

St. Louis Equal Housing and Community Reinvestment Alliance

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

MEMBER

ORGANIZATIONS

March 30, 2012

Center for the
Acceleration of
African American
Business

Robert J. Carmona
Deputy Regional Director
Federal Deposit Insurance Corporation
1100 Walnut St, Box #11
Kansas City, MO 64106

Community Action
Agency of St. Louis
County

RE: CRA performance evaluation of Eagle Bank & Trust Company of Missouri,
Hillsboro, MO

Community Resource
and Development
Organization

Dear Mr. Robert Carmona:

Consumers Council of
Missouri

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) would like to provide public comments regarding Eagle Bank & Trust Company of Missouri, based in Hillsboro, MO, pursuant to the Community Reinvestment Act (CRA) and the bank's CRA performance evaluation scheduled for the second quarter of 2012. SLEHCRA is a coalition working to increase investment in low-income and minority communities by ensuring that banks are meeting their obligations under the CRA and fair lending laws. We have some serious concerns with Eagle Bank & Trust's service to low-income and minority communities that we urge the FDIC to further investigate and consider in the bank's upcoming evaluation.

Citizens Coalition to
Fight Eminent
Domain Abuse

Justine Petersen

Lemay Housing
Partnership

We are concerned that Eagle Bank & Trust is not adequately serving low- and moderate-income borrowers and communities based on low levels of mortgage lending, branch locations, and an assessment area that excludes low- and moderate-income areas. We also have serious fair lending concerns with the bank's performance in serving African-American and Hispanic borrowers and communities. The bank has extremely limited mortgage lending to African-American and Hispanic borrowers, branch locations in all predominately white areas, and an assessment area that excludes predominately minority areas within the St. Louis area.

Metropolitan St.
Louis Equal Housing
& Opportunity
Council

Missourians
Organizing for
Reform and
Empowerment

We have concerns with the bank's CRA performance in serving low- and moderate-income borrowers and communities.

MoKan

NAACP St. Louis

According to the publicly-available Home Mortgage Disclosure Act (HMDA) from 2008 to 2010, Eagle Bank & Trust originated 8.13 percent of loans to low-income borrowers and 19.62 percent to moderate-income borrowers. Comparatively, the aggregate lenders in the St. Louis metropolitan area originated 8.27 percent to low-income borrowers and 18.93 percent to moderate-income borrowers. We recognize that Eagle Bank's lending is about the same as the aggregate lending. However, according to the 2000 Census, 15 percent of families within the bank's assessment area are considered low-income and 17 percent of families are considered moderate-income. The bank's CRA performance evaluation in 2009 also points out that the bank's lending to low-income borrowers is below the percentage of families within the assessment area. We urge the FDIC to consider the bank's continued underperformance of lending to low-income borrowers and encourage the bank to increase their market penetration to low-income borrowers.

North County
Churches Uniting for
Racial Harmony and
Justice

Ready, Aim,
Advocate! Committee

St. Louis Community
Land Trust

Union Sarah
Community
Corporation

St. Louis Equal Housing and Community Reinvestment Alliance

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

Page 2

Similarly, the bank's mortgage lending to low-income communities also needs to be improved. Over the last three years, the bank originated only 5 loans to low-income census tracts, representing 0.27 percent of all originations. The bank originated 10 percent of loans to moderate-income census tracts. The aggregate lending in the St. Louis metropolitan area originated 1.03 percent to low-income tracts and 10.16 percent to moderate-income tracts. According to the 2000 census, there are 2 percent of the owner-occupied units within low-income census tracts and 10 percent of units within moderate-income census tracts in the bank's assessment area. Additionally, the bank's last CRA performance evaluation in 2009 notes the bank's inadequate lending to low-income census tracts with less than 1 percent originated in each year. The evaluation notes that this is less than the percentage of housing units with low-income geographies and the aggregate lending data. Again, we urge the FDIC to consider the consistently low levels of lending to lower-income borrowers and geographies in the bank's evaluation.

