

St. Louis Equal Housing and Community Reinvestment Alliance

c/o EHOC · 1027 S. Vandeventer Avenue, 6th floor · St. Louis, MO · 63110 · www.slehcra.org

MEMBER ORGANIZATIONS

January 27, 2012

Center for the
Acceleration of
African American
Business

Dawanda Asberry
VP, Assistant Director Community Affairs & CRA Officer
Associated Banc-Corp
200 E Randolph Suite 6907 - MS 7408
Chicago, IL 60601

Community Action
Agency of St. Louis
County

Via Email: dawanda.asberry@associatedbank.com

Community Resource
and Development
Organization

Dear Ms. Asberry:

Consumers Council of
Missouri

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) is a coalition working to increase investment in low-income and minority communities by ensuring that banks are meeting their obligations under the Community Reinvestment Act (CRA) and other fair lending laws. We regularly review banks operating in the St. Louis metropolitan area for CRA and fair lending performance using publicly available data and other information regarding the institution's service in the community. We regularly provide public comment letters pursuant to the CRA for performance evaluations or bank applications that detail any concerns or highlight best practices of an institution. We have referred serious concerns to the U.S. Department of Justice and the U.S. Department of Housing and Urban Development for fair lending investigations. It is our desire to work with banks to develop strategies and partnerships together that provide financial services and products to the communities traditionally underserved by mainstream financial institutions, and we work with banks to develop those commitments. You can find all of our news, bank summaries, and public comment letters on our website, www.slehcra.org.

Citizens Coalition to
Fight Eminent
Domain Abuse

Justine Petersen

Lemay Housing
Partnership

Metropolitan St.
Louis Equal Housing
and Opportunity
Council

Missourians
Organizing for
Reform and
Empowerment

MoKan

NAACP St. Louis

We noticed that Associated Bank recently went through a CRA performance evaluation, and we also conducted an evaluation of the bank's performance in the St. Louis metropolitan area and in all markets in meeting the needs of low-income and minority communities. We have some concerns with Associated Bank's performance that we would like you to address. We also will be sharing these concerns with the Office of the Comptroller of the Currency pursuant to the bank's current CRA examination. Specifically, we are concerned that Associated Bank is not adequately serving African-American and Hispanic communities throughout the bank's service area based on lending data and branch locations.

North County
Churches Uniting for
Racial Harmony and
Justice

According to the Home Mortgage Disclosure Act (HMDA), we have concerns with Associated Bank's market penetration, denial rate disparities, and high cost loan disparities to African-American and Hispanic borrowers. From 2008 to 2010, Associated Bank originated less than 1 percent (0.86 percent) of home mortgage loans to African-American borrowers. Hispanic borrowers received only 1.35 percent of home mortgage loan originations, while 94.62 percent of loans were originated to white borrowers throughout the Bank's mortgage lending over the last three years. In comparison, African-Americans represent 12.71 percent of the population and Hispanics represent 10.20 percent of the population in Associated Bank's combined Assessment Areas in Illinois, Wisconsin and Minnesota, according to Census 2000. There also is a significant number of census tracts that have predominately African-American or predominately Hispanic population; 14.1 percent of census tracts in the assessment areas have over 50 percent African-American population and 5.9 percent of

Ready, Aim,
Advocate! Committee

St. Louis Community
Land Trust

Union Sarah
Community
Corporation

St. Louis Equal Housing and Community Reinvestment Alliance

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census tracts have over 50 percent Hispanic population. Considering the demographics of Associated Bank's service areas and the significant African-American and Hispanic populations, the extremely low market penetration to African-Americans and Hispanic borrowers is inadequate and very concerning.

We also are concerned with disparities in denial rates and high cost loans to African-American and Hispanic borrowers. According to HMDA data from the last three years, African-Americans were denied 2.74 times more than white borrowers and Hispanics were denied 2.16 times more than white borrowers. The denial rate for African-Americans was 47.20 percent and the denial rate for Hispanics was 37.30 percent. The denial rate for white borrowers was only 17.24 percent, with the overall denial rate at 18.39 percent.

