

Perez et al. v. Discover Bank
[Case No. 3:20-cv-06896-SI]

United States District Court
Northern District of California

If you were a recipient of Deferred Action for Childhood Arrivals (“DACA”) when you applied for a student loan, personal loan, or home loan from Discover between July 22, 2018, and February 29, 2024, you could get a cash payment from this class action settlement.

This is a court-authorized notice. This is not a solicitation from a lawyer.

Para una notificación en Español, visitar www.LendingSettlementDACA.com.

Individuals with DACA status who sought and were denied loans (the “Plaintiffs”) from Discover Bank (“Discover”) sued Discover under federal civil rights law (Section 1981 of the Civil Rights Act of 1866) and California civil rights law (the Unruh Civil Rights Act), alleging that Discover discriminated against them because of their alienage and immigration status by denying them loans or extending them loans only after they met Discover’s requirement to have a U.S. citizen or permanent resident co-signer. The Plaintiffs and Discover have now settled this lawsuit. As part of the settlement, Discover will change its lending practices for its student loan, personal loan, and home loan lines of business to make credit available to current and valid DACA recipients on terms comparable to U.S. citizens. Discover will also make cash payments to certain DACA recipients who were denied credit from Discover or received credit only after meeting Discover’s requirement to have a U.S. citizen or permanent resident co-signer.

- If you live anywhere in the United States other than California, you may be eligible for a cash payment of up to \$250. If you live in California, you may be eligible for a cash payment of up to \$2,500.
- You are receiving this notice because Discover’s records have identified you as a potential DACA recipient who sought a student loan, personal loan, or home loan from Discover and was denied (or approved with a co-signer who was a U.S. citizen or permanent resident) due to your immigration status between **July 22, 2018, and February 29, 2024. Because Discover’s records do not identify which applicants had or have DACA, you must establish your eligibility to be a class member and receive payment.**
- Your rights and options, and the deadlines to exercise them, are explained in this notice. To demonstrate your eligibility and either stay in the class or exclude yourself, you must act before **July 11, 2024**.
- Visit the settlement website at www.LendingSettlementDACA.com for additional details about the settlement. You may also get additional information by calling the Settlement Administrator at **888-841-6819**.
- Your legal rights may be affected whether you act or don’t act. Read this notice carefully.
- To receive a payment under the Settlement, you must timely send in a Claim Form or file a Claim Form online at www.LendingSettlementDACA.com using your Unique ID and PIN provided here:

Unique ID: <<UniqueID>>

PIN: <<PIN>>

For more information, visit www.LendingSettlementDACA.com

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

SUBMIT A CLAIM AND BE PREPARED TO DEMONSTRATE YOUR ELIGIBILITY	<p>If you applied for credit from Discover’s student, personal or home loan lines of business and were either declined credit or received credit after meeting Discover’s requirement to have a U.S. citizen or permanent resident co-signer, <i>and</i> were a recipient of valid and unexpired DACA status at the time of your application, you may demonstrate your eligibility to receive up to \$250 or, if you lived in California, up to \$2,500 by completing a Claim Form.*</p> <p>If you did not have DACA status at the time you were denied any of the above credit, then you are not a part of this settlement, cannot submit a Claim Form, and you will receive no settlement money, but you also will not be bound by any judgment or settlement.</p> <p>To submit a claim, you need to complete and send in or file the Claim Form on or before July 11, 2024. The Claim Form requires that you affirm (1) that you applied for and were denied (or approved with a U.S. citizen or permanent resident co-signer) a student loan, personal loan or home loan from Discover (2) between July 22, 2018, and February 29, 2024; (3) you were a recipient of current and valid DACA status when you applied and had a Social Security number and a United States address; and (4) that, upon request, you will provide official documentation of your valid and unexpired DACA status at the time of your denied application for which you are making a Claim through an I-787 approval notice or a work authorization card containing the code “C-33,” or through other documentation agreed to by the Parties. You can submit your Claim Form via U.S. mail, email to claims@LendingSettlementDACA.com, or online at: www.LendingSettlementDACA.com.</p>
DO NOTHING	If you do nothing, you will not receive any payment and will not be able to sue Discover separately about the same legal claims in this lawsuit.
EXCLUDE YOURSELF	If you wish to exclude yourself (“opt-out”) from the settlement, you must follow the directions outlined in Paragraph 10 below. If you exclude yourself, you will receive no payment and you cannot object to the settlement. Your exclusion request must be postmarked no later than July 11, 2024.
OBJECT	You may write to the Court about why you believe the settlement is not fair or reasonable. You must object in writing in order to appear at the Fairness Hearing to speak to the Court about the fairness of the settlement. Your written objection must be postmarked no later than July 11, 2024.

