



# Department of Justice

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## **JUSTICE DEPARTMENT REACHES SETTLEMENT WITH COMPASS BANK REGARDING ALLEGED DISCRIMINATION IN LENDING**

WASHINGTON - The Justice Department has today reached a settlement resolving allegations that Compass Bank of Birmingham, Ala., engaged in a pattern of lending discrimination against individuals based on their marital status.

The government's complaint alleges that Compass Bank violated the Equal Credit Opportunity Act, which makes it unlawful for any creditor to discriminate against any applicant based on race, color, religion, national origin, sex, marital status or age by unlawfully charging higher interest rates to co-applicants for automobile loans who were not married to each other than to co-applicants who were married.

The Justice Department and Compass Bank reached a consent order, which was filed in conjunction with the complaint, in federal district court in Birmingham, Ala. Under the agreement, which remains subject to court approval, Compass Bank is prohibited from discriminating on the basis of marital status in any aspect of its automobile lending.

"Under the law, marital status should have no effect on an individual's access to credit," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "We will continue to vigorously enforce the federal laws that prevent discrimination in credit and lending services. We commend Compass Bank for working cooperatively with the Justice Department in reaching an appropriate resolution of this case."

Compass Bank has already implemented changes to its lending procedures that explicitly prohibit distinctions based on marital status, and it is required to maintain these changes under the agreement. In addition, Compass Bank will pay up to \$1.75 million plus interest to non-spousal co-applicants who were charged higher interest rates, and it will provide enhanced equal credit opportunity training to its officers and employees who set rates for automobile loans.

The Federal Reserve Board referred this matter to the Justice Department for enforcement after its 2003 periodic examination gave the Board reason to believe that Compass Bank's loan pricing procedures and directives constituted a pattern or practice of discrimination. Compass Bank cooperated fully with both the Board's and the Department's investigations into its lending practices and agreed to settle this matter without contested litigation.

A copy of the consent order, as well as additional information about fair lending enforcement by the Justice Department, can be obtained from the Justice Department website at [www.usdoj.gov/crt/housing](http://www.usdoj.gov/crt/housing).

Since January 1, 2001, the Justice Department's Civil Rights Division has filed 216 cases to enforce the Fair Housing Act and 7 cases under the Equal Credit Opportunity Act.

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