

UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
OFFICE OF THE COMPTROLLER OF THE CURRENCY

In the Matter of:	)	
	)	
Cadence Bank, N.A.	)	AA-EC-2021-32
Atlanta, Georgia	)	
	)	

**CONSENT ORDER**

**WHEREAS**, the Office of the Comptroller of the Currency (“OCC”) has supervisory authority over Cadence Bank, N.A., Atlanta, Georgia (“Bank”);

**WHEREAS**, the OCC intends to initiate civil money penalty proceedings against the Bank pursuant to 12 U.S.C. § 1818(i), through the issuance of a Notice of Assessment of a Civil Money Penalty, for engaging in violations of the Fair Housing Act, 42 U.S.C. §§ 3604(a), (b), and 3605(a), and its implementing regulation, 24 C.F.R. §§ 100.120 and 100.150;

**WHEREAS**, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, by and through its duly elected and acting Board of Directors (“Board”), consents to the issuance of this Consent Order (“Order”), by the OCC through the duly authorized representative of the Comptroller of the Currency (“Comptroller”); and

**NOW, THEREFORE**, pursuant to the authority vested in the OCC by Section 8(i) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(i), the OCC hereby orders that:

**ARTICLE I**

**JURISDICTION**

(1) The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) The Bank is a national banking association within the meaning of 12 U.S.C. § 1813(q)(1)(A), and is chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*

(3) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q) and is therefore authorized to initiate and maintain this civil money penalty action against the Bank pursuant to 12 U.S.C. § 1818(i).

## ARTICLE II

### COMPTROLLER’S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) From 2014 through 2016 (“Relevant Period”), the Bank did not provide equal access to credit to residents seeking first-lien mortgage loans in majority-minority census tracts (“MMCTs”) and majority-Hispanic census tracts (“MHCTs”) in the Bank’s Houston Assessment Area (“Houston AA”).

(2) During the Relevant Period, the Bank’s disparate treatment was evidenced through the Bank’s pattern of mortgage application and origination activity, branching history, Mortgage Loan Officer (MLO) structure and operations, and marketing and advertising.

(3) During the Relevant Period, among other evidence of disparate treatment, examiners found the Bank’s mortgage lending activity in MMCTs and MHCTs in its Houston AA was consistently statistically significantly lower than the lending activity of its peers; only one of the Bank’s 11 branches in its Houston AA was located in an MMCT, and it primarily relied on MLOs to generate mortgage applications but did not have an MLO working in its MMCT branch as it did in other non-MMCT and non-MHCT branches.

(4) By reason of the foregoing, the Bank engaged in a pattern or practice of violating the Fair Housing Act, 42 U.S.C. §§ 3604(a), (b), and 3605(a), and its implementing regulation,

24 C.F.R. §§ 100.120 and 100.150.

(5) Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby ORDERS that:

### **ARTICLE III**

#### **ORDER FOR A CIVIL MONEY PENALTY**

(1) The Bank shall make payment of a civil money penalty in the total amount of three million dollars (\$3,000,000), which shall be paid upon the execution of this Order.

(2) Such payment shall be made by a wire transfer sent in accordance with instructions provided by the OCC and the docket number of this case (AA-EC-2021-32) shall be entered on the wire confirmation. A photocopy of the wire confirmation shall be sent immediately, by overnight delivery, to the Director of Enforcement and Compliance, Office of the Comptroller of the Currency, 400 7<sup>th</sup> Street, S.W., Washington, D.C. 20219.

### **ARTICLE IV**

#### **WAIVERS**

- (1) The Bank, by executing and consenting to this Order, waives:
- (a) any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818;
  - (b) any and all procedural rights available in connection with the issuance of this Order;
  - (c) any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818 and 12 C.F.R. Part 19;
  - (d) any and all rights to seek any type of administrative or judicial review of this Order;

- (e) any and all claims for fees, costs, or expenses against the OCC, or any of its officers, employees, or agents related in any way to this enforcement matter or this Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412;
- (f) any and all rights to assert these proceedings, the consent to and/or the issuance of this Order, as the basis for a claim of double jeopardy in any pending or future proceedings brought by the United States Department of Justice or any other governmental entity; and
- (g) any and all rights to challenge or contest the validity of this Order.

## **ARTICLE V**

### **CLOSING**

(1) This Order is a settlement of the civil money penalty proceedings against the Bank contemplated by the OCC, based on the violations of law described in the Comptroller's Findings set forth in Article II of this Order. The OCC releases and discharges the Bank from all potential liability for a civil money penalty order that has been or might have been asserted by the OCC based on the violations described in Article II of this Order, to the extent known to the OCC as of the effective date of this Order. Nothing in this Order, however, shall prevent the OCC from:

- (a) instituting enforcement actions other than a civil money penalty order against the Bank based on the Comptroller's Findings set forth in Article II of this Order;

- (b) instituting enforcement actions against the Bank based on any other findings;
- (c) instituting enforcement actions against institution-affiliated parties (as defined by 12 U.S.C. § 1813(u)) based on the Comptroller's Findings set forth in Article II of this Order, or any other findings; or
- (d) utilizing the Comptroller's Findings set forth in Article II of this Order in future enforcement actions against the Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

(2) Nothing in this Order is a release, discharge, compromise, settlement, dismissal, or resolution of any actions, or in any way affects any actions that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

(3) This Order is:

- (a) an "order issued with the consent of the depository institution" within the meaning of 12 U.S.C. § 1818(h)(2);
- (b) an "effective and outstanding . . . order" within the meaning of 12 U.S.C. § 1818(i)(1); and
- (c) a "final order" within the meaning of 12 U.S.C. § 1818(i)(2) and (u).

(4) This Order is effective upon its issuance by the OCC, through the Comptroller's duly authorized representative.

(5) This Order is not a contract binding on the United States, the United States Treasury Department, the OCC, or any officer, employee, or agent of the OCC and neither the Bank nor the OCC intends this Order to be a contract.

(6) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to consent to the issuance of this Order.

(7) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his duly authorized representative, has hereunto set his signature on behalf of the Comptroller.

//s// Digitally Signed, Dated: 2021.8.27

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Joel Denkert  
Deputy Comptroller  
Midsize Bank Supervision

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of Cadence Bank, N.A., Atlanta, Georgia have hereunto set their signatures on behalf of the Bank.

/s/ _____ Joseph Evans	August 24, 2021 3:36 PM _____ Date
/s/ _____ J. Richard Fredericks	August 24, 2021 5:44 PM _____ Date
/s/ _____ William Harrison, Jr.	August 24, 2021 6:36 PM _____ Date
/s/ _____ Virginia Hepner	August 24, 2021 9:26 PM _____ Date
/s/ _____ Hank Holmes	August 24, 2021 5:16 PM _____ Date
/s/ _____ Paul Murphy, Jr.	August 25, 2021 10:21 AM _____ Date
/s/ _____ Precious Owodunni	August 25, 2021 9:38 PM _____ Date
/s/ _____ Marc Shapiro	August 24, 2021 5:04 PM _____ Date
/s/ _____ Samuel Tortorici	August 25, 2021 7:42 AM _____ Date
/s/ _____ Kathy Waller	August 24, 2021 3:52 PM _____ Date
/s/ _____ J. Thomas Wiley, Jr.	August 25, 2021 10:27 AM _____ Date