Eagle Bank & Trust also has limited access to banking services for lower income communities. The bank currently operates twelve full-service branch locations and none are located in low-income census tracts. We do acknowledge that the bank has two locations in moderate-income census tracts. However, we are concerned that Eagle Bank & Trust does not have any branches in low-income communities. Additionally, the bank's assessment area excludes portions of St. Louis County and St. Louis City that have a majority of the low- and moderate-income census tracts. The bank currently has designated their assessment area to include all of Jefferson County, all of Perry County, part of St. Louis County, and part of St. Louis City. The parts of St. Louis County and St. Louis City are defined as census tracts south of Highway 64 / 40, according to the bank and the last CRA performance evaluation. We are concerned that this exclusion of North St. Louis County and North St. Louis City arbitrarily excludes many low- and moderate-income census tracts from the bank's assessment area. We urge the FDIC to consider the bank's exclusive assessment area and lack of branch locations in low-income geographies in the CRA performance evaluation.

We have serious fair lending concerns with Eagle Bank & Trust's service to African-American and Hispanic communities based on mortgage lending data, branch locations, and the bank's assessment area.

According to the HMDA data from 2008 to 2010, Eagle Bank & Trust reported only eight loan applications from African-American borrowers, representing only 0.39 percent of the bank's total 2,042 loan applications. The bank originated the eight loans to African-American borrowers, representing 0.44 percent of all 1,820 mortgage loans originated over the last three years. In 2010, the bank reported zero loan applications from African-American borrowers. Comparatively, the aggregate lenders in the St. Louis metropolitan area originated 5 percent of mortgage loans to African-American borrowers. Considering the demographics of the St. Louis area, this extremely low market penetration is unacceptable. African-Americans represent 21 percent of the population in the total counties Eagle Bank & Trust serves, according to the 2010 Census. While the bank does not have any full-service bank branches in majority black areas, there are locations near areas with significant African-American population. The bank's Kirkwood branch is located in a census tract with 24.4 percent black population, and the bank's Brentwood branch is located near census tracts with 31 percent black population. Again, considering the demographics of the areas in which the bank serves, Eagle Bank & Trust's lack of lending to African-American borrowers is unacceptable. We are seriously concerned with Eagle Bank & Trust's lack of market penetration to the African-American community.

Similarly, we are concerned with the bank's lack of market penetration to the Hispanic community. According to HMDA data from 2008 to 2010, the bank reported nine loan applications and originations from Hispanic borrowers, representing 0.4 percent of the bank's total lending. There were zero applications from Hispanic borrowers in the bank's 2010 HMDA report. Comparatively, Hispanics represent 2.60 percent of the population in the counties in which the bank operates, according to 2010

St. Louis Equal Housing and Community Reinvestment Alliance

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

Page 3

Census. The bank's branch in Manchester is located in a census tract with 7.2 percent Hispanic population, and three other bank branches are located in census tracts with about 3 percent Hispanic population. The aggregate lending originated 0.86 percent of loans to Hispanic borrowers. Considering the demographics of the areas in which Eagle Bank & Trust serves, the bank's extremely low levels of lending to Hispanic borrowers is unacceptable. We are concerned with Eagle Bank & Trust's lack of market penetration within the Hispanic community.

Eagle Bank & Trust's branch locations are in areas that limit access for minority communities, particularly African-American communities. The bank currently operates twelve full-service locations and none are located in predominately black census tracts. The bank has one location in Kirkwood that is located in a census tract with 24.4 percent African-American population, but all other full-service branch locations are in census tracts with less than 7 percent black population. The bank also is in the process of opening two limited-service facilities. One of these is located in a census tract with 56.1 percent African-American population in Florissant, but is not open to the public. These limited-service facilities are located in senior care facilities at Delmar Gardens in Florissant and Garden Villas in O'Fallon, Missouri, and are only open limited hours to the residents of the senior care facilities

In the St. Louis area, Eagle Bank & Trust has locations in Jefferson County, St. Louis County, and the City of St. Louis, as well as a limited service facility in St. Charles County. However, all of the bank's branch locations open to the public are in majority white areas. Within St. Louis County and the City of St. Louis there are 98 census tracts with majority black population according to 2010 Census data, most of which are located in North St. Louis County and St. Louis City. Eagle Bank & Trust has located all of their branches in southern portions of St. Louis County and St. Louis City in areas with predominately white populations, with the exception of the limited service facility in Florissant in North St. Louis County that is not open to the general public. See attached map for visual representation. We are concerned that Eagle Bank & Trust is not providing access to services to minority communities.

