

UNITED STATES DISTRICT COURT  
DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA,

Plaintiff,

v.

THE WASHINGTON TRUST  
COMPANY, OF WESTERLY,

Defendant.

Civil Action No.

**COMPLAINT**

1. The United States of America (the “United States”) brings this action against The Washington Trust Company, of Westerly (“Washington Trust” or the “Bank”) under the Fair Housing Act (“FHA”), 42 U.S.C. §§ 3601–3619, and the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. §§ 1691–1691f, and its implementing Regulation, 12 C.F.R. § 1002.1 *et seq.* (“Regulation B”) to remedy discrimination in Washington Trust’s residential mortgage lending.

2. The FHA, ECOA, and Regulation B prohibit creditors, such as banks, from discriminating in home loans and other credit services on the basis of race, color, national origin, and other characteristics.

3. “Redlining” is one type of discrimination prohibited under the FHA, ECOA, and Regulation B. Redlining occurs when lenders discourage loan applications, deny equal access to home loans and other credit services, or avoid

providing home loans and other credit services to neighborhoods based on the race, color, or national origin of the residents of those neighborhoods.

4. From 2016 through at least 2021 (the “Relevant Time Period”), Washington Trust engaged in a pattern or practice of unlawful redlining. As alleged in detail herein, Washington Trust avoided providing home loans<sup>1</sup> and other mortgage services in majority-Black and Hispanic neighborhoods in the State of Rhode Island.<sup>2</sup>

5. Throughout the Relevant Time Period, Washington Trust’s redlining practices included locating and maintaining all of its Rhode Island branches and mortgage loan officers outside of majority-Black and Hispanic neighborhoods. Washington Trust does not have, and has never had, a branch in a majority-Black and Hispanic census tract despite the fact that nearly 16 percent of the residential census tracts in the State of Rhode Island are majority-Black and Hispanic. In addition, Washington Trust relied on mortgage loan officers working out of only majority-white areas as the primary source for generating loan applications and

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<sup>1</sup> For purposes of this Complaint, the terms “mortgage loans” or “home loans” refer to all loans that Washington Trust and other creditors must report under the Home Mortgage Disclosure Act (“HMDA”), 12 U.S.C. §§ 2801–2810, and “mortgage lending” refers to providing those loans.

<sup>2</sup> A “majority-Black and Hispanic” census tract is a residential census tract where more than 50 percent of the residents are identified as either “Black or African American” or “Hispanic or Latino” by the United States Census Bureau. A “majority-white” census tract is one where more than 50 percent of the residents are identified as “non-Hispanic white” by the United States Census Bureau. This Complaint uses “majority-Black and Hispanic census tract,” “majority-Black and Hispanic area,” and “majority-Black and Hispanic neighborhood” interchangeably and does the same for “majority-white tract,” “majority-white area,” and “majority-white neighborhood.”

conducting outreach. Washington Trust failed to conduct outreach, marketing, and advertising of mortgage services in majority-Black and Hispanic areas, including by failing to train or incentivize its lending or marketing staff to compensate for its lack of branches and presence in majority-Black and Hispanic areas.

6. Further, as early as 2011 and throughout the Relevant Time Period, Washington Trust was aware of its redlining risk through internal and third-party reports that identified a lack of mortgage lending activity in majority-Black and Hispanic areas and a lack of applications from Black and Hispanic borrowers. Washington Trust failed to take meaningful steps to address the redlining risk identified in these reports.

7. As a result of the above-described practices, Washington Trust generated disproportionately low numbers of loan applications and home loans during each year in the Relevant Time Period from majority-Black and Hispanic neighborhoods in Rhode Island, as compared to similarly-situated lenders.

8. Washington Trust's conduct and practices were intended to deny, and had the effect of denying, equal access to home loans for those residing in, or seeking credit for properties located in, majority-Black and Hispanic neighborhoods, and otherwise discouraged those individuals from applying for home loans on the basis of the race, color, or national origin of the residents of those neighborhoods.

9. Washington Trust's conduct was not justified by a legitimate, nondiscriminatory reason or business necessity and was not necessary to achieve a substantial, legitimate, nondiscriminatory interest.

## **JURISDICTION AND VENUE**

10. This Court has subject-matter jurisdiction over this action under 28 U.S.C. § 1331, 28 U.S.C. § 1345, 42 U.S.C. § 3614(a), and 15 U.S.C. § 1691e(h) because the action arises under the laws of the United States, and the United States brings this case as a plaintiff.

11. Venue is proper in the Court under 28 U.S.C. § 1391 because a substantial part of the events or omissions giving rise to the claims occurred in this District.

## **PARTIES**

12. Plaintiff the United States brings this action to enforce the FHA and ECOA. The FHA and ECOA authorize the Attorney General to bring a civil action in federal district court whenever he has reason to believe that an entity is engaged in a pattern or practice of resistance to the full enjoyment of rights secured by the FHA and ECOA. 42 U.S.C. § 3614(a); 15 U.S.C. § 1691e(h). The FHA further authorizes the Attorney General to bring suit where the defendant has denied rights to a group of persons and that denial raises an issue of general public importance. 42 U.S.C. § 3614(a).

13. Defendant The Washington Trust Company, of Westerly is a state-chartered bank headquartered in Westerly, Rhode Island, and subject to the regulatory authority of the Federal Deposit Insurance Corporation (“FDIC”). Washington Trust is a subsidiary of Washington Trust Bancorp, Inc., a publicly-owned bank holding company headquartered in Westerly, Rhode Island.

14. Founded in 1800, Washington Trust describes itself as the oldest community bank in the nation and the largest state-chartered bank headquartered in Rhode Island. Washington Trust offers personal, commercial, consumer, and mortgage banking, and wealth management and trust services.

15. Washington Trust is a prominent residential mortgage lender in the State of Rhode Island. From 2016 through 2021, Washington Trust consistently has ranked in the top seven for lenders based on mortgage loan application volume in Rhode Island; from 2018 to 2021, the Bank ranked in the top five for lenders based on mortgage loan application volume in Rhode Island.

16. Washington Trust currently maintains 25 branches in Rhode Island and one branch in Mystic, Connecticut.

17. As of March 31, 2023, Washington Trust's total assets equaled approximately \$6.85 billion.

18. Washington Trust is subject to the FHA, ECOA, and their respective implementing regulations, 24 C.F.R. pt. 100, 12 C.F.R. pt. 1002.

19. Washington Trust is a "creditor" under ECOA, 15 U.S.C. § 1691a(e), and engaged in "residential real estate-related transactions" under the FHA, 42 U.S.C. § 3605.

## **FACTUAL ALLEGATIONS**

### **Washington Trust's Assessment Area**

20. As a depository bank, Washington Trust is subject to the requirements of the Community Reinvestment Act ("CRA"), 12 U.S.C. §§ 2901–2908, and its

enabling regulations, which require most banks to meet the credit needs of the communities that they serve. Each bank subject to the CRA self-identifies the communities that it serves in the bank’s “assessment area.” Federal regulators look at a bank’s assessment area in evaluating whether an institution is meeting the credit needs of its entire community.

21. Since at least 2016, Washington Trust has self-designated its CRA assessment area to comprise the entirety of all five counties in the State of Rhode Island: Bristol, Kent, Newport, Providence, and Washington Counties (hereinafter “Rhode Island” or “CRA assessment area”). *See Exhibit A.*

22. The Bank has self-designated the City of Providence as part of its CRA assessment area since at least 2012. By at least 2016, the Bank had added Providence County in its entirety, including the cities of Pawtucket and Central Falls, to its CRA assessment area.

23. Rhode Island has a population of more than 1.05 million; of this population, 72 percent are white, 15 percent are Hispanic or Latino, six percent are Black, and three percent are Asian. In other words, 21 percent of the population of the Bank’s CRA assessment area is Black or Hispanic.<sup>3</sup>

24. Rhode Island is comprised of 244 census tracts, of which 193 (79.1 percent) are majority-white and 38 (15.8 percent) are majority-Black and Hispanic.<sup>4</sup>

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<sup>3</sup> Demographic information in paragraphs 23-26 is based on 2019 American Community Survey data published by the United States Census Bureau.

<sup>4</sup> Of the remaining 13 census tracts, four do not have any population and nine (3.75 percent) are “majority-minority,” meaning more than 50 percent of the residents

25. Providence County contains all the majority-Black and Hispanic neighborhoods in Rhode Island and 88.3 percent of the total Black and Hispanic population in Rhode Island.

26. Bristol, Kent, Newport, and Washington Counties each have populations that are over 86 percent white, while Providence County's population is 61 percent white.<sup>5</sup>

### **Washington Trust's Branches Were Located Exclusively in Majority-White Neighborhoods**

27. During the Relevant Time Period, Washington Trust operated between 20 and 23 branches in Rhode Island.<sup>6</sup> All of those branches were "full-service" branches, which offered the full suite of Washington Trust's retail products and services, including accepting residential mortgage loan inquiries and applications.

28. Since its founding and continuing through the present, Washington Trust has not located a single branch in a majority-Black and Hispanic census tract, even though those census tracts represent almost 16 percent of the overall census tracts in Rhode Island. *See Exhibit B.*

29. Although Washington Trust is historically a Washington County-based bank, the Bank has expanded out of Washington County and established a physical

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are identified as non-white, but less than 50 percent are Black or Hispanic, as identified by the United States Census Bureau.

<sup>5</sup> Washington and Bristol Counties are 91 percent white, Kent County is 88 percent white, and Newport County is 86 percent white.

<sup>6</sup> Washington Trust opened its twenty-fourth branch in Rhode Island in 2022 and then opened its twenty-fifth branch in Rhode Island in 2023.

presence in Providence and Kent Counties by opening twelve branches since 2002. The Bank avoided placing any of these new branches in a majority-Black and Hispanic census tract.

30. Currently, ten of Washington Trust's branches are located in Providence County. Even though Washington Trust added the entirety of Providence County to its assessment area by 2016, and despite the fact that Providence County contains all of the majority-Black and Hispanic census tracts in Rhode Island, Washington Trust did not locate a single branch in a majority-Black and Hispanic census tract; instead, Washington Trust continued to locate its branches to serve the credit needs of the majority-white communities in Providence, Kent, Bristol, and Washington Counties.

31. The Bank opened four new branches during the Relevant Time Period, and all of those branches were placed in majority-white areas; the Bank did not include proximity to majority-Black and Hispanic neighborhoods as a consideration when expanding its branch network. In August 2022, the Bank opened its twenty-fourth branch in Rhode Island and in April 2023, the Bank opened its twenty-fifth branch in Rhode Island, and located both branches in majority-white areas.

32. During the Relevant Time Period, Washington Trust located its branches to serve the credit needs of residents in majority-white neighborhoods and to avoid serving the credit needs of residents in majority-Black and Hispanic neighborhoods.



33. Washington Trust knew its branches were not serving the credit needs of majority-Black and Hispanic areas in Rhode Island, but did not take steps to address this failure for years.

34. By concentrating its branches in majority-white areas, Washington Trust discouraged residents of majority-Black and Hispanic areas from applying for and obtaining home loans from Washington Trust and restricted their access to the Bank's credit and mortgage lending services.

**Washington Trust Failed to Advertise or Conduct Outreach to Majority-Black and Hispanic Neighborhoods and Relied Solely on Mortgage Loan Officers Serving Majority-White Neighborhoods to Generate Mortgage Loan Applications**

35. During the Relevant Time Period, Washington Trust's mortgage loan officers served the credit needs of majority-white neighborhoods but did not serve the credit needs of majority-Black and Hispanic neighborhoods.

36. Washington Trust relied primarily on its mortgage loan officers to generate residential mortgage loan applications and cultivate relationships to serve the credit needs of residents in its Rhode Island assessment area.

37. During the Relevant Time Period, the Bank assigned all of its mortgage loan officers to its branch locations, which are all located outside of majority-Black and Hispanic areas; it did not assign a single mortgage loan officer to conduct outreach, market, advertise, or generate loans from majority-Black and Hispanic neighborhoods.

38. In the majority-white neighborhoods in Rhode Island where mortgage loan officers were assigned to branches, mortgage-lending services were available to

walk-in prospective applicants. Because there were no Washington Trust branches in majority-Black and Hispanic neighborhoods, these services were not as easily available to the residents of such neighborhoods, as those residents had to travel to majority-white neighborhoods where Washington Trust branches are located.

39. During the Relevant Time Period, Washington Trust relied almost entirely on mortgage loan officers—all of whom were assigned to branches in majority-white neighborhoods—to develop referral sources and conduct outreach to potential customers, as well as to distribute marketing materials related to the Bank’s mortgage lending services.

40. Washington Trust neither monitored nor documented where or to whom its mortgage loan officers distributed marketing or outreach materials related to mortgage lending services to ensure that such distribution occurred in all neighborhoods throughout Rhode Island.

41. During the Relevant Time Period, Washington Trust took no actions to train or incentivize its mortgage loan officers to compensate for its lack of branches and serve residents in majority-Black and Hispanic neighborhoods.

42. The Bank took no meaningful steps, apart from any isolated steps voluntarily taken by any of its mortgage loan officers, to generate mortgage loan applications from majority-Black and Hispanic areas in Rhode Island.

43. Washington Trust’s marketing strategy was focused primarily on statewide “brand messaging” or generic advertising emphasizing Washington Trust’s “brand” as a full-service community bank.

44. As early as 2011, Washington Trust's internal and third-party risk assessment reports warned that its volume of mortgage loan applications and originations in majority-minority areas was low and recommended that the Bank "develop a comprehensive marketing campaign to encourage both Hispanic and Black consumers."

45. A 2011 third-party risk assessment report noted that "the [B]ank could not market in Spanish, as [Washington Trust] did not have [a] sufficient amount of Spanish speaking employees." The report stated that the "Bank is aware that outreach is low for the Hispanic population[.]"

46. Despite this 2011 report and subsequent reports in later years that highlighted the Bank's redlining risk, Washington Trust's marketing strategy focused on raising brand awareness and failed to include any efforts to market and advertise to majority-Black or Hispanic areas.

47. Despite operating in a CRA assessment area where over 15 percent of the population is Hispanic, during the Relevant Time Period, Washington Trust did not translate its full website into Spanish, and had all of its Spanish content on one page, compared to the several dozens of pages of content available in English.

48. Similarly, during the Relevant Time Period, only two of the mortgage loan officers employed by Washington Trust spoke Spanish fluently, with one leaving the position after serving less than one year. As a result, the vast majority of Washington Trust's mortgage loan officers were unable to provide credit services to Spanish-speaking applicants and prospective applicants.