Similarly, African-American borrowers and Hispanic borrowers were more likely to receive high cost loans. According to HMDA data from 2008 to 2010, African-American borrowers received high cost loans 3.4 times more than white borrowers. Hispanic borrowers received high cost loans 1.89 times more than white borrowers. Of originated loans, 11.17 percent of loans to African-Americans and 6.17 percent of loans to Hispanic borrowers were reported as high cost. Only 3.26 percent of originated loans to white borrowers were reported as high cost. Overall, 3.40 percent of all originated loans were high cost loans.

We understand the limitations of HMDA data in providing comprehensive information about credit and pricing decisions. However, we always become concerned with significant and consistent disparities between white applicants and minority applicants, and we request a thorough fair lending review of the bank's lending in regards to pricing and credit decisions. We also always are concerned with extremely low levels of lending to minority populations, especially considering the size and footprint of a bank like Associated Bank, and we request a fair lending review in the bank's marketing, outreach, and treatment of African-American and Hispanic customers.

We also have concerns that Associated Bank is not adequately serving minority populations based on very limited number of branch locations in areas with high minority populations. Associated Bank has 281 branches throughout Wisconsin, Illinois, and Minnesota, according to the FDIC as of June 2011. Of those, only three are located in predominately African-American census tracts (50 percent population or higher) and two are in predominately Hispanic census tracts. Over 90 percent of the bank's branches are in census tracts with less than 10 percent African-American or Hispanic populations.

Comparatively, the bank's designated Assessment Areas throughout their total markets include a significant number of census tracts that are predominately African-American or Hispanic. 14.1 percent of census tracts have majority African-American population and 5.9 percent of census tracts are majority Hispanic, according to census 2000. The bank's lack of offices in predominately minority census tracts is noticeable in areas like the Chicago metro area, Rockford, Milwaukee, and Minneapolis / St. Paul, where there are few, if any, bank branches in census tracts with the highest concentrated African-American or Hispanic population while there are multiple number of bank branches in surrounding areas with overwhelmingly white populations.

The lack of bank branches in African-American and Hispanic communities in addition to the extremely low levels of mortgage lending and high disparity ratios to these borrowers and communities is a serious concern that Associated Bank is failing to serve minorities equally and fairly, as required by the Equal Credit Opportunity Act and the Fair Housing Act.

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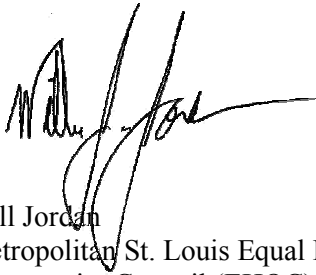
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We hope you are able to shed some light on our concerns in regards to the way Associated Bank conducts business. As stated previously, we will be sharing our concerns with the Office of the Comptroller of the Currency for their consideration and review of Associated Bank's fair lending performance and compliance.

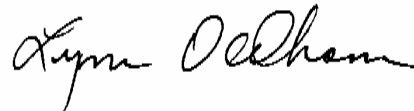
It is our hope that we can discuss these concerns with you and hear about the efforts of Associated Bank to serve all parts of the community. We look forward to that conversation, and the work we can do together to increase access to financial services across all communities.

Thank you for your consideration.

Sincerely,



Will Jordan
Metropolitan St. Louis Equal Housing and
Opportunity Council (EHOc)



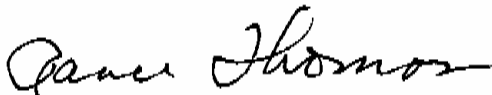
Lynn Oldham
Missourians Organizing for Reform and
Empowerment (MORE)



Lucille Walton
Community Resource and Development
Organization (CRADO)



Rose Eichelberger
Ready! Aim! Advocate! Committee



Rance Thomas
North County Churches Uniting for Racial
Harmony and Justice



Jackie Hutchinson
Consumers Council of Missouri



Galen Gondolfi
Justine Petersen



Nicole Carter
MoKan

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A handwritten signature in black ink, appearing to read "A. M. Pruitt". The signature is fluid and cursive, with a large initial "A" and "M".

Adolphus Pruitt
NAACP St. Louis

Cc:
Norma Polanco-Boyd
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Office of the Comptroller of the Currency
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Cleveland, OH 44114
norma.polancoboyd@occ.treas.gov