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**Remarks as Prepared for Delivery by United States Attorney Zachary A. Cunha**

Good morning. I’m United States Attorney Zachary Cunha; thank you for joining us. I am delighted to be joined today by Assistant Attorney General Kristen Clarke, who heads the Justice Department’s Civil Rights Division, and joins us remotely from Washington.

We are here today to announce the conclusion of a significant civil rights investigation into Washington Trust, a Rhode Island institution, and the nation’s oldest community bank. Our investigation found that the bank engaged in redlining through discriminatory lending practices that impacted majority-Black and Hispanic neighborhoods here in Rhode Island.

As a result of the Justice Department’s investigation, we have reached a settlement with Washington Trust that commits the bank to remedy its past conduct by making available millions of dollars in lending that will directly benefit residents of Black and Hispanic Rhode Island neighborhoods.

I’d like to briefly introduce Assistant United States Attorneys Amy Romero and Kevin Love Hubbard from my office, whose great work, alongside their colleagues from Washington, was instrumental in bringing this case and securing this settlement.

Assistant Attorney General Clarke will speak; after that I’ll share a few further thoughts about both the case and the settlement, and then we will take your questions.

Assistant Attorney General Clarke.

As the Assistant Attorney General made clear- redlining- whether driven by overt animus or by knowingly avoiding the obligation to provide adequate and equal access to lending services, regardless of community- is unacceptable. It's not only a violation of federal law, but it strikes at the heart of one of the core ways that individuals and families can build wealth, stability, and community commitment: through investment and home ownership. So let me tell you a bit more about what we found here.

As many of you know, Washington Trust’s historical home is in Washington County, Rhode Island. But, beginning in 2002, the bank began a substantial expansion, and by 2016, it was, effectively, a statewide bank. The bank’s expansion brought with it an obligation to serve all communities, across the state.

As we allege in this case, Washington Trust’s lending model relies on bank branches as the linchpin of its lending structure. In other words, the bank relied primarily on mortgage lending officers in branches to generate mortgage loans and develop relationships to serve the credit needs of community members.

And because of that business model, where the bank opened branches mattered.

We found, however, that as it expanded, Washington Trust did not open a single branch in majority black and Hispanic areas. Instead, the bank located its new branches in majority white areas, every time.

What you see here in orange are majority black and Hispanic neighborhoods; as you can see, the bank’s branches are uniformly located outside those areas. Given its branch-based lending model, that had significant adverse effects on lending. And the bank knew it.

As early as 2011, we allege that the bank was aware of its redlining risk, from both internal and external assessments, including from its own compliance department. But even with that information, no effective changes were made and Washington Trust did not take adequate steps to remedy the situation and meet its legal obligations. The effect was severe. Our investigation found that, during the five-year period between 2016 and 2021, other banks generated applications from black and Hispanic borrowers in majority black and Hispanic RI neighborhoods at nearly four times the rate as did Washington Trust.

And not only did they generate applications, those other banks actually made loans in those neighborhoods at more than four times the rate of this bank: which demonstrates that there were thousands of qualified borrowers for home loans, and sufficient mortgage demand in these communities.

In contrast, we found that even when it did lend in majority black and Hispanic neighborhoods during the period we looked at, Washington Trust’s loans went, overwhelmingly, to white borrowers in those areas.

Based on the disparities we identified- which were statistically significant in every year we looked at, we allege that Washington Trust violated the Federal Fair Housing Act and the Equal Credit Opportunity Act.

Those are the allegations.

Let me speak briefly about what we are doing about them.

Today, we have filed a consent judgment in federal court here in Providence. If approved by the Court, this settlement will do the following things:

First, and most importantly, as AAG Clarke discussed, Washington Trust has committed to invest a minimum of $7 million dollars in a loan subsidy fund to increase mortgage loans, home improvement loans, and home refinance loans in majority black and Hispanic neighborhoods. That $7 million figure represents what we believe is the amount of lending that did not occur in these areas as a result of Washington Trust’s past practices.

And based on the Department’s experience in past redlining cases, we expect each loan subsidy dollar to generate at least $10 of lending. In other words, we anticipate that the $7 million loan subsidy fund will generate approximately $70 million in mortgage loans in these neighborhoods.

The bank will also devote $1 million dollars to outreach and consumer financial education and credit counselling, and it will commit an additional $1 million towards a community development partnership program that will promote credit, financial education, homeownership, and foreclosure prevention.

That’s a total of nine million dollars in targeted financial investment, every dollar of which will go either directly to making loans available in previously underserved Rhode Island communities, or towards efforts to increase access to credit and lending in those communities.

Because the bottom line is that every Rhode Islander benefits when all of us, regardless of color or background, has the chance to own their home, invest in their community, and build wealth for themselves and their families.

Washington Trust has also committed to opening at least two full-service branches in these communities in RI. One will most likely be located in Olneyville, and the other will be at a location to be determined.

These, along with the other provisions of the settlement, are significant and necessary steps.

And I want to acknowledge Washington Trust for its willingness to take these steps: because make no mistake, these allegations are serious. I want to commend the bank for cooperating with our investigation and for the fact that, once we raised our findings, they worked cooperatively with us to reach an appropriate resolution.

With that, we’ll take your questions.