49. Washington Trust’s failure to assign any mortgage loan officers to majority-Black and Hispanic areas, and failure to take any meaningful efforts to compensate for its lack of branches and mortgage loan officers in majority-Black and Hispanic neighborhoods, was intended to deny, and had the effect of denying, equal access to home loans for those residing in, or seeking credit for properties located in, majority-Black and Hispanic neighborhoods in its assessment area.

**Disproportionately Low Numbers of Home Loan Applications from  
Majority-Black and Hispanic Neighborhoods**

50. Washington Trust’s lending demonstrated a pattern of disproportionately failing to serve majority-Black and Hispanic neighborhoods in Rhode Island, when compared with its peer lenders.

51. Washington Trust’s policies and practices alleged herein—including the concentration of all its branches, mortgage loan officers, marketing, and outreach in majority-white neighborhoods—have discriminated against and discouraged applicants and prospective applicants in majority-Black and Hispanic neighborhoods in Rhode Island from applying for and obtaining home loans and other mortgage-related services.

52. Washington Trust’s own data on loan applications and originations that it is required to report to regulators under HMDA confirm that Washington Trust avoided serving majority-Black and Hispanic neighborhoods in Rhode Island. *See Exhibits C, D.*

53. From 2016 through 2021, Washington Trust significantly underperformed its “peer lenders” in generating home mortgage applications from

majority-Black and Hispanic neighborhoods in Rhode Island. “Peer lenders” are similarly-situated financial institutions that received between 50 percent and 200 percent of the Bank’s annual volume of home mortgage loan applications.

54. The disparity between the rate of applications generated by Washington Trust and the rate generated by its peer lenders from majority-Black and Hispanic neighborhoods is both statistically significant—meaning unlikely to be caused by chance—and sizable in every year from 2016 through 2021.

55. Specifically, of the 10,505 HMDA-reportable mortgage applications Washington Trust generated from 2016 through 2021 in its assessment area, only 255, or 2.4 percent, came from residents of, or for properties located in, majority-Black and Hispanic areas. By contrast, during the same time period, Washington Trust’s peers generated 9.5 percent of their HMDA applications from these same majority-Black and Hispanic neighborhoods. These disparities are statistically significant across the six-year period and in every year analyzed.

56. In other words, from 2016 through 2021, Washington Trust’s peer lenders generated applications from majority-Black and Hispanic areas at nearly four times the rate of Washington Trust.

57. The statistically significant disparities between applications Washington Trust generated from majority-Black and Hispanic neighborhoods and those that its peers generated show that there were significant numbers of residents in majority-Black and Hispanic areas in Rhode Island who were seeking home loans.

Washington Trust had no legitimate, non-discriminatory reason to draw so few applications from these areas.

58. The data show a statistically significant failure by Washington Trust, relative to its peer lenders, to draw applications for home loans and provide residential mortgage services to residents in majority-Black and Hispanic neighborhoods on a non-discriminatory basis from 2016 through 2021.

59. During the Relevant Time Period, even when Washington Trust generated applications from majority-Black and Hispanic areas, the applicants themselves were disproportionately white. For applications Washington Trust generated in majority-Black and Hispanic census tracts, on average, 46.5 percent of the applications were made by white applicants. By contrast, during the same time period, when Washington Trust's peers generated applications from majority-Black and Hispanic areas, on average, only 25 percent of the applications came from white applicants.

**Disproportionately Low Numbers of Home Loans Made to Applicants in Majority-Black and Hispanic Neighborhoods**

60. Washington Trust's lending practices have discouraged prospective applicants in majority-Black and Hispanic neighborhoods from seeking home loans. As a result, the bank made a smaller percentage of HMDA-reportable residential mortgage loans in these neighborhoods compared to its peers from 2016 through 2021.

61. The disparity between the rate of home loans that Washington Trust made and the rate made by its peer lenders in majority-Black and Hispanic

neighborhoods was both statistically significant and sizable in every year from 2016 through 2021.

62. Specifically, of the 7,502 HMDA-reportable residential mortgage loans Washington Trust made from 2016 through 2021 in its assessment area, only 142, or 1.9 percent came from residents of, or for properties located in, majority-Black and Hispanic areas. By contrast, Washington Trust's peers made 7.9 percent of their HMDA loans from these same majority-Black and Hispanic neighborhoods.

63. In other words, from 2016 through 2021, Washington Trust's peer lenders made home loans in majority-Black and Hispanic areas at more than four times the rate of Washington Trust.

64. These disparities are statistically significant across the six-year period and in every year analyzed.

65. The level of lending by Washington Trust's peers demonstrates that there were thousands of qualified borrowers for home loans and sufficient mortgage loan demand in majority-Black and Hispanic neighborhoods in the State of Rhode Island. Washington Trust had no legitimate, non-discriminatory reason to originate so few loans from these areas.

66. The data show a statistically significant failure by Washington Trust to make home loans and provide residential mortgage services to qualified applicants in majority-Black and Hispanic neighborhoods on a non-discriminatory basis when compared with similarly-situated lenders from 2016 to 2021.

67. From 2016 to 2021, even when Washington Trust made loans in majority-Black and Hispanic areas, the loans themselves were disproportionately made to white borrowers. For loans Washington Trust made in majority-Black and Hispanic census tracts, on average, 50 percent of the loans were made to white borrowers. By contrast, during the same time period, when Washington Trust's peers made loans in majority-Black and Hispanic areas, on average, only 29 percent of the loans went to white borrowers.

**Failure to Address Redlining Risk Identified by its Compliance  
Department**

68. As early as 2011 and continuing throughout the Relevant Time Period, Washington Trust was aware that its operations were creating a risk of redlining. Reports from third-party vendors Washington Trust engaged to report on its fair lending performance, as well as reports from the Bank's Compliance Department, consistently informed Washington Trust that its application volume from Black and Hispanic potential borrowers, as well as from majority-minority areas, was low relative to the overall population in Rhode Island.

69. Washington Trust took no meaningful action in response to these reports indicating that it was underserving Black and Hispanic borrowers and majority-Black and Hispanic neighborhoods, despite having knowledge of its underperformance and its redlining risk.

70. When Washington Trust purportedly attempted to take measures to address its redlining risk, such as developing a loan product for low-to-moderate income borrowers, the Bank failed to adequately monitor, document, or evaluate



whether such measures ensured that the Bank was providing equal access to credit to majority-Black and Hispanic neighborhoods in Rhode Island. In fact, the data showing Washington Trust failed both to draw applications for and to provide home loans and residential mortgage services to residents in majority-Black and Hispanic neighborhoods demonstrate that the Bank failed to serve those portions of its assessment area.

### **The United States' Investigation**

71. On November 19, 2021, the United States notified Washington Trust that it was opening an investigation into whether the Bank had engaged in unlawful redlining in violation of the FHA and ECOA.

72. Through that investigation, the United States determined that Washington Trust's discriminatory practices, as described herein, were intended to discriminate and discourage, and had the effect of discriminating and discouraging, on the basis of race, color or national origin.

### **COUNT I: VIOLATIONS OF THE FAIR HOUSING ACT**

73. The United States incorporates all prior Paragraphs of the Complaint as if fully set forth herein.

74. Washington Trust's policies and practices constitute the unlawful redlining of majority-Black and Hispanic communities in its Community Reinvestment Act assessment area, the State of Rhode Island, on account of the racial, color, and national origin composition of those communities. Washington Trust's policies and practices were intended to deny, and had the effect of denying,

equal access to home loans to residents of majority-Black and Hispanic communities and those seeking credit for properties located in those communities. Washington Trust's conduct was not justified by business necessity or legitimate business considerations.

75. Washington Trust's actions as alleged herein constitute:
  - a. Discrimination on the basis of race, color, and national origin in making available residential real estate-related transactions, or in the terms or conditions of residential real estate-related transactions, in violation of the Fair Housing Act, 42 U.S.C. § 3605(a), and its implementing regulation, 24 C.F.R. §§ 100.110(b), 100.120;
  - b. The making unavailable or denial of dwellings to persons because of race, color, and national origin, in violation of the Fair Housing Act, 42 U.S.C. § 3604(a), and its implementing regulation, 24 C.F.R. § 100.50(b)(3); and
  - c. Discrimination on the basis of race, color, and national origin in the terms, conditions, or privileges of the sale or rental of dwellings, or the provision of services or facilities in connection with the sale or rental of dwellings, in violation of the Fair Housing Act, 42 U.S.C. § 3604(b), and its implementing regulation, 24 C.F.R. §§ 100.50(b)(2), 100.65.
76. Washington Trust's policies and practices as alleged herein constitute:

- a. A pattern or practice of resistance to the full enjoyment of rights secured by the Fair Housing Act; and
- b. A denial of rights granted by the Fair Housing Act to a group of persons that raises an issue of general importance.

77. Washington Trust's pattern or practice of discrimination was intentional and willful and was implemented with reckless disregard for the rights of individuals based on their race, color, and national origin.

78. Persons who have been victims of Washington Trust's discriminatory policies and practices are "aggrieved" as defined in 42 U.S.C. § 3602(i), and may have suffered damages as a result of Washington Trust's conduct in violation of the Fair Housing Act, as described above.

## **COUNT II: VIOLATIONS OF THE EQUAL CREDIT OPPORTUNITY ACT AND REGULATION B**

79. The United States incorporates all prior paragraphs of the Complaint as if fully set forth herein.

80. Washington Trust's acts, policies, and practices as alleged herein constitute unlawful discrimination against applicants and prospective applicants, including by redlining majority-Black and Hispanic communities in its assessment area and engaging in acts and practices directed at prospective applicants that would discourage prospective applicants from applying for credit on the basis of race, color, or national origin in violation of the Equal Credit Opportunity Act and Regulation B. 15 U.S.C. § 1691 *et seq.*; 12 C.F.R. § 1002.4(a)–(b).

81. Washington Trust's policies and practices as alleged herein constitute a pattern or practice of discrimination and discouragement and resistance to the full enjoyment of rights secured by the Equal Credit Opportunity Act, in violation of the Act. 15 U.S.C. § 1691e(h).

82. Washington Trust's pattern or practice of discrimination was intentional and willful and was implemented with reckless disregard for the rights of individuals based on their race, color, and national origin.

83. Persons who have been victims of Washington Trust's discriminatory policies and practices are "aggrieved" as defined in 15 U.S.C. § 1691e(i), and may have suffered damages as a result of the Washington Trust's conduct in violation of the Equal Credit Opportunity Act, as described above.

### **REQUEST FOR RELIEF**

WHEREFORE, the United States prays that the Court enter an order that:

- (1) Declares that the conduct of Defendant Washington Trust violates the Fair Housing Act;
- (2) Declares that the conduct of Defendant Washington Trust violates the Equal Credit Opportunity Act and Regulation B;
- (3) Enjoins Defendant, its agents, employees, and successors, and all other persons in active concert or participation with Defendant, from:
  - A. Discriminating on account of race, color, or national origin in any aspect of their lending business practices;

- B. Discouraging applicants on account of race, color, or national origin;
- C. Failing or refusing to take such affirmative steps as may be necessary to restore, as nearly as practicable, the victims of Defendant's unlawful practices to the position they would be in but for the discriminatory conduct;
- D. Failing or refusing to take such affirmative steps as may be necessary to prevent the recurrence of any discriminatory conduct in the future and to eliminate, to the extent practicable, the effects of Defendant's unlawful practices, and providing policies and procedures to ensure all segments of Defendant's assessment area are served without regard to prohibited characteristics;

- (4) Awards monetary damages against Defendant in accordance with 42 U.S.C. § 3614(d)(1)(B) and 15 U.S.C. § 1691e(h);
- (5) Assesses a civil penalty against Defendant in an amount authorized by 42 U.S.C. § 3614(d)(1)(C), in order to vindicate the public interest; and
- (6) Awards the United States any additional relief the interests of justice may require.

### **DEMAND FOR JURY TRIAL**

The United States demands trial by jury in this action on all issues so triable.

Respectfully submitted this 27th day of September, 2023.

**FOR THE UNITED STATES OF AMERICA:**

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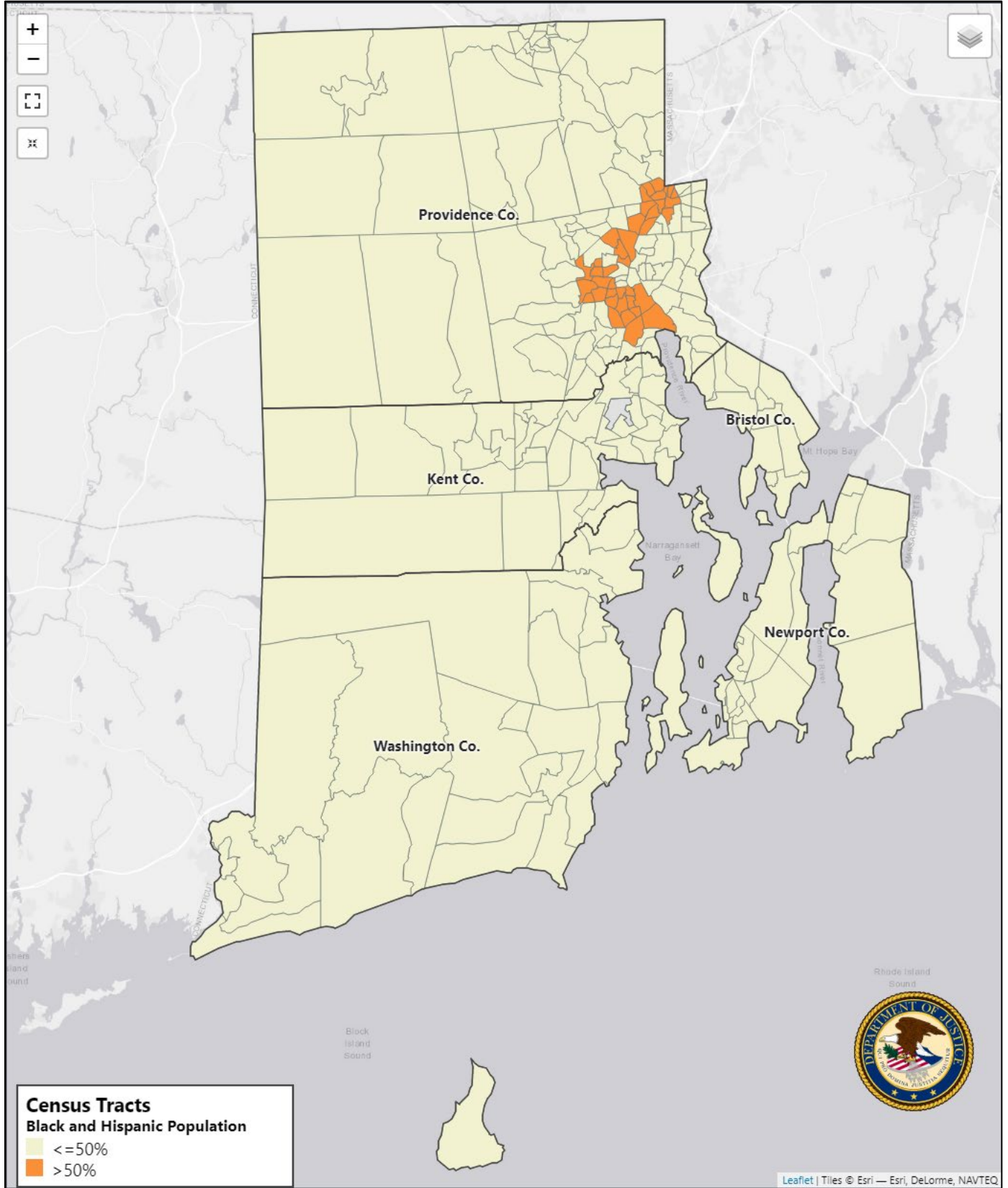
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# Exhibit A