*You can obtain a copy or submit a Claim Form online at www.LendingSettlementDACA.com

The Court in charge of this case still has to decide whether to give final approval to the settlement. Payments to Class Members who submit claim forms, as described above, will be made if the Court approves the settlement and after appeals, if any, are resolved.

BASIC INFORMATION

1. Why did I get this notice and what is this lawsuit about?

This lawsuit claims that Discover unlawfully discriminated against DACA recipients who applied for student, personal, and home loans. This settlement provides different relief for people who lived in or outside California at the time they applied for a loan and were declined credit (or received credit with a U.S. citizen or permanent resident co-signer) due to the different protections available under California and federal laws.

Discover denies the Plaintiffs’ claims and maintains that its policies complied with the law. The Court has not decided in either Plaintiffs’ or Discover’s favor.

The Parties have now settled this lawsuit, and a Settlement Administrator has sent this notice. As part of the settlement, Discover has agreed to change its lending policies for its student loan, personal loan, and home loan lines of business to make DACA recipients eligible for loans on terms comparable to U.S. citizens and to make cash payments to members of the Settlement Class.

For more information, visit www.LendingSettlementDACA.com

Discover's records show that you may have: (1) submitted an application to Discover for a student loan, personal loan, or home loan (during the period covered by this case); (2) had a U.S. address at the time of your application(s); and (3) were denied credit or received credit after meeting Discover's requirement to have a U.S. citizen or permanent resident co-signer. **Discover's records do not indicate who had DACA status at the time of these applications, which means that you and others receiving this notice may need to demonstrate that you had such status to receive cash payments.**

The Court ordered that you be sent this notice because the proposed settlement may apply to you and you have a right to know about it and all your options before the Court decides whether to approve the settlement.

2. Why is this a class action and who is involved?

In a class action, one or more people called "Class Representatives" sue on behalf of other people who have similar claims. All those people together are the "Class" or "Class Members." The Class Representatives and Class Members together are the "Plaintiffs," and in this case Discover is the "Defendant." One court resolves the issues for everyone in the Class.

3. Why is there a settlement?

The Court did not decide in either Plaintiffs' or Discover's favor. Both sides believe they would have won this lawsuit, but there was no ruling in favor of either party. Instead, both sides agreed to a settlement, which avoids the costs, delays, and uncertainties associated with a trial and ensures that Class Members get a payment. Plaintiffs and Plaintiffs' lawyers think the settlement is the best result for all Class Members and that the terms and conditions of the settlement are fair, reasonable, and adequate.

WHO IS IN THE SETTLEMENT

4. How do I know if I am part of the Settlement?

You are a member of the Settlement Class if you: (1) applied for credit from Discover's student, personal or home loan lines of business between **July 22, 2018**, and **February 29, 2024**, and were either declined credit or received credit after meeting Discover's requirement to have a United States citizen or lawful permanent United States resident co-signer; and (2) were a recipient of valid and unexpired DACA status, resided in the United States and were not a citizen of the United States or a lawful permanent United States resident at the time of the Discover loan application.

If you did not have DACA status when you applied for a loan from Discover, you are not a Class Member, and your rights are not affected by this settlement.

If you are not sure whether you qualify as a Class Member, you can contact the Settlement Administrator at the email address identified on the first page of this Notice.

WHAT YOU GET FROM THE SETTLEMENT

5. What does the Settlement provide?

The Settlement provides cash payments and changes to Discover's lending policies. First, Discover has agreed to change its lending policies for its student loan, personal loan, and home loan lines of business so that DACA recipients are evaluated for loan eligibility on the same terms as U.S. citizen applicants as long as the applicant satisfies Discover's credit requirements and underwriting guidelines.

Second, Discover has agreed to make cash payments to Class Members who timely submit a verified Claim Form. Discover has agreed to pay those Class Members in California who timely submit a verified Claim Form up to \$2,500 and to pay those Class Members outside of California who timely submit a verified Claim Form up to \$250. In the event that the total amount of Claims of California Class Members and National Class Members combined exceeds the amount available in the Settlement Fund, each Class Member will receive a pro-rata share, with California Class Members entitled to ten times the pro rata share as compared to non-California Class Members. In the event that the combined total payments to Settlement Class Members are less than the amount for distribution in the Settlement Fund, the remaining amount will be reallocated to class members based on this same allocation formula, but no individual payment will be more than \$16,000.

