

Associated Bank of Green Bay, the largest Wisconsin-based bank, has settled out of court with the U.S. Department of Justice after a federal investigation into illegal mortgage "redlining." Redlining is the practice of denying business to individuals on the basis of where they lived, if linked to racial discrimination. The U.S. Department of Housing and Urban Development (HUD) began an inquiry of Associated dealing with its lending practices between 2008 and 2011. Many banks, including Associated, scaled back on mortgage lending during that period after the financial and housing markets collapsed. The investigation was premised on the suspicion that Associated was refusing to make loans in neighborhoods with high poverty or minority representation.

Associated is agreeing to a compliance agreement with HUD to reform its lending practices. Associated officials say the agreement reflects practices the bank has already undertaken. Bank officials say they are happy to agree to the stiffer requirements.

Mark Belling
May 22nd, 2015