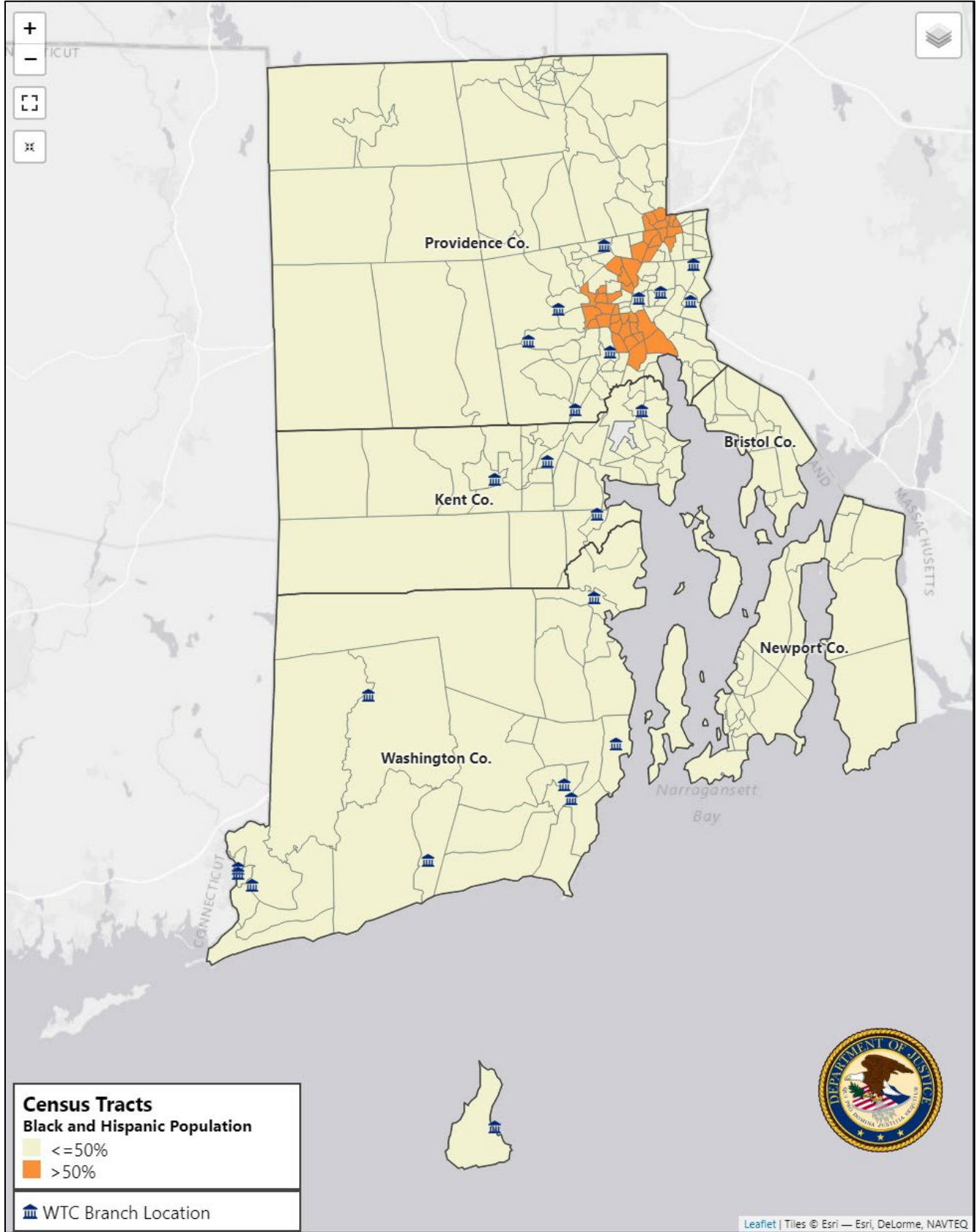
# Washington Trust CRA Assessment Area – State of Rhode Island



