



For Immediate Release

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NCRC Announces Resolution to EquiFirst HUD Complaint

Washington, DC- November 14, 2006 – The National Community Reinvestment Coalition (NCRC) is pleased to announce the resolution and withdrawal of an administrative complaint filed by the NCRC with the United States Department of Housing and Urban Development (HUD) against EquiFirst Corporation.

On March 16, 2006, NCRC filed a complaint with HUD against EquiFirst and other affiliated respondents, alleging that EquiFirst maintained certain lending practices that violated the Fair Housing Act, including that it (i) restricted mortgages for rowhouses in Baltimore and Philadelphia; (ii) imposed a minimum property value of \$100,000 for mortgages on rowhouses in cities other than Baltimore and Philadelphia; (iii) excluded rowhouses for financing under its combo loan program; and (iv) imposed a minimum property value of \$75,000 for mortgages originated under its combo loan program. EquiFirst has at all times denied that these practices violated the Fair Housing Act or were in any way discriminatory.

The parties to the complaint met to discuss their differences and have reached on amicable resolution. The NCRC has agreed to withdraw the complaint filed with HUD. EquiFirst has voluntarily amended its practices such that it has removed any prohibitions on rowhouse lending and does not maintain any property value limits on any of its programs.

EquiFirst has further agreed to make a voluntary financial contribution in the amount of \$500,000 to the NCRC to support its programs designed to expand equal access to credit, including NCRC's nationally acclaimed Consumer Rescue Fund, as well as training, fair lending and education and outreach programs.

John Taylor, President and CEO of NCRC, stated "NCRC applauds the voluntary steps taken by EquiFirst to increase access to loans for all members of the community, including those in underserved areas. EquiFirst's prompt response to NCRC's concerns is an important step forward in promoting collaboration between the financial services industry and consumer advocacy organizations, like the NCRC, to ensure that credit is available to all qualified applicants, regardless of race, national origin, religion, gender or other protected group status."

"We will continue to work with NCRC in the future and maintain our longstanding efforts to ensure that all of our lending practices assist all borrowers, regardless of their background, in realizing the American dream of homeownership," said Shawn Butterworth, EquiFirst, Senior Vice President.

NCRC is a national non-profit membership organization that promotes economic justice and equal access to credit, capital and financial services to traditionally underserved communities. For more information on NCRC, visit us on line at www.ncrc.org or call 202-628-8866.

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