

IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF ALABAMA

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	CIVIL ACTION NO.
	)	1:09-cv-00644-WS-M
v.	)	
	)	
FIRST UNITED SECURITY BANK,	)	
	)	
Defendant.	)	
_____	)	

JOINT STATUS REPORT

I. INTRODUCTION

In response to the Court's order of March 26, 2013, the parties submit this joint notice to report on the status of the implementation of the settlement terms, as set for in the Agreed Order for Resolution ("Agreement"), entered by the Court on November 18, 2009. The Agreement resolved the claims of the United States that the defendant, First United Security Bank ("FUSB" or "the Bank"), violated the Fair Housing Act ("FHA"), 42 U.S.C. §§ 3601-3619, and the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. §§ 1691-1691f, by engaging in a pattern or practice of racial discrimination in the setting of interest rates for first-lien refinance loans originated in 2004 for owner-occupied one-to-four family houses and by failing to serve the lending needs of majority African-American census tracts in west central Alabama on an equal basis with majority-white tracts.

The parties have worked cooperatively to ensure the smooth and full implementation of the various aspects of the Agreement. To date, the Bank has complied in full with the various parts of the Agreement with two exceptions. Those are:

1. Part II C, Additional Branch Location and Services, paragraph 12, of the Fair Lending Initiatives section of the Order, and
2. Part II E, Special Financing Program, paragraph 30, of the Fair Lending Initiatives section of the Order.

By mutual consent of the parties, and pursuant to paragraph 40 of the Agreement, the expiration of the term of the Agreement has been extended to October 15, 2014.

Additional Branch Location and Services

Under the terms of the Agreement, the Bank committed to make reasonable efforts to acquire or open an additional branch in an area defined by the Agreement as previously-underserved. To date, the Bank has made reasonable efforts to open such a branch, without success, and has made contemporaneous reports of all efforts to the United States. Currently the Bank continues to take steps to fulfill this commitment, and the parties are consulting with the Bank's regulator to ensure regulatory approval for the opening of a branch. The parties expect to have more firm information by early summer 2014.

Special Financing Program

Under the terms of the Agreement, the Bank also committed to invest a minimum of five hundred thousand dollars (\$500,000) over the duration of this Agreement in a special financing program for residential and CRA small business and community development loans. To date, the Bank has made vast progress in distributing the fund through the origination of these loans. However, despite the Bank's reasonable efforts, the program funds have not been fully exhausted, a requirement for the termination of the Agreement. Accordingly, and under the provisions of paragraph 34 of the Agreement, the Bank is assessing other ways in which to

expend those funds and is consulting with the United States on the proposed changes. Once the parties reach an agreement on any changes necessary to increase the program's effectiveness, the parties will submit for the Court's approval a motion and amended proposed Agreement. The parties expect to submit any proposed changes for the Court's approval within 45 days of this filing.

Respectfully submitted on March 28, 2014,

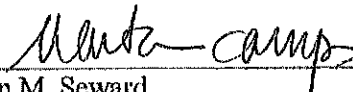
For First United Security Bank



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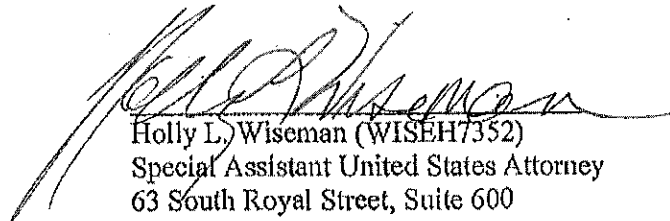
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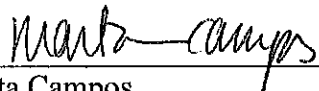
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 28th day of March 2014, the foregoing was electronically filed with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all attorneys of record.



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U.S. Department of Justice
Civil Rights Division
Housing & Civil Enforcement Section