unknown, arising out of the subject matter of HUD Case Number 03-22-9870-8 or which could have been filed in any action, administrative proceeding or suit arising from or related to said subject matter.

**F. RELIEF FOR INDIVIDUAL COMPLAINANTS**

Within ten (10) days of the Effective Date of this Agreement, Respondent shall make a payment of \$50,000.00 in full settlement and resolution of any and all damages, attorneys' fees, and costs claimed by Complainants in connection with HUD Case Number 03-22-9870-8. This amount shall be paid by check, made payable to Relman Colfax PLLC, and will be delivered via United Parcel Service, Federal Express, or Certified Mail to the following address:

Sara Patt, Esquire  
Relman Colfax PLLC  
1225 19th Street, NW  
Suite 600  
Washington, DC 20036

**G. RELIEF IN THE PUBLIC INTEREST**

1. Underwriting Guidelines

- i. Respondent shall not prohibit qualified applicants who are pregnant, are, will be, or have been on maternity, adoptive, or paternity leave, or who are receiving or will receive short-term disability or temporary leave income because of pregnancy, adoption, or childbirth, from applying for a loan, and will not deny a loan application based upon such status and will not require any such qualified applicants to return to active work status as a condition of approval of a loan.
- ii. Respondent shall not prohibit qualified applicants who are on temporary leave because they are pregnant, are, will be, or have been on maternity, adoptive or paternity leave, or are, will be, or have been on short-term disability because of pregnancy, adoption, or childbirth and who have provided an employer-verified return to work date, but will not return to active work status before the first mortgage payment due date from using qualifying income received during the leave period to determine whether they meet the applicable underwriting criteria. If the income received during the temporary leave period is insufficient to meet the applicable underwriting criteria, Respondent shall not prohibit applicants from supplementing the maternity, adoptive, or paternity leave income with available liquid reserves after meeting FNMA reserve requirements. Available liquid reserves will be determined by subtracting any funds needed to complete the loan transaction from the verified liquid asset amount.
- iii. Within thirty (30) days of the Effective Date of this Agreement, Respondent will amend its present residential underwriting guidelines and procedures, which cover short-term leave, to include explicit provisions relating to eligibility for loans that include consideration of maternity, adoptive, and paternity leave consistent with this Agreement. Evidence of the updated guidelines shall be provided to the Department within 60 days of the Effective Date of this Agreement.



## 2. Training

- i. Within thirty (30) days) of the Effective Date of this Agreement, Respondent will provide written communication to all loan officers, loan supervisors, and loan underwriters (“Covered Employees”) reminding that qualified applicants on temporary leave for maternity, adoptive, or paternity leave will not be encouraged or required to return to work prior to receiving approval for a loan, that pre-leave income will be used to qualify borrowers on temporary leave who will return to work before the date of the first mortgage payment, and that maternity, adoptive and paternity leave income may be supplemented with available liquid financial reserves in order to meet the eligibility criteria, as per the Temporary Source of Income underwriting guidelines.
- ii. Within ninety (90) days of the Effective Date of the Agreement, Respondent will provide live training to all Covered Employees on the updated Temporary Source of Income underwriting guidelines and fair lending. The training must be approved by the Department and be no less than two (2) hours in length. The training shall be recorded and made available online as mandatory training for all loan officers, supervisors, and underwriters not in attendance for the in-person training and who are employed (including newly hired loan officers and loan underwriters) during the term of this Agreement. Respondent will require every Covered Employee to attend or view the training, except for good cause shown and agreed to by the Department. PFFCU will also make the training available to Respondent’s tellers and other employees with public contact.
- iii. At least thirty (30) days prior to the training, Respondent shall submit to the Department, for approval, the name of the trainer, the qualifications of the trainer, and a general description of the training and materials ( e.g., presentation agenda or PowerPoint Slides) that will be used to fulfill the training requirement.
- iv. Within one hundred and twenty (120) days of the Effective Date of the Agreement, Respondent will secure from each Covered Employee required to take the training an electronic certificate of completion of the training, and maintain such acknowledgments for the term of this Agreement.

## 3. Record-Keeping Requirements

- i. Within ninety (90) days of the Effective Date of the Agreement, Respondent will create a method for identifying and tracking all loan applications secured by a dwelling with temporary sources of income due to short term disability, FMLA, or involving pregnancy, adoption, or childbirth. The method shall be provided to the Department for approval prior to implementation.

- ii. Within one hundred and eighty (180) days of the Effective Date of the Agreement, and every one hundred and eighty days (180) thereafter, for the term of the Agreement, Respondent shall provide the Department a list of all applications for loans that are secured by a dwelling and relying on short term disability income, FMLA or involving pregnancy, adoption, or childbirth received during the previous 180 days. The list shall include:
  - a. Applicant name and contact information.
  - b. Type and amount of loan requested.
  - c. Loan status inclusive of approval amount, if approved.
  - d. Complete loan file including the conversation logs for loans denied or closed for incompleteness.

**H. MONITORING**

- 1. The Department shall determine compliance with the terms of this Agreement. During the duration of the Agreement, the Department may review compliance with this Agreement. As a part of any such review, the Department may examine witnesses and copy pertinent records. Respondent agrees to provide its full cooperation in any monitoring review undertaken by the Department to ensure compliance with this Agreement.
- 2. In the event Respondent fails to comply in a timely fashion with any requirement of this Agreement without obtaining an advance written Agreement from the Department, the Department may enforce the terms of this Agreement by any contractual, statutory or regulatory remedy available.

**I. REPORTING AND RECORDKEEPING**

- 1. Unless otherwise specified above, within fifteen (15) days of completing each required item in sections F. and G., Respondents shall provide the Department with a signed certification stating that the item has been completed as required and evidence demonstrating compliance with the item.
- 2. All required certifications and documentation of compliance must be submitted to:

Rachel Leith  
Enforcement Branch Chief, Region III

U.S. Department of Housing and Urban Development  
[Enforcement03@hud.gov](mailto:Enforcement03@hud.gov)

**J. CONSEQUENCES OF BREACH**

Whenever the Department has reasonable cause to believe Respondent has breached this Agreement, the matter may be referred to the Attorney General of the United States, to commence a civil action in the appropriate U.S. District Court, pursuant to Sections 810(c) and 814 (b) (2) of the Act.

**K. SIGNATURES**

By signing below, the signatories agree that they intend to be legally bound and represent that they have the authority to execute this Agreement on behalf of the party they are signing for.

  
\_\_\_\_\_

3/25/2022\_\_\_\_\_

Date

**K. SIGNATURES**

By signing below, the signatories agree that they intend to be legally bound and represent that they have the authority to execute this Agreement on behalf of the party they are signing for.

  
\_\_\_\_\_

3/25/2022



Date

▪

**K. SIGNATURES**

By signing below, the signatories agree that they intend to be legally bound and represent that they have the authority to execute this Agreement on behalf of the party they are signing for.

*James Duke*

\_\_\_\_\_  
Police and Fire Federal Credit Union  
Respondent Agent

3/25/2022

\_\_\_\_\_  
Date

James Duke

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

President and COO

\_\_\_\_\_  
Print Title

**L. APPROVAL**

**MELODY TAYLOR**  
Digitally signed by MELODY TAYLOR  
DN: CN = MELODY TAYLOR C, US O = U.S.  
Government OJ, Department of Housing and  
Urban Development, Office of Administration  
Date: 2022.03.31 14:18:08 -0400

03/31/2022

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Melody C. Taylor  
Regional Director  
U.S. Department of Housing and Urban Development  
Region III

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Date