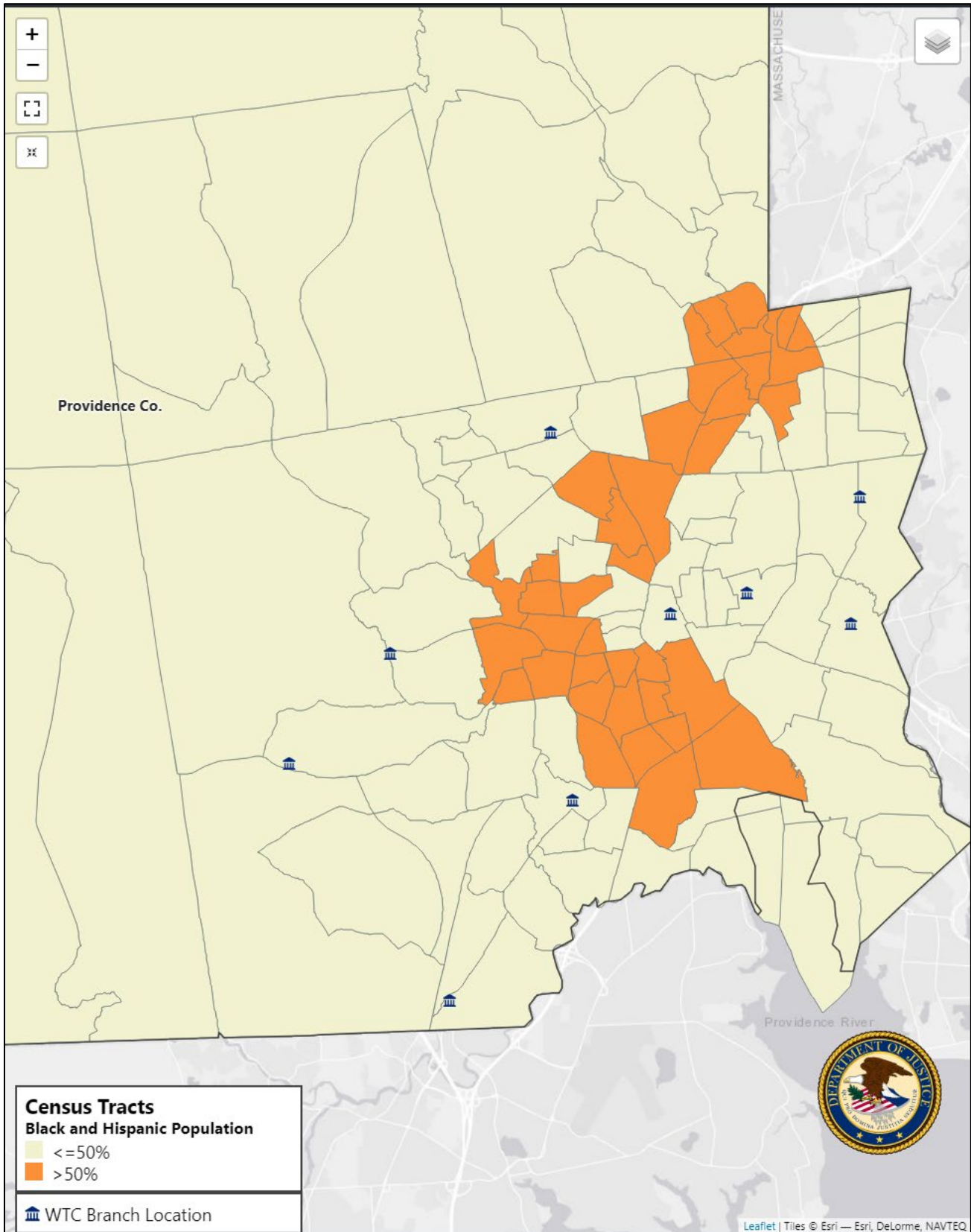


# Exhibit B

### Washington Trust Branch Locations in Rhode Island

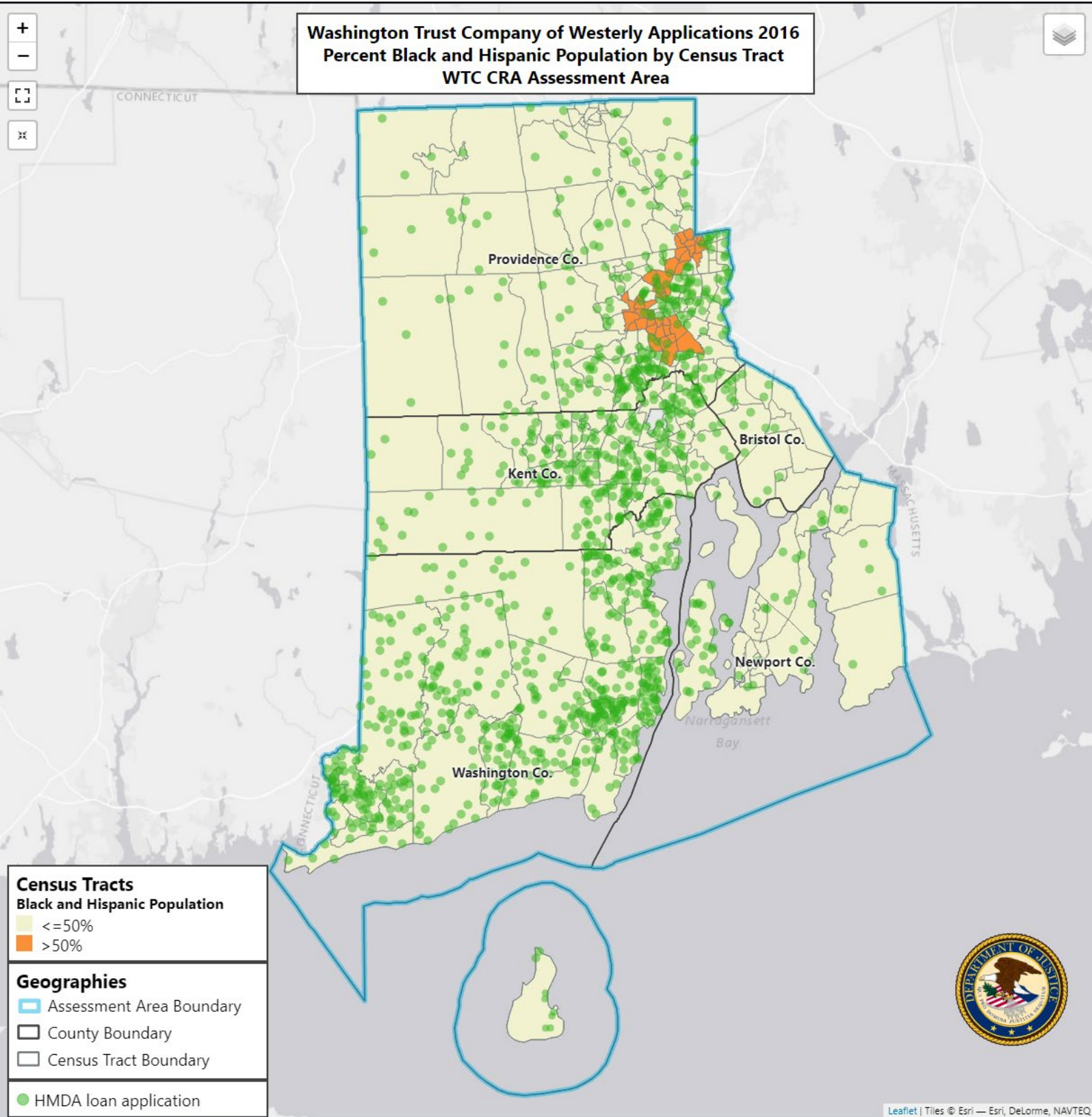


### Washington Trust Branch Locations in Providence County



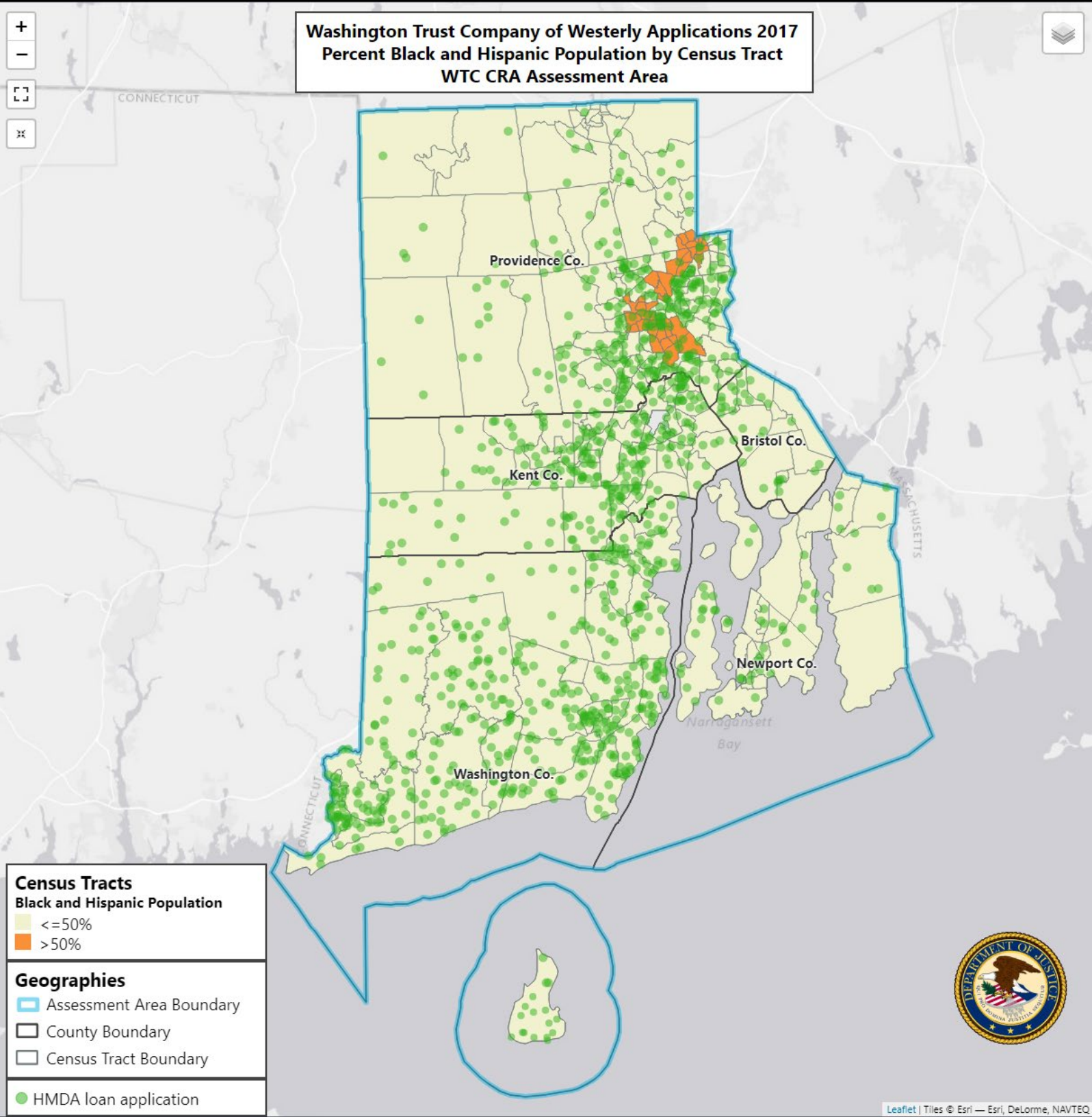
# Exhibit C

### Location of Loan Applications Received by Washington Trust - 2016

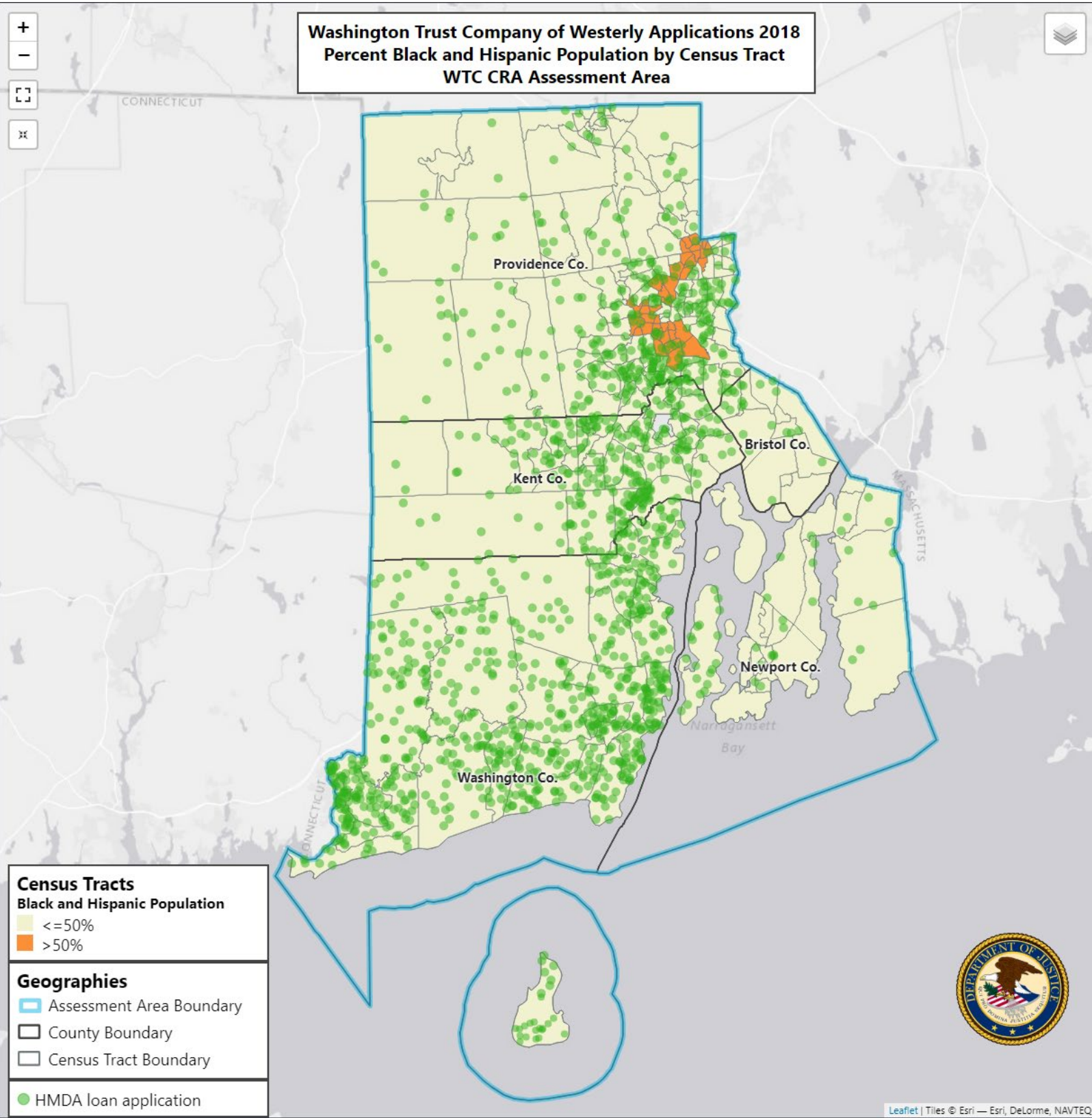




### Location of Loan Applications Received by Washington Trust - 2017

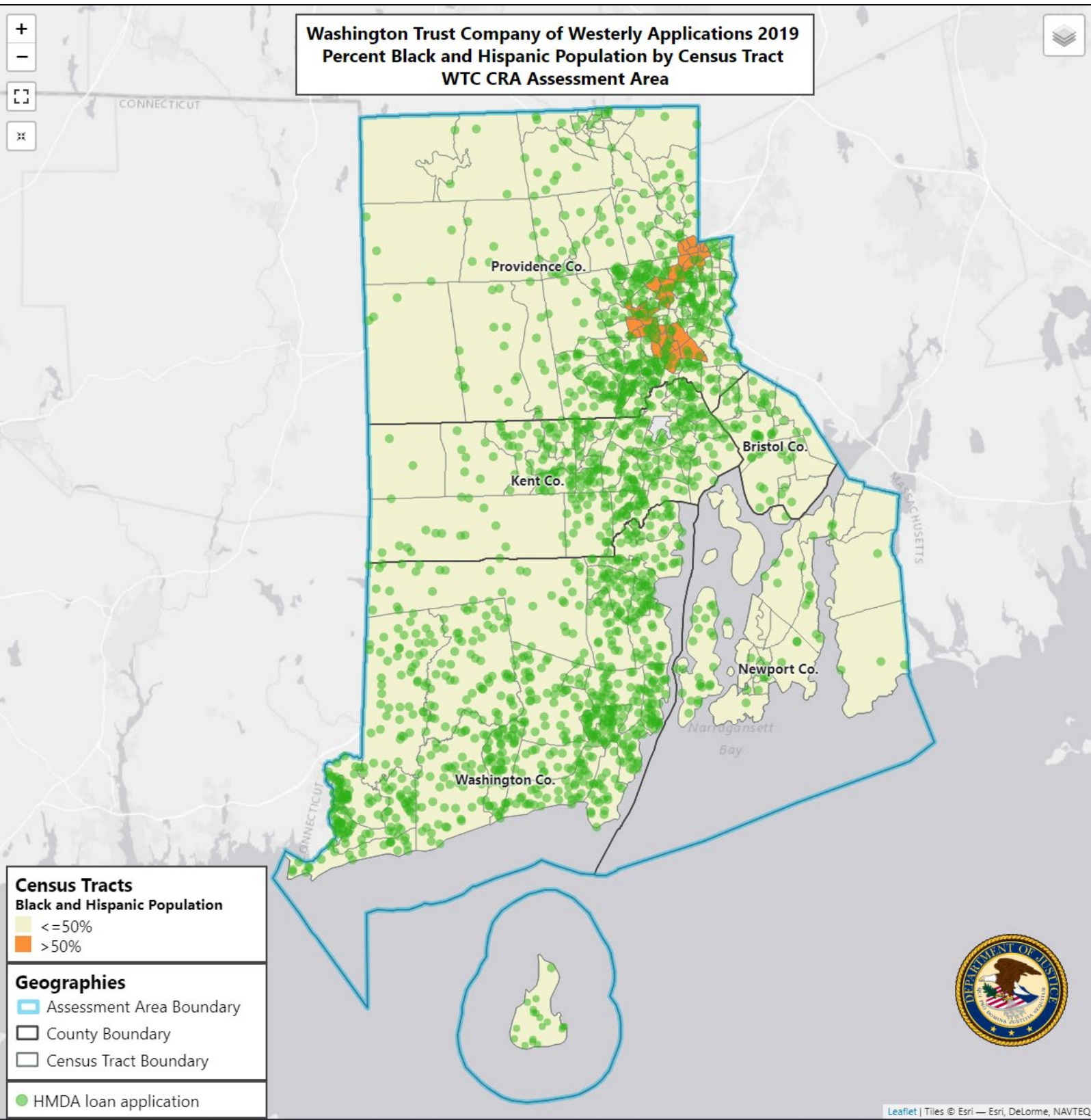