For more information, visit www.LendingSettlementDACA.com

Remainder of Funds and Cy Pres: The maximum amount in the Settlement Fund for the class is \$979,500, including Service Awards of \$8,000 for each of the three Class Representatives. Any amount left in the Settlement Fund after making payments to Class Members and paying the Service Awards to the Class Representatives will be distributed to The Dream.US.

Attorneys' Fees and Costs and Settlement Administration: Discover has agreed to pay an additional amount (to be determined by the Court) to cover Class Counsel's attorneys' fees and costs and to cover the cost of administering the settlement.

6. How can I make a claim, and when will I get my payment?

To receive a payment under the settlement, you must send in a Claim Form or file a Claim Form online. Please read the instructions and certification carefully, fill out the applicable form completely and accurately, and submit the form and any documents when requested. **Claim Forms must be sent to the Settlement Administrator, postmarked no later than July 11, 2024, or submitted online according to the instructions at www.LendingSettlementDACA.com by July 11, 2024.**

You must complete the entire Claim Form and submit any required documentation to the Settlement Administrator. Failure to do so may result in the denial of your Claim, which means that you will not receive a cash payment from this settlement.

Once the deadline for making claims has passed, the Court will hold a hearing on **August 30, 2024**, to decide whether to approve the settlement. If the Court approves the settlement and there are no appeals, checks/payments may be mailed/dispensed tentatively around **November 2024**. However, because it is always possible for there to be unexpected delays or appeals, it is possible that the payments will be delayed by a year or more, or that an appeals court will determine that the payments cannot be made.

We will provide regular updates on the status of the Settlement at www.LendingSettlementDACA.com. If your contact information changes, please submit your new contact information to the Settlement Administrator or Class Counsel.

7. What am I giving up to get a payment?

If the Court grants final approval of the settlement, all Class Members who do not opt out of the Settlement are giving up (also called "releasing") their right to sue Discover for any claims based on immigration status, alienage, or lack of United States citizenship. This release includes but is not limited to, claims under Section 1981 of the Civil Rights Act of 1866 and the Unruh Civil Rights Act and both known and unknown claims. Class Members will give up these rights whether or not they choose to submit a Verified Claim Form. Unless you exclude yourself, you will remain a Class Member. If the Settlement is approved and becomes final, all Court orders and judgments will apply to you and legally bind you.

The full text of the release is outlined in the Settlement Agreement, which is available on the settlement website at www.LendingSettlementDACA.com.

THE LAWYERS REPRESENTING YOU

8. Do I have a lawyer in this case?

The Court has decided that the lawyers at Outten & Golden LLP and the Mexican American Legal Defense and Educational Fund are qualified to represent you and all Class Members. These lawyers have been designated as "Class Counsel" based on a determination that they are capable and experienced in handling complex discrimination class actions.

For more information, visit www.LendingSettlementDACA.com

You can contact Class Counsel at:

OUTTEN & GOLDEN LLP
Ossai Miazad
1225 New York Avenue NW
Suite 1200B
Washington, DC 20005

Chauniqua D. Young
Adam L. Koshkin
One California Street
12th Floor
San Francisco, CA 94111
DiscoverDACASettlement@outtengolden.com
866-772-7338

9. How will the lawyers be paid?

Class Counsel will submit an application to the Court to recover their attorneys' fees and costs. Discover will not object to Class Counsel seeking an award of attorneys' fees and costs but may challenge the amount of the attorneys' fees and costs sought. The award of attorneys' fees and costs will be paid by Discover separately and apart from the Settlement Fund.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to be able to sue Discover for the claims that are covered by the release in this lawsuit, you must exclude yourself from the Class. This process is also sometimes referred to as "opting out."

10. How do I opt out of the Settlement?

To exclude yourself from the Settlement, you must submit a written request to the Settlement Administrator with the following information: (1) the case name; (2) your name and address; (3) your signature; (4) a statement that indicates a desire to be excluded from the Settlement Class, such as "I hereby request that I be excluded from the proposed Settlement Class"; and (5) an affirmation via sworn statement that you were denied a loan or received a loan with a U.S. citizen or permanent resident co-signer and held valid and unexpired DACA status at the time of your application. If you are asked to do so, you must also provide either (1) a copy of your I-797 approval notice for an I-821D application or (2) a work authorization card containing the code "C- 33," or other documentation agreed upon by the Parties that shows valid and unexpired DACA status at the time of your loan application. Your exclusion request must be postmarked no later than **July 11, 2024**, and must be mailed to the Settlement Administrator at:

Perez et al. v. Discover Bank
Settlement Administrator
PO Box 5338
Portland, OR 97228-5338

Requests for exclusion must be mailed to the Settlement Administrator and cannot be sent via email. If you ask to be excluded, you will not receive a settlement payment and you cannot object to the Settlement.

