

RESOLUTION OF THE CITY COUNCIL

No. 470

Approved November 22, 2023

WHEREAS, On September 7th, 2023, the Washington Trust Company settled with the United States Department of Justice, agreeing to pay \$9 million to resolve allegations of lending discrimination in the form of redlining in Rhode Island's communities of color; and

WHEREAS, Redlining is an illegal practice in which lenders avoid providing credit services to individuals living in communities because of race, color, or national origin; and

WHEREAS, The settlement with the United States Department of Justice alleges that from 2016 through 2021, the Washington Trust Company failed to provide mortgage lending services to majority Black and Hispanic neighborhoods in the State of Rhode Island; and

WHEREAS, The Washington Trust Company has never opened a branch in majority Black or Hispanic neighborhoods in the State of Rhode Island; and

WHEREAS, The Washington Trust Company relied on mortgage loan officers working out of majority White areas as the primary source for generating loan applications; and

WHEREAS, The Washington Trust Company failed to conduct outreach, marketing, and advertising of its mortgage services to compensate for its lack of branches and presence in majority Black and Hispanic areas; and

WHEREAS, Under the proposed consent order, the Washington Trust Company has agreed to invest at least \$7 million in a loan subsidy fund to increase access to home mortgages, home improvement, home refinance and home equity loans, and lines of credit for residents of majority Black and Hispanic neighborhoods; and

WHEREAS, The Washington Trust Company has also agreed to spend \$1 million on partnerships with community-based organizations in impacted Providence neighborhoods to provide services related to credit, financial education, homeownership and foreclosure counseling that will serve to increase residential mortgage credit access for residents of those neighborhoods; and

WHEREAS, The Washington Trust Company has additionally agreed to spend \$1 million for advertising, outreach, consumer financial education and credit counseling focused on the affected neighborhoods; and

WHEREAS, The Washington Trust Company has agreed to open two new branches in the affected neighborhoods, ensuring that they are appropriately staffed; and

WHEREAS, The Washington Trust Company has agreed to employ a Director of Community Lending to oversee this expansion; and

NOW, THEREFORE, BE IT RESOLVED, That the City of Providence calls upon the Washington Trust Company to work in partnership with the City to best implement this expansion by working directly with community-based organizations within the City; and

BE IT FURTHER RESOLVED, That the City of Providence condemns in the strongest possible terms the illegal practice of redlining which has caused irreparable harm to countless families in the State of Rhode Island and the rest of the United States of America; and

BE IT FURTHER RESOLVED, That upon passage, certified copies of this resolution be transmitted to the Honorable Mayor of Providence, the Chairman of the Board of Directors and Chief Executive Officer for Washington Trust Bancorp Inc., and the Providence Director of Community Development.

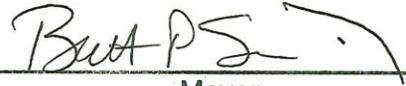
IN CITY COUNCIL
NOV 16 2023
READ AND PASSED



RACHEL M. MILLER, PRESIDENT


TINA J. MASTROSIMONE, CLERK

I HEREBY APPROVE.



Mayor

Date: 11/22/2023