### Location of Loan Applications Received by Washington Trust - 2018



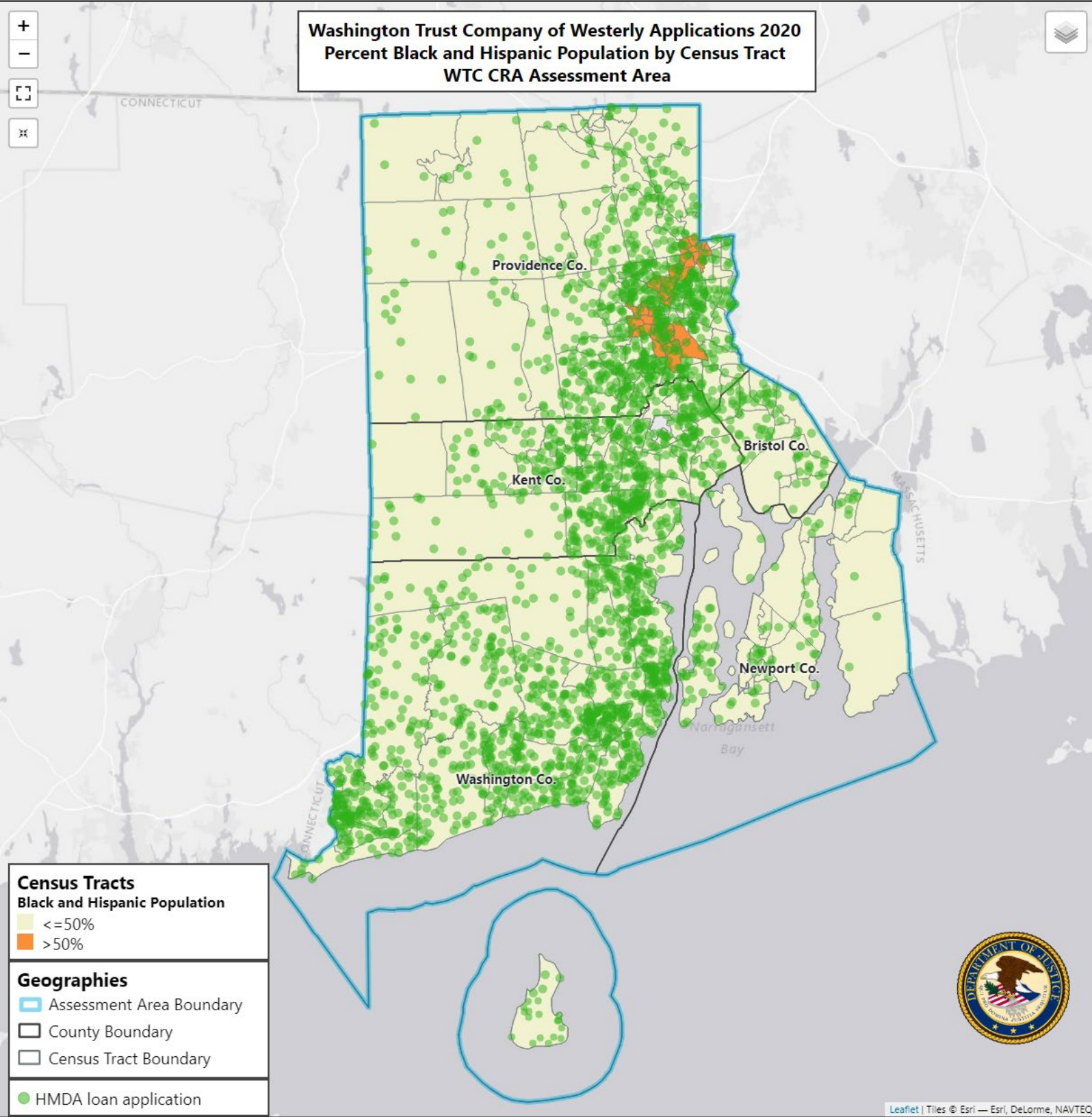


### Location of Loan Applications Received by Washington Trust - 2019

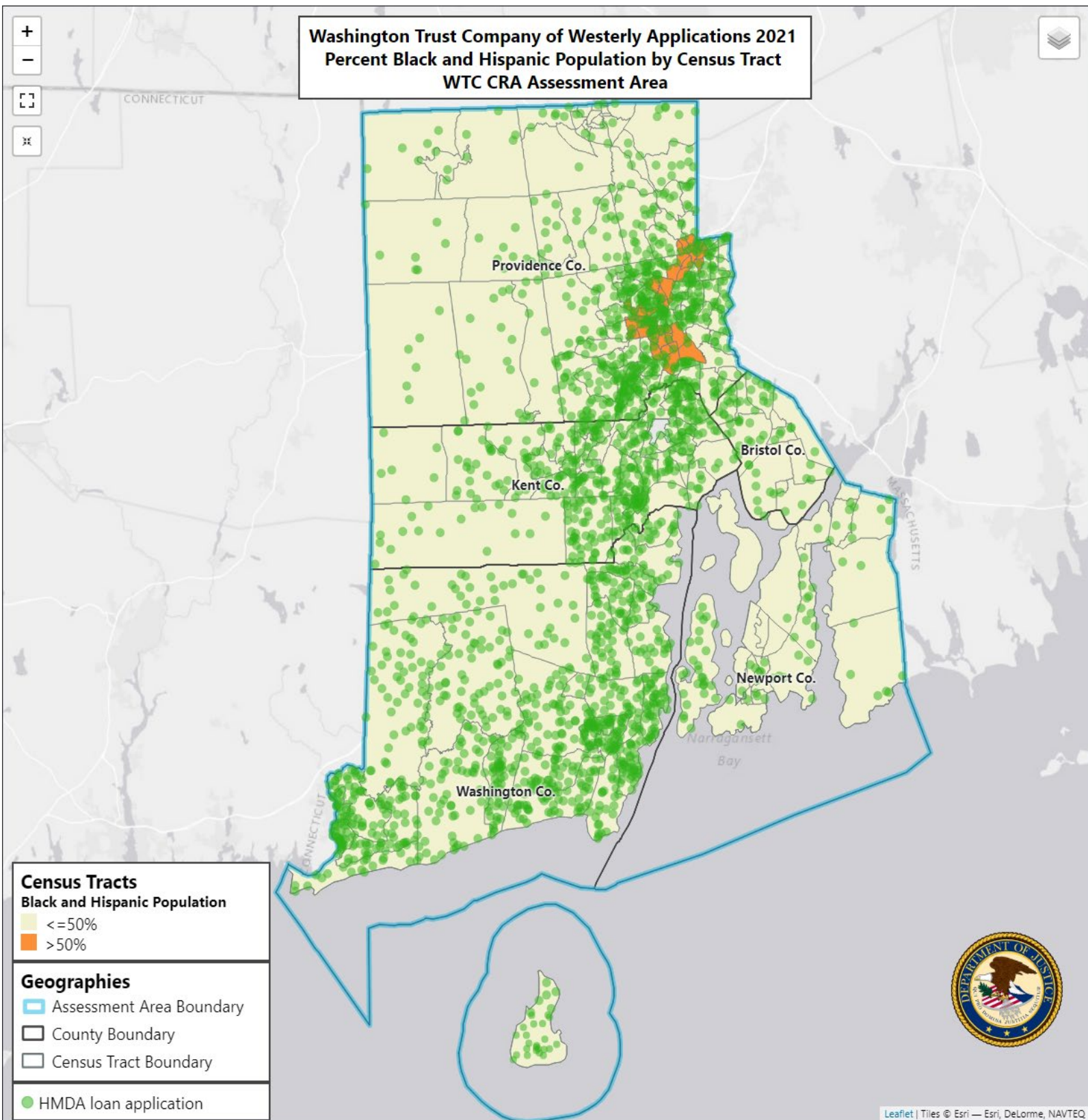




### Location of Loan Applications Received by Washington Trust - 2020



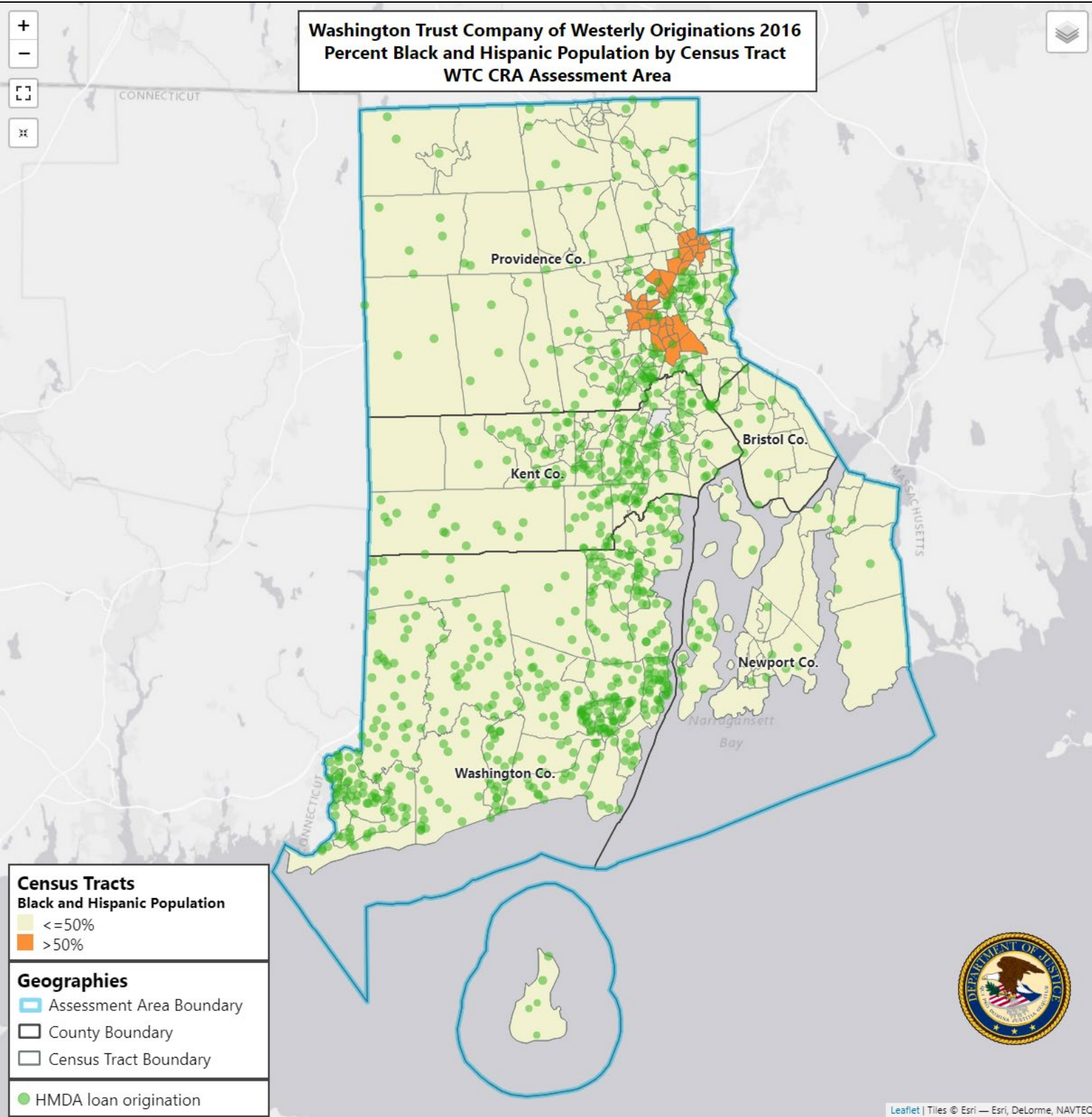
### Location of Loan Applications Received by Washington Trust - 2021



