

# M&T Bank reaches settlement over discriminatory lending charges

Bank to pay \$485,000

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**M&T Bank Corporation** ([MTB](#)) reached a settlement agreement over discriminatory lending charges with the **Fair Housing Justice Center** and nine African-American, Hispanic, South Asian and white testers, who posed as potential borrowers.

Federal District Judge Katherine Forrest signed a settlement agreement on Monday, which resolves a lawsuit filed in February by the FHJC.

"M&T Bank is deeply committed to fair housing and fair lending, and has received the highest possible rating from its regulators in Community Reinvestment Act compliance since 1989," the bank said in a statement.

"M&T Bank is pleased to have reached an amicable resolution of this matter with the Fair Housing Justice Center and looks forward to working with the FHJC going forward to ensure that the Bank continues to maintain a fair lending program that exceeds industry standard," M&T Bank said.

According to the FHJC, the lawsuit was based on the results of a two-year testing investigation conducted by the FHJC.

The complaint alleged that M&T Bank had adopted neighborhood racial criteria for one of its residential loan products and that loan

officers had discriminated against FHJC testers based on race and national origin.

The testers would pose as prospective homebuyers and request that loan officers help them figure out how much they could afford.

As a result of the settlement, the bank agreed not to use neighborhood racial criteria in any of its residential mortgage programs.

In addition, the bank said it would adopt a bank-wide policy prohibiting steering, post its revised fair lending policy on its website, and retain a consultant to revise its fair lending training for loan officers and other Bank employees.

The bank will also pay \$485,000 to the plaintiffs for damages and attorney's fees.

"We are very pleased that the parties were able to resolve this lawsuit in a manner that ensures full compliance with fair housing laws and we look forward to working with the Bank," said FHJC Executive Director Fred Freiberg.