If your request for exclusion is late or deficient, you will still be considered a part of the Settlement Class, you will be bound by the settlement and by all other orders and judgments in this lawsuit, and you will not be able to participate in any other lawsuits based on the claims in this case.

For more information, visit www.LendingSettlementDACA.com

OBJECTING TO THE SETTLEMENT

If you remain in the class, you can tell the Court that you do not agree with the Settlement or some part of it, such as the Class Representatives' requests for payment of Service Awards or the Class Counsel's request for attorneys' fees.

11. How do I tell the Court I don't like the Settlement?

You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

Any objection to the proposed settlement must be in writing and submitted to the Settlement Administrator at the following address:

Perez et al. v. Discover Bank
Settlement Administrator
PO Box 5338
Portland, OR 97228-5338

If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections must include: (a) the case name and number (*Perez v. Discover*, Case Number 3:20-cv-06896-SI); (b) the name, address, and telephone number of the Settlement Class Member objecting and, if represented by counsel, of his/her counsel; (c) the reasons for the objection; (d) a statement of whether he/she intends to appear at the Final Approval Hearing, either with or without counsel; and (e) an affirmation via a sworn statement that the individual had valid and unexpired DACA status and was denied a student loan, personal loan and/or home loan from Discover or received a loan after meeting Discover's requirement to have a U.S. citizen or permanent resident co-signer. In addition to the Settlement Administrator, objections must be submitted to the Court either by mailing them to the Clerk of Court, United States District Court for the Northern District of California, Phillip Burton Federal Building and United States Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102, or by filing them in person at that location. Objections must be filed or postmarked on or before **July 11, 2024**.

Additionally, if you choose to make a written objection, you may be requested to send to the Settlement Administrator either a copy of (1) an I-797 approval notice for an I-821D application, (2) a Work Authorization Card containing the code "C-33" or (3) other documentation agreed upon by the Parties to show valid and unexpired DACA status at the time of your loan application. **DO NOT SEND THESE DACA/WORK AUTHORIZATION DOCUMENTS TO THE COURT.**

THE COURT'S FAIRNESS HEARING

The Court will hold a fairness hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you do not have to.

12. When and where will the Court decide whether to approve the Settlement?

The Court plans to hold a fairness hearing by video conference on **August 30, 2024, at 10 a.m.**, at the United States District Court for the Northern District of California, Phillip Burton Federal Building and United States Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102, in Courtroom 1. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who wish to speak at the hearing, if any. The Court may also decide how much to pay the Class Counsel and the Class Representatives. After the hearing, the Court will decide whether to approve the settlement. The fairness hearing may be postponed without further notice to the Class. If you plan to attend the hearing, you should check www.LendingSettlementDACA.com or the Court's PACER site at <https://ecf.cand.uscourts.gov> to confirm that the date has not been changed.

13. Do I have to come to the hearing?

No. Class Counsel represents you and will answer any questions the Court may have. But you are welcome to come at your own expense. If you send a comment (including an objection), you do not have to come to Court to talk about it. You may also pay your own lawyer to attend, but it is not necessary.

For more information, visit www.LendingSettlementDACA.com

14. May I speak at this hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter to the Clerk of the United States District Court for the Northern District of California, Phillip Burton Federal Building and United States Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102, stating: “Notice of Intention to Appear at the Fairness Hearing in *Perez v. Discover*, Case No. 3:20-cv-06896-SI.” Your letter must include copies of any papers, exhibits, or other evidence that you intend to present to the Court.

You cannot speak at the hearing if you have opted out or excluded yourself, because the case no longer affects you.

GETTING MORE INFORMATION

15. Are there more details about the Settlement?

This Notice is intended to be a summary of the terms of the Settlement. The Settlement Agreement, the operative Complaint, and this Notice are all available at www.LendingSettlementDACA.com.

You may also obtain this information by contacting the Settlement Administrator at info@LendingSettlementDACA.com, or class counsel at Outten & Golden LLP DiscoverDACASettlement@outtengolden.com or 866-772-7338, or by accessing the Court docket in this case, for a fee, through the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, Northern District of California, Phillip Burton Federal Building and United States Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

DO NOT TELEPHONE THE COURT OR THE COURT CLERK’S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.

Dated: February 29, 2024

For more information, visit www.LendingSettlementDACA.com