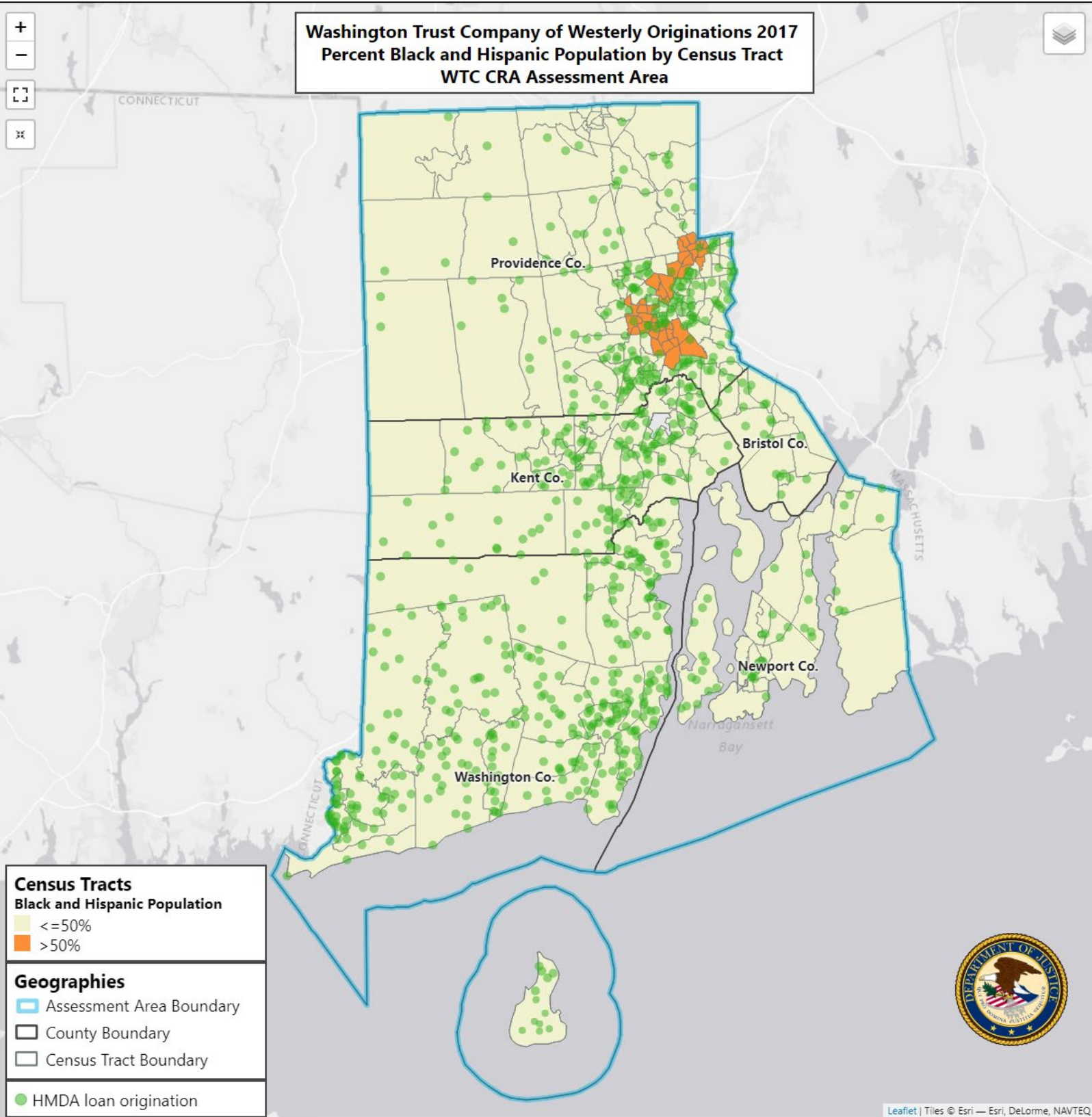
# Exhibit D



### Location of Loans Originated by Washington Trust - 2016

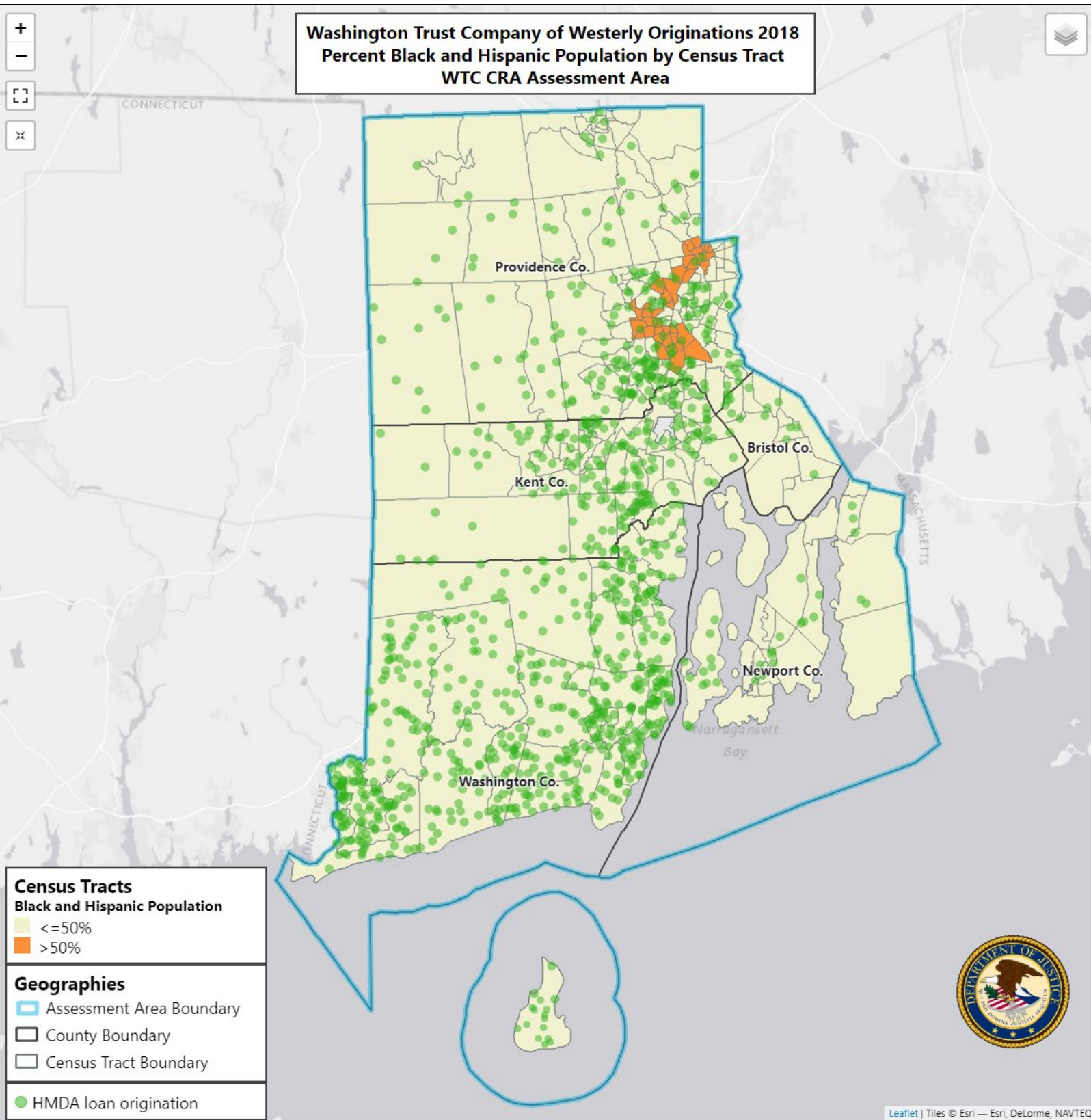


### Location of Loans Originated by Washington Trust - 2017

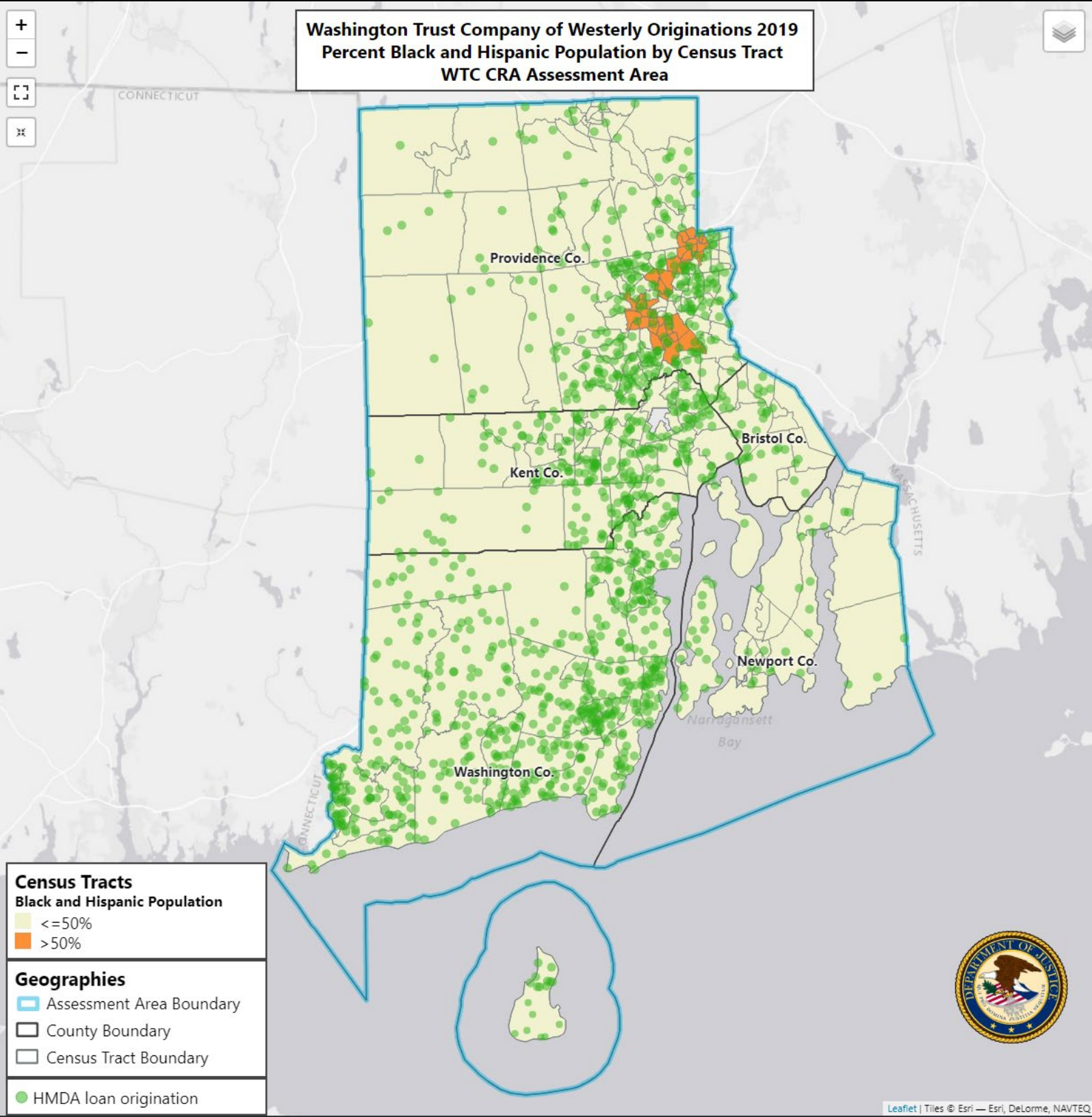




### Location of Loans Originated by Washington Trust - 2018

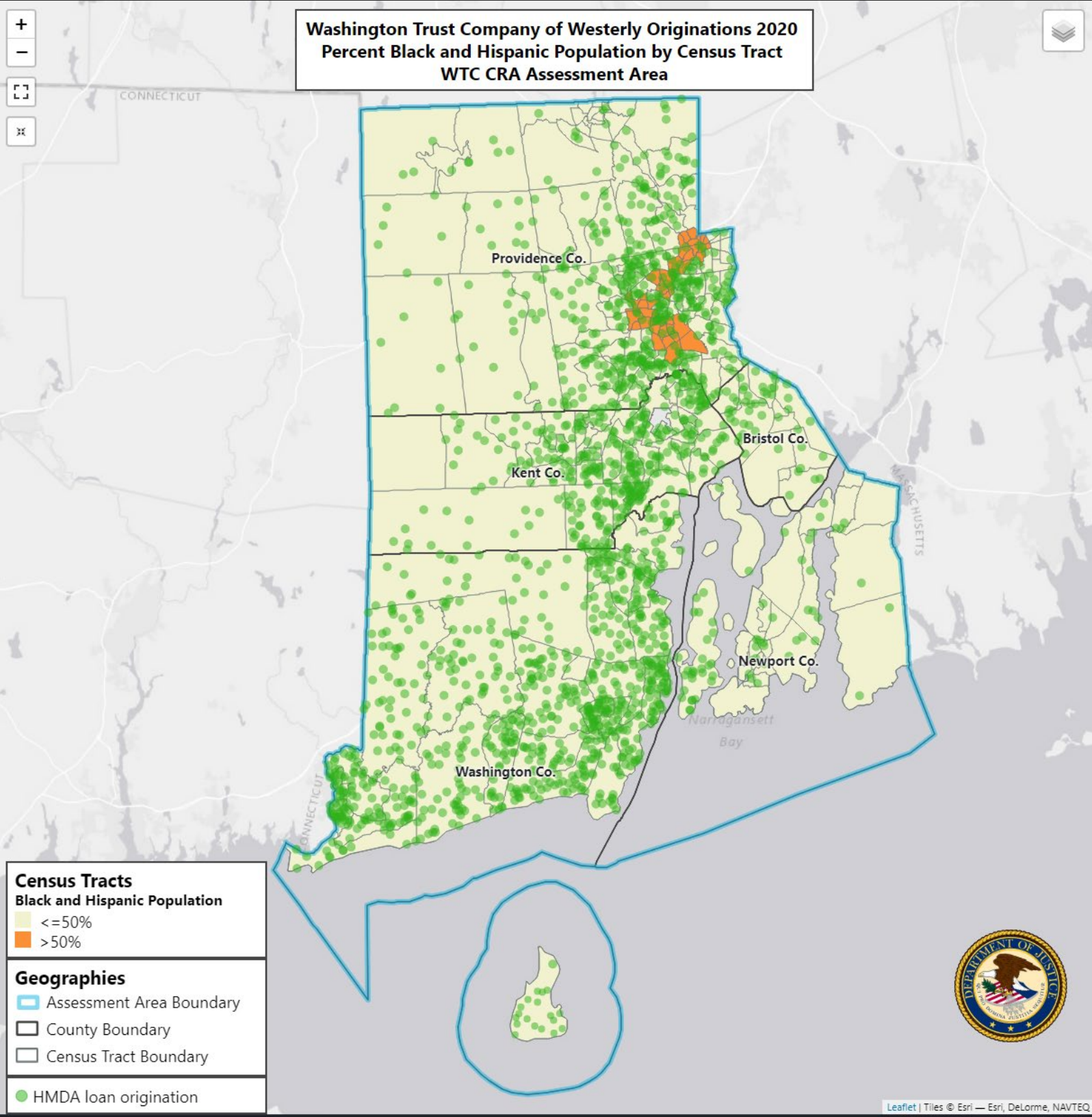


### Location of Loans Originated by Washington Trust - 2019



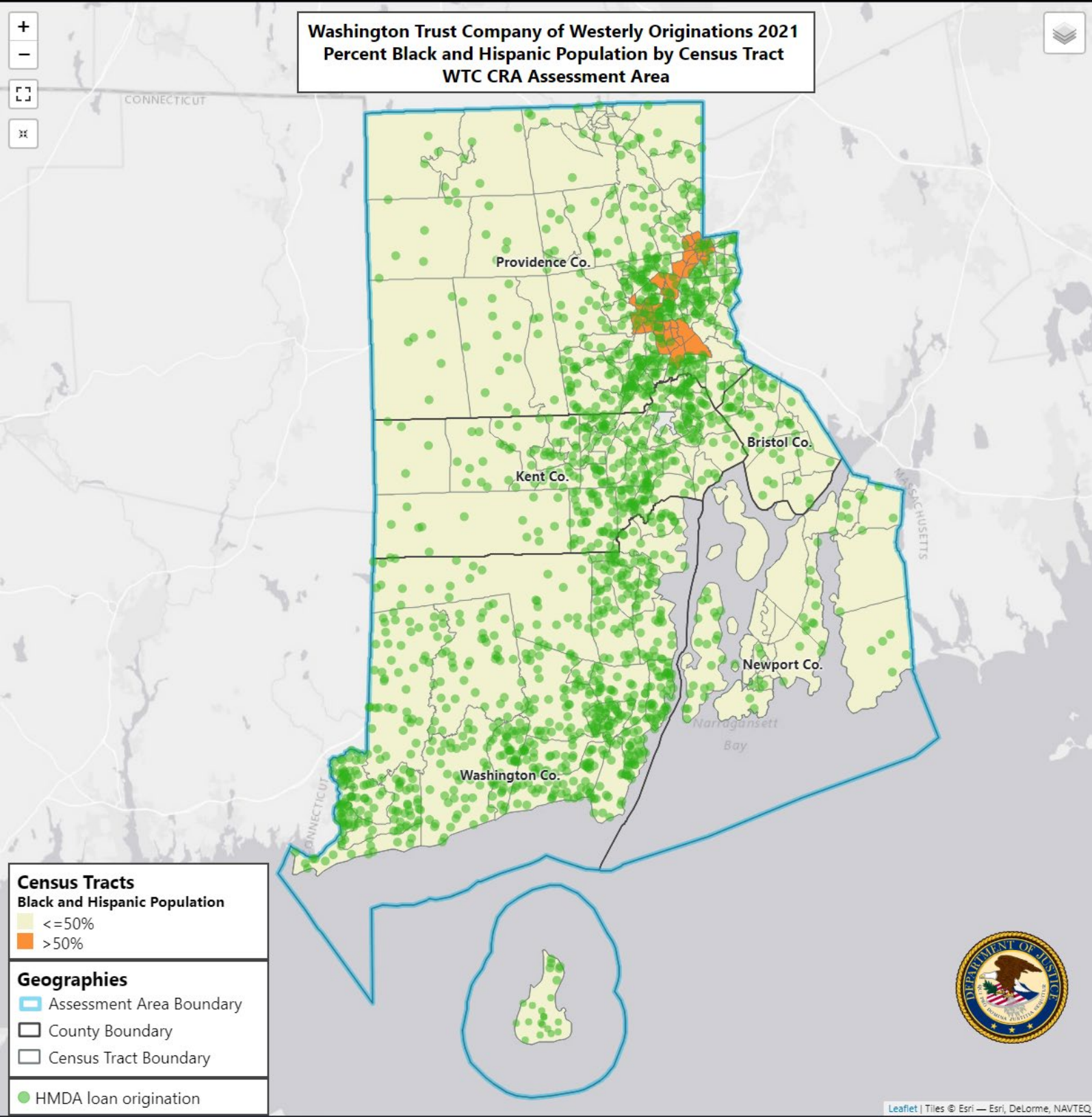


### Location of Loans Originated by Washington Trust - 2020





### Location of Loans Originated by Washington Trust - 2021



**UNITED STATES DISTRICT COURT  
DISTRICT OF RHODE ISLAND**

UNITED STATES OF AMERICA,

Plaintiff,

v.

THE WASHINGTON TRUST  
COMPANY, OF WESTERLY,

Defendant.

Civil Action No. 23-cv-00399

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**JOINT NOTICE AND MOTION FOR ENTRY OF CONSENT ORDER**

Plaintiff United States of America and Defendant The Washington Trust Company, of Westerly, by and through their respective counsel, hereby notify the Court that a Consent Order resolving the claims in this case was agreed upon, and moves the Court for final approval and entry of the Consent Order, attached as Exhibit 1.

Dated: September 27, 2023

Respectfully submitted,

**FOR THE UNITED STATES OF AMERICA:**

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Attorney General

ZACHARY A. CUNHA  
United States Attorney  
District of Rhode Island

KRISTEN CLARKE  
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**FOR THE WASHINGTON TRUST COMPANY, OF WESTERLY:**

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**UNITED STATES DISTRICT COURT  
DISTRICT OF RHODE ISLAND**

UNITED STATES OF AMERICA,

Plaintiff,

v.

THE WASHINGTON TRUST  
COMPANY, OF WESTERLY,

Defendant.

