



Department of Justice

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Justice Department Reaches Settlement with Centier Bank Regarding Alleged Discrimination in Lending

WASHINGTON – The Justice Department today announced that Centier Bank of Whiting, Ind., will invest more than \$4.3 million and open new branches in minority neighborhoods in the northwestern portion of the state, to resolve allegations that it engaged in a pattern of discrimination on the basis of race and national origin.

The Justice Department alleges that Centier violated the Fair Housing Act and the Equal Credit Opportunity Act by unlawfully failing to market and provide its lending products and services on an equal basis to predominately African American and Hispanic neighborhoods in the cities of Gary, East Chicago and Hammond—a practice known as redlining.

The Justice Department and Centier reached a consent order, which was filed in conjunction with the complaint in federal district court in Hammond, Ind. Under the agreement, which remains subject to court approval, Centier is prohibited from discriminating on the basis of race, color, or national origin in any aspect of a residential real estate-related or credit transaction.

“All Americans should be able to access the financial markets without fear of unlawful discrimination,” 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 Centier for working cooperatively with the Justice Department in reaching an appropriate resolution of this case.”

Under the settlement, Centier will open new offices and expand existing operations in the previously excluded areas. The bank will also invest \$3.5 million in a special financing program and spend at least \$875,000 for consumer financial education, outreach to potential customers, and promotion of its products and services in these previously excluded areas.

Centier cooperated fully with the Department’s investigation into its lending practices and agreed to settle this matter without contested litigation. Centier is an Indiana-chartered full service bank, and one of the largest residential and small business lenders in the Gary, Ind., metropolitan area.

This case resulted from an investigation conducted by the Civil Rights Division of the Department of Justice. A copy of the consent decree as well as additional information about fair lending enforcement by the Department of Justice can be obtained from the Justice Department website at <http://www.usdoj.gov/crt/housing>.

Since Jan. 1, 2001, the Division has filed 213 cases under the Fair Housing Act and the Equal Credit Opportunity Act.

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