Civil Action No. 23-cv-00399

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**CONSENT ORDER**

**I. INTRODUCTION**

The Parties jointly submit this Consent Order for approval and entry by the Court. The Order resolves all claims of the United States of America (“United States”) alleging that, from 2016-2021, The Washington Trust Company, of Westerly (“Washington Trust” or the “Bank”) engaged in a pattern or practice of unlawful redlining in violation of the Fair Housing Act (“FHA”), 42 U.S.C. §§ 3601–3619, and the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. §§ 1691–1691f, and its implementing Regulation B, 12 C.F.R. § 1002.1 *et seq.*, by discriminating on the basis of race, color, and national origin. Specifically, the United States alleges that Washington Trust engaged in illegal redlining by avoiding providing home loans and other services, and engaged in discrimination and conduct that would discourage loan applications from prospective applicants who are residents of, or seeking credit in, majority-Black and Hispanic census tracts in the State of Rhode Island. Washington

Trust strongly denies the allegations in the Complaint and Consent Order except that, for the purposes of the Consent Order, the Bank admits facts necessary to establish this Court's jurisdiction over it and over the subject matter of this action.

The Court has jurisdiction over the Parties and subject matter of this action. There have been no factual findings or adjudication in this case. The Parties enter into this Consent Order to voluntarily resolve all claims arising from the conduct alleged in the Complaint. Entry of this Consent Order is in the public interest. The Parties agree that the full implementation of the terms in this Consent Order will provide a resolution to the claims asserted in the Complaint in a manner consistent with Washington Trust's established business interests.

## **II. BACKGROUND**

Washington Trust is a state-chartered bank headquartered in Westerly, Rhode Island, and subject to the regulatory authority of the Federal Deposit Insurance Corporation ("FDIC"). Washington Trust offers personal, commercial, consumer, and mortgage banking, and wealth management and trust services. Washington Trust currently maintains 25 branches in Rhode Island and one branch in Connecticut. As of March 31, 2023, Washington Trust's total assets equaled approximately \$6.85 billion. Washington Trust is the principal subsidiary of Washington Trust Bancorp, Inc., a publicly-owned bank holding company headquartered in Westerly, Rhode Island.

In November 2021, the United States notified Washington Trust that it was opening an investigation into whether Washington Trust had engaged in unlawful

redlining in violation of the FHA and ECOA. After an investigation, the United States contends that, from 2016-2021, Washington Trust avoided serving the credit needs of, and discouraged those residing or seeking credit in, majority-Black and Hispanic census tracts in Rhode Island from obtaining mortgage loans, while acting to serve the credit needs for mortgage loans in majority-white census tracts. Washington Trust maintains that it has never acted intentionally to avoid serving the credit needs of borrowers in majority Black and Hispanic census tracts or to discourage such borrowers or prospective borrowers from obtaining mortgage loans. Washington Trust represents that it has always taken, and will continue to take, action to ensure that Washington Trust properly serves all of the communities in its footprint.

### **III. TERMS OF THE ORDER**

#### **A. Lending Practices**

1. Washington Trust, including all of its officers, agents, servants, employees, and all other persons in active concert or participation with them who have actual notice of this Consent Order, assignees, and successors in interest, is hereby enjoined from engaging in any act or practice that discriminates on the basis of race, color, or national origin that: (a) violates the FHA in any aspect of a residential real estate-related transaction; or (b) violates ECOA and Regulation B in any aspect of a credit transaction.

2. Washington Trust will ensure that it offers and provides all persons with an equal opportunity to apply for and obtain credit, regardless of the demographic

composition of the area in which a person lives or the location of the property securing the loan.

3. For purposes of this Consent Order, Washington Trust’s “Rhode Island lending area” consists of all counties in the State of Rhode Island: Bristol, Kent, Newport, Providence, and Washington Counties.

4. For purposes of this Consent Order, a “majority-Black and Hispanic” census tract is one where, as of the date of this Consent Order, more than 50 percent of the residents are identified as either “Black or African American” or “Hispanic or Latino” by the United States Census Bureau. A “majority-white” census tract is one where, as of the date of this Consent Order, more than 50 percent of the residents are identified as “non-Hispanic white” by the United States Census Bureau.

5. For purposes of this Consent Order, the “Effective Date” is the date this Consent Order is entered by the Court.

#### **B. Community Credit Needs Assessment**

6. A Community Credit Needs Assessment is a research-based market study to help a lender identify the needs for financial services in an area.

7. Washington Trust will submit to the United States for non-objection a Community Credit Needs Assessment for majority-Black and Hispanic census tracts within the Rhode Island lending area. This Assessment must include the following information about majority-Black and Hispanic census tracts within Washington Trust’s Rhode Island lending area: (1) an evaluation (to include market research and



interviews) of residential mortgage credit needs<sup>1</sup> and current lending opportunities available in the area; (2) recent demographic and socioeconomic data; (3) potential strategies for Washington Trust to provide residential mortgage products and lending services in these census tracts; (4) an assessment of potential appropriate locations and hours of operation for new branches in these census tracts; (5) a review of loan products offered by other lenders and their success in the market; and (6) recommendations that address how each requirement of the Consent Order should be carried out to best achieve the remedial goals of this settlement.

8. The Community Credit Needs Assessment will be conducted by one or more independent, qualified third-party consultants selected by Washington Trust and subject to non-objection by the United States. Within 30 days of the Effective Date, Washington Trust will submit the qualifications of the third-party consultant(s) to the United States for non-objection. Within 30 days of receiving the United States' written notice of non-objection regarding the third-party consultant(s), Washington Trust must submit to the United States, for non-objection, a statement of work from the independent third-party consultant(s) describing their methodology for the assessment. The United States agrees that the qualified consultant may rely on relevant data and other materials available to them from assessments already completed for Washington Trust by an independent third party consultant within the prior 12 month period before the Effective Date in developing the required statement

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<sup>1</sup> Residential mortgage credit needs include all dwelling-secured lending, including home purchase, home refinance, and home improvement loans.



of work. Within 120 days of receiving the United States' written notice of non-objection regarding the statement of work, Washington Trust will submit to the United States the Community Credit Needs Assessment described in Paragraph 7.

9. Once the United States has non-objection to the Community Credit Needs Assessment, Washington Trust will present the Assessment to all management, employees, and committees that are responsible for overseeing fair lending compliance.

10. Within 60 days of receiving non-objection from the United States regarding the Community Credit Needs Assessment, Washington Trust will submit a plan that details, in light of the recommendations made in the Assessment, the actions Washington Trust proposes to take to comply with the requirements of the Consent Order (e.g., physical expansion, loan subsidy, community partnerships, and advertising), including specific timeframes for implementation of these actions. The proposals within the plan will be subject to non-objection by the United States.

### **C. Fair Lending Compliance**

11. Within 120 days of the Effective Date, Washington Trust will supplement its existing annual third-party assessment of its fair lending program in the Rhode Island lending area, specifically to include fair lending obligations and lending in majority-Black and Hispanic census tracts.

12. Within 150 days of the Effective Date, Washington Trust must produce a written report ("Fair Lending Status Report and Compliance Plan") that includes a review of the Bank's existing fair lending policies and practices, including compliance

monitoring; an analysis of the Bank's policies and practices related to the location of branches and marketing; a description of training and oversight for loan officers and their practices for solicitation of applications; and information on loan officers' compensation structure.

13. The Fair Lending Status Report and Compliance Plan will specifically include the status of progress relating to, at least:

- a. Any changes to Washington Trust's practices to reduce redlining risks in the Rhode Island lending area, including at a minimum, risk that may arise from branch locations or assignment of loan officers to branch locations, types of loan products, and marketing;
- b. Any changes to Washington Trust's practices to improve its outreach to solicit applications for mortgage loan products, including home improvement loans;
- c. Any changes made to existing written policies and procedures regarding marketing and training and monitoring of loan officers in marketing mortgage loan products, soliciting, and originating mortgage loans in the Rhode Island lending area;
- d. Any changes made to Washington Trust's formal process for ongoing statistical monitoring of mortgage underwriting, pricing, and redlining risk, including statistical peer analysis of applications and originations from majority-Black and Hispanic census tracts in the Rhode Island lending area; and

- e. Any changes made to the reporting process of the Compliance Department to senior management and the Board of Directors once mortgage underwriting, pricing, and redlining risk have been identified and the remediation process to address such risk.

14. If the United States objects to any portion of Washington Trust's Fair Lending Status Report and Compliance Plan, Washington Trust will make revisions and resubmit its proposal within 30 days of receiving the objection. Washington Trust will begin implementation of its Fair Lending Status Report and Compliance Plan within 30 days of receiving the United States' non-objection. Any material changes to Washington Trust's Fair Lending Status Report and Compliance Plan are subject to non-objection by the United States.

#### **D. Fair Lending Training**

15. Within 30 days of the Effective Date, Washington Trust will provide an electronic copy of the Complaint and Consent Order in this matter to all employees with substantive involvement in mortgage lending, marketing, or fair lending or Community Reinvestment Act compliance in the Rhode Island lending area, or who have management responsibility over such employees; senior management with fair lending and marketing oversight; and members of the Board of Directors (collectively, "the Relevant Bank Staff and Officials"). Washington Trust will provide an opportunity for the Relevant Bank Staff and Officials to ask any questions concerning the Complaint and Consent Order, and Washington Trust will provide answers.

Washington Trust will provide a report that lists all persons and their titles to whom this Consent Order was made available within 45 days of the Effective Date.

16. Washington Trust agrees to continue to provide training to the Relevant Bank Staff and Officials on Washington Trust's obligations under ECOA, Regulation B, and the FHA. The training will be conducted by an independent, qualified third-party trainer selected by Washington Trust. Within 60 days of the Effective Date, Washington Trust will submit the qualifications of the third-party trainer to the United States for non-objection. Within 60 days of receiving written notice of non-objection from the United States regarding the independent, qualified third-party trainer, Washington Trust will deliver the training described in this Paragraph. Washington Trust will utilize its existing system for each individual to acknowledge that they completed fair lending training and will provide a report that includes these acknowledgements to the United States within 30 days after it has delivered the training.

17. Washington Trust agrees to continue to provide the training described in Paragraph 16 annually to the Relevant Bank Staff and Officials. The training may be held virtually or in person. Washington Trust will implement a system for each individual to acknowledge that they completed fair lending training. Washington Trust will provide a report that includes these acknowledgements to the United States as part of its annual reporting requirement under Paragraph 52. Any proposed changes to the third-party trainer or the training curriculum are subject to non-objection by the United States.

18. Any individual who becomes a Relevant Bank Staff or Official will, within 30 days of beginning the covered position, receive an electronic copy of the Complaint and Consent Order, with the opportunity to ask questions, as discussed in Paragraph 15. Any individual who becomes a Relevant Bank Staff or Official will, within 60 days of beginning the covered position, receive the training discussed in Paragraph 16. Washington Trust will utilize its existing system for each such individual to acknowledge that they received a copy of the Complaint and Consent Order, were given the opportunity to ask questions, and that they completed fair lending training. Washington Trust will provide a report that includes these acknowledgements to the United States as part of its annual reporting requirement under Paragraph 52.

19. Washington Trust will bear all costs associated with the trainings.

**E. Director of Community Lending**

20. Washington Trust agrees to and has designated a full-time employee as the Director of Community Lending with the responsibility of overseeing the development of the Bank's lending in majority-Black and Hispanic census tracts in the Rhode Island lending area and the Bank's compliance with the Consent Order.

21. The designated Director of Community Lending is charged with the responsibility of overseeing the development of Washington Trust's lending in majority-Black and Hispanic census tracts in its Rhode Island lending area and Washington Trust's compliance with this Consent Order. Washington Trust will maintain this position throughout the term of this Consent Order. If a new Director

of Community Lending is appointed at any time during the term of this Consent Order, Washington Trust will notify the United States within 10 days of the staffing change.

22. The Director of Community Lending is an Executive Vice President who reports directly to Washington Trust's President and Chief Operating Officer. The Director of Community Lending will provide reports on at least a quarterly basis to the Board of Directors and the Chief Executive Officer of the Bank regarding the Bank's activities related to the following:

- a. reviewing the implementation and administration of all aspects of Washington Trust's compliance with the Consent Order;
- b. monitoring loan officers' solicitation and origination of loans in majority-Black and Hispanic census tracts in the Rhode Island lending area, including the loan subsidy fund described herein;
- c. coordinating the Bank's involvement in community lending initiatives and outreach programs;
- d. encouraging and developing more lending within majority-Black and Hispanic census tracts;
- e. promoting financial education;
- f. providing financial counseling; and
- g. building relationships with community groups.

**F. Physical Presence in Majority-Black and Hispanic Census Tracts**

23. Subject to appropriate regulatory approval, Washington Trust must open or acquire two (2) new full-service branches located in majority-Black and Hispanic census tracts in its Rhode Island lending area. The full-service branches must be in retail-oriented spaces in visible locations and have signage that is visible to the general public. The full-service branches must provide the complete range of services offered at the Bank's full-service branches and must accept first-lien mortgage loan applications.

24. The parties agree that the Bank's planned Olneyville branch, once opened as a full-service branch location, satisfies and will count towards the requirements set forth in Paragraph 23 of this Consent Order, provided it is open within 18 months of the Effective Date.

25. Washington Trust must make all reasonable efforts to open an additional new full-service branch within 30 months of the Effective Date. If Washington Trust fails to open both full-service branches within 30 months of the Effective Date, Washington Trust will provide to the United States a written proposal describing how it will comply with Paragraphs 23 and 24. Washington Trust will maintain the new full-service branches for the term of this Consent Order.

26. For the duration of this Consent Order, Washington Trust will evaluate future opportunities for expansion within its Rhode Island lending area, whether by merger, acquisition, or opening new branches or loan production offices, in consideration of the goals of this Consent Order. Washington Trust must notify the

United States of any plans to open or acquire any new branches or other loan production offices within its Rhode Island lending area at the same time that it seeks approval from regulators.

27. Washington Trust agrees to and has assigned two (2) full-time mortgage loan officers or community lending officers to solicit mortgage applications in majority-Black and Hispanic census tracts in its Rhode Island lending area. Once the full-service branches required by this Section have been established, the Bank will assign at least one (1) mortgage loan officer or community lending officer to each new branch. Washington Trust must maintain the mortgage loan officer assignments described in this Paragraph for the term of this Consent Order.

28. The Parties agree that the branch employees required by Paragraph 27 of this Consent Order may work out of other branch locations periodically, so long as they maintain a physical presence in their assigned new branch location.

29. The Parties agree that the branch employees required by Paragraph 27 of the Consent Order are also permitted to process applications for borrowers throughout the Bank's lending area.

#### **G. Loan Subsidy Fund**

30. Washington Trust will invest a minimum of \$7 million in a loan subsidy fund with the goal of increasing credit for home mortgage loans, home improvement loans, and home refinance loans extended in majority-Black and Hispanic census tracts in its Rhode Island lending area. No more than 25% percent of the loan subsidy fund may be used for home refinances.



31. Under the loan subsidy fund, Washington Trust will subsidize home mortgage, home improvement, and/or refinance loans made to “qualified applicants.”

A “qualified applicant” is any applicant who:

- a. applies for a mortgage for a residential property located in a majority-Black and Hispanic census tract in the Rhode Island lending area that will serve as the applicant’s primary residence, or
- b. resides in a majority-Black and Hispanic census tract in the Rhode Island lending area and applies for a mortgage for a residential property located in the Rhode Island lending area that will serve as the applicant’s primary residence.

32. Loan subsidies under the loan subsidy fund can be provided by the following means (or any combination):

- c. originating a loan for a home purchase, refinancing, or home improvement at an interest rate below the otherwise prevailing market interest rate offered by Washington Trust;
- d. down payment assistance in the form of a direct grant;
- e. closing cost assistance in the form of a direct grant;
- f. payment of the initial mortgage insurance premium on loans subject to such mortgage insurance; and
- g. any other assistance measures approved by the United States.

The combined forms of subsidies set forth in this Paragraph cannot exceed \$25,000 per qualified applicant unless Washington Trust receives a written non-objection from the United States to increase that amount.

33. No provision of the Consent Order, including any loan subsidy or equivalent program, requires Washington Trust to make any unsafe or unsound loan or to make a loan to a person who is not qualified for the loan based upon lawful, nondiscriminatory terms; however, Washington Trust may choose to apply more flexible underwriting standards in connection with its programs under this Consent Order. Washington Trust's underwriting standards applied to residents of majority-Black and Hispanic census tracts must be no less favorable than the standards applied in majority-white census tracts.

#### **H. Community Development Partnership Program**

34. Washington Trust agrees to spend a minimum of \$200,000 per year (or \$1,000,000 over the term of the Consent Order) on partnerships with one or more community-based or governmental organizations that provide the residents of majority-Black and Hispanic census tracts in the Rhode Island lending area with services related to credit, financial education, homeownership, and foreclosure prevention. Washington Trust will develop these partnerships in a manner consistent with achieving the goals of the Consent Order.

35. Within 45 days of receiving non-objection from the United States regarding the Community Credit Needs Assessment described in Section III.B., Washington Trust will submit a proposal to the United States describing how it will

implement the requirements of Paragraph 34. The proposal will include an explanation of its proposed partner(s). The proposal should also describe, to the extent available, Washington Trust's plans to implement the partnership(s), as well as a description of how the partnership(s) will be used to meet the credit needs identified in the Community Credit Needs Assessment. The proposal will be subject to non-objection by the United States.

36. Washington Trust will evaluate the partnership(s) outlined in Paragraph 34 annually, including by considering the Community Credit Needs Assessment, in order to identify any needed changes to the program or better assist residents of majority-Black and Hispanic census tracts in the Rhode Island lending area in obtaining credit. Washington Trust will present a summary of its evaluation and any proposed changes to the United States as part of its annual reporting requirement under Paragraph 52. Any proposed changes will be subject to non-objection by the United States.

**I. Advertising, Outreach, Consumer Financial Education, and Credit Initiatives**

37. Washington Trust will spend at least \$1,000,000 over the term of this Consent Order on advertising, outreach, consumer financial education, and credit counseling focused on majority-Black and Hispanic census tracts in the Rhode Island lending area as described in this Section.

38. Within 45 days of receiving non-objection from the United States regarding the Community Credit Needs Assessment described in Section III.B., Washington Trust will submit a written Advertising, Outreach, Education, and

Credit Program Plan (“Outreach Plan”) to the United States detailing how it will spend these funds for the period remaining in the term of the Consent Order. The Outreach Plan will include an explanation of why Washington Trust selected certain approaches and community partnerships and how Washington Trust’s advertising, community outreach, education, and credit counseling initiatives will meet the credit needs identified in the Community Credit Needs Assessment. The Outreach Plan will be subject to non-objection by the United States. If the United States objects to any portion of the Outreach Plan, Washington Trust will make revisions and resubmit its proposal within 30 days of receiving the United States’ objection. Washington Trust will begin implementation of its Outreach Plan within 30 days of receiving written notice of non-objection from the United States.

39. Washington Trust will evaluate the strategies outlined in its Outreach Plan annually, including by considering the Community Credit Needs Assessment, in order to identify any changes necessary to better assist residents of majority-Black and Hispanic census tracts in its Rhode Island lending area in obtaining credit. Washington Trust will present a summary of its evaluation and any proposed changes to the United States as part of its annual reporting requirement under Paragraph 52. Any proposed changes will be subject to non-objection by the United States.

a. Advertising

40. Washington Trust will endeavor to effectively advertise its residential loan products, including products for which the loan subsidy fund outlined in Section III.G. will be applied, to majority-Black and Hispanic census tracts in its Rhode

Island lending area in order to generate mortgage loan applications from qualified applicants in these census tracts. Washington Trust's advertising may include print media, radio, Internet advertising, television, direct mail, and any other appropriate medium. These advertisements must include similar information to other advertisements by Washington Trust. Washington Trust must advertise its mortgage lending services and products to majority-Black and Hispanic census tracts in its Rhode Island lending area at least to the same extent that it advertises its mortgage lending services and products to majority-white census tracts in its Rhode Island lending area.

41. Washington Trust will create point-of-distribution materials, such as posters and brochures, for use in majority-Black and Hispanic census tracts to advertise products and services. Washington Trust will place or display these promotional materials in all of its branch offices.

42. All of Washington Trust's print advertising and promotional materials referencing residential mortgage loans currently contain an equal housing opportunity logo, slogan, or statement and will continue to do so. Washington Trust agrees that all radio or television advertisements will continue to include an audible statement that Washington Trust is an "Equal Opportunity Lender" or "Equal Housing Lender."

43. Within 90 days of the Effective Date, Washington Trust will engage a qualified third-party translator and propose a deadline to the United States for

translation of the portions of its website, [www.washtrust.com](http://www.washtrust.com), related to deposits/personal banking and homeownership/consumer lending into Spanish.

b. Outreach

44. Washington Trust agrees to continue to provide at least four (4) outreach programs per year for real estate brokers and agents, developers, and public or private entities engaged in residential real estate-related business in majority-Black and Hispanic census tracts in its Rhode Island lending area to inform them of its products and services and to develop business relationships.

45. Washington Trust may continue to underwrite or sponsor non-profit events in support of the majority-Black and Hispanic census tracts in its Rhode Island lending area that are related to building relationships within those areas and designed to generate applications for home mortgages.

c. Consumer Financial Education and Credit Initiatives

46. Washington Trust has developed and agrees to continue to deploy a consumer financial education program designed to provide information, training, and counseling services about consumer finance and credit establishment and repair to individuals in majority-Black and Hispanic census tracts in its Rhode Island lending area.

47. Washington Trust agrees to continue to provide a minimum of six (6) seminars per year, with translation and interpretation services in Spanish, for residents in majority-Black and Hispanic census tracts in its Rhode Island lending area and held in locations intended to be convenient to those residents. These



seminars will cover credit counseling, financial literacy, and other related consumer financial education, to help identify and develop qualified loan applicants from those areas.

48. Washington Trust may develop and provide the consumer education seminars described in Paragraph 47 in conjunction with any community-based or governmental organization that Washington Trust partners with as described in Section III.H.

49. Beginning after the Effective Date and during the first year of the term of the Consent Order, Washington Trust may conduct the outreach programs and consumer education seminars described in Paragraphs 42, 44, and 45 by hosting in-person events offered at a location reasonably convenient to the attendees or by hosting virtual events. Beginning 12 months after the Effective Date, Washington Trust will submit to the United States a list of its planned outreach programs and consumer financial education seminars, specifying whether those events will be in-person or virtual, as part of its annual reporting requirement under Paragraph 52. The virtual nature of these programs and seminars will be subject to non-objection by the United States.

#### **IV. EVALUATING AND MONITORING COMPLIANCE**

50. For the duration of this Consent Order, Washington Trust will retain all records related to its obligations under this Consent Order and all activities to carry out this Order. The United States has the right to review and copy these records upon request.

51. For the duration of this Consent Order, within 30 days of its submission of data to the Federal Financial Institutions Examination Council in accordance with the Home Mortgage Disclosure Act of 1975 (“HMDA”), 12 U.S.C. §§ 2801–2811, Washington Trust will provide this data to the United States in the same format, including the record layout.

52. Beginning 12 months after the Effective Date, Washington Trust will submit annual reports to the United States on its progress in complying with the terms of the Consent Order and associated plans and programs. The final report will be delivered to the United States at least 60 days prior to the expiration of the Consent Order. The reports will provide a complete account of Washington Trust’s actions to comply with the Consent Order, Washington Trust’s assessment of the extent to which each obligation was met, if Washington Trust falls short of meeting its goals under the Consent Order, an explanation of why Washington Trust fell short for any particular component, and recommendations for additional actions to achieve the goals set forth in the Consent Order and associated plans and programs.

The annual reports shall also include an accounting of all subsidies made and mortgage loans originated under the loan subsidy program described in Section III.G. to date, including the following information: the HMDA LAR universal loan identifier for the subsidized loan; closing date; address of the property securing the loan; census tract location of the property securing the loan; ethnicity and/or race of the borrower; loan type; loan purpose; loan amount; loan subsidy amount; and loan subsidy type (i.e., down payment assistance, closing cost assistance). The annual reports will also

indicate which of the loans benefitting from the loan subsidy fund were made to first-time homeowners. Washington Trust will attach to its reports copies of training materials and advertising and marketing materials distributed under this Consent Order as well as a detailed list of outreach and education events. Washington Trust's Board of Directors and CEO will review and approve the reports.

If the United States raises any objections to a report, the Parties will have 14 days to confer and resolve their differences. The Parties may mutually agree to additional time to confer, if necessary. If the Parties are unable to resolve their differences, either Party may bring the dispute to the Court for resolution.

53. All materials required by this Consent Order will be sent to the United States by email to the Department of Justice attorney(s) assigned to this matter. The United States will notify Washington Trust in writing if the assigned attorneys change.

54. Upon request by the Department of Justice attorney(s) assigned to this matter, the United States may request that Washington Trust submit materials required by this Consent Order by commercial overnight delivery service addressed as follows:

Chief, Housing and Civil Enforcement Section  
Civil Rights Division  
U.S. Department of Justice  
150 M Street NE, 8th Floor  
Washington, DC 20002  
Attn: Washington Trust, DJ# 188-66-6

and

US Attorney's Office for the District of Rhode Island  
One Financial Plaza, 17th Floor  
Providence, RI 02903  
Attn: AUSA Amy Romero

## V. ADMINISTRATION

55. The requirements of this Consent Order will remain in effect for five (5) years.

56. If, within five (5) years of the Effective Date, Washington Trust has not invested all money in the loan subsidy fund described in Section III.G., then Section III.G of the Consent Order will remain in full effect until three (3) months after Washington Trust has invested all the money in the loan subsidy fund and has submitted a final report to the United States that demonstrates the fulfillment of this obligation.

57. Washington Trust will maintain all documents and records necessary to demonstrate full compliance with the Consent Order, including all submissions made to the United States, until the requirements of Paragraphs 55 and 56 are fulfilled. Washington Trust must make these documents available to the United States upon the United States' request.

58. Any time limits for performance may be extended by mutual written agreement of the Parties. Other modifications may be made only upon approval of the Court, by motion by any Party. If there are changes in material factual circumstances, the Parties will work cooperatively to discuss and attempt to agree to proposed modifications to the Consent Order.

59. The United States agrees that, in every instance where its non-objection is required in the Consent Order, such non-objection shall be timely provided and shall not be unreasonably withheld.

60. If disputes arise about the interpretation of, or compliance with, the Consent Order, the Parties will endeavor in good faith to resolve any dispute before bringing it to the Court for resolution. If Washington Trust violates any provision of the Consent Order or fails to perform an act required by the Consent Order, the United States may move the Court to impose any remedy authorized by law or equity, including attorneys' fees and costs.

61. Nothing in the Consent Order excuses Washington Trust's compliance with any currently or subsequently effective provision of law or order of a regulator. Should Washington Trust's primary regulator have concerns regarding compliance with banking regulations and this Consent Order, the United States agrees to confer with Washington Trust and its primary regulator regarding said compliance.

62. Washington Trust will notify United States of any development that may materially affect compliance obligations arising under this Order, including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; the filing of any bankruptcy or insolvency proceeding by or against Washington Trust; or a change in Washington Trust's name or address. Washington

Trust will provide this notice as soon as practicable after learning about the development.

63. Within 10 days of the Effective Date, Washington Trust will:

- h. Designate at least one telephone number and email, physical, and postal address as points of contact, which United States may use to communicate with Washington Trust;
- i. Identify all businesses for which Washington Trust is the majority owner, or that Washington Trust directly or indirectly controls, by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; and
- j. Describe the activities of each such business, including the products and services offered, and the means of advertising, marketing, and sales.

64. Washington Trust will report any change in the information required to be submitted under Paragraph 62 as soon as practicable.

65. This Order is binding on Washington Trust, including all of its officers, agents, servants, employees, and all other persons in active concert or participation with them who have actual notice of this Consent Order, assignees, and successors in interest. If Washington Trust seeks to transfer or assign all or part of its operations to a successor or assign that intends to carry on the same or similar business, Washington Trust will obtain the written agreement of the successor or assign to obligations under the Consent Order as a condition of sale, merger, or other transfer.



66. The Parties agree that litigation is not reasonably foreseeable. If any Party implemented a litigation hold to preserve information, the Party is no longer required to maintain it. Nothing in this Paragraph relieves either Party of any other obligations imposed by the Consent Order.

67. The Parties to this Consent Order will bear their own costs and attorneys' fees.

68. The Court will retain jurisdiction over this civil action to enforce the terms of this Consent Order.

SO ORDERED, this \_\_\_ day of \_\_\_\_\_, 2023.

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UNITED STATES DISTRICT JUDGE

Respectfully submitted this 27th day of September, 2023.

**FOR THE UNITED STATES OF AMERICA:**

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Attorney General

ZACHARY A. CUNHA  
United States Attorney  
District of Rhode Island

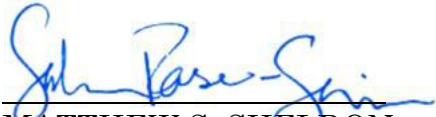
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