In addition, Eagle Bank & Trust's assessment area excludes predominately minority communities. Currently the bank has designated their assessment area in the St. Louis region to include all of Jefferson County, portions of St. Louis County, portions of St. Louis City, one census tract in St. Charles County, and one census tract in North St. Louis County. The portions of St. Louis County and the City of St. Louis include census tracts south of Highway 64 / 40, according to information provided by the bank and listed in the bank's last CRA performance evaluation. The bank recently added the two single census tracts in St. Charles County and North St. Louis County to include the limited-service facilities. See attached map for representation of bank's Assessment Area. We are concerned with the bank's selective assessment area as it does not include a majority of the predominately African-American census tracts located in north St. Louis County and north St. Louis City.

According to the FDIC regulation *12 C.F.R. § 345.41*, a bank's assessment area "must consist generally of one or more MSAs or metropolitan divisions or one or more contiguous political subdivisions, such as counties, cities, or towns; and include the geographies in which the bank has its main office, its branches, and its deposit-taking RSFs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans." A bank may adjust the boundaries of its assessment area to include only the portion of a political subdivision that it reasonably can be expected to serve. The regulation further states that a bank's assessment area must consist only of whole geographies, may not reflect illegal discrimination, and may not arbitrarily exclude low- or moderate-income geographies.

Eagle Bank & Trust's assessment area is concerning because it excludes portions of St. Louis County and St. Louis City that are predominately African-American and have many low- and moderate-income census tracts. We believe Eagle Bank & Trust should serve all portions of St. Louis County and St. Louis

St. Louis Equal Housing and Community Reinvestment Alliance

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

Page 4

City as there is no size, shape, or other geographic boundary that would impede the bank in providing services to all portions. The selection of only southern portions of St. Louis County and St. Louis City and the few single census tracts as the bank's assessment area appears to violate the FDIC's assessment area regulations and indicates a fair lending concern.

We are seriously concerned with Eagle Bank & Trust's lack of service to minority communities, as evidenced in extremely limited lending to African-American and Hispanic borrowers, branch locations in all predominately white areas, and an assessment area that excludes predominately minority areas in St. Louis County and St. Louis City. We urge the FDIC to seriously consider these concerns and conduct a thorough fair lending investigation of the bank's practices and policies.

Over the last few months, representatives of our coalition have met with Eagle Bank & Trust on a few occasions to discuss these concerns. We appreciated learning more about the bank, its history, and current operations. The bank is based in Jefferson County and we want to acknowledge the strong community presence it continues to maintain within those communities. However, the bank's growth into St. Louis County and St. Louis City over the past ten years, while relatively recent, is a substantial amount of time to be actively serving all populations and communities. We are concerned that the bank is failing to serve African-American and Hispanic populations, based on mortgage lending market penetration, branch locations, and assessment area delineation. In addition, there is a lack of diversity within the bank's staff, officers, and board of directors. The bank also has advisory boards to gather input from the community, yet these advisory boards also lack diversity and are geographically concentrated in the predominately white South St. Louis County.

We hope to develop with Eagle Bank & Trust a proactive commitment to increase market penetration to low-income and minority communities. Based on our concerns, we believe the bank needs to agree to the following: 1) expand their Assessment Area to include all of St. Louis County and all of St. Louis City; 2) add a service location in a predominately minority census tract that is open to the public; 3) affirmatively advertise in African-American and Hispanic media outlets; 4) conduct community blitzes in predominately minority communities; 5) provide financial education support or programs; 6) increase diversity of bank staff and board of directors; 7) provide mortgage lending products in minority communities; 8) support minority-owned small businesses with products and services; and 9) conduct regular fair lending training for bank employees and members of the board of directors.

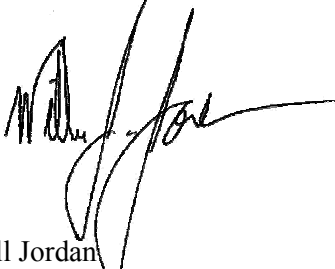
We have presented a proposal to the bank that includes these commitments and are waiting to continue our discussion with the bank regarding our proposal. We do want to acknowledge the response of the bank to our concerns. From our meetings, the bank has been working on ideas to increase outreach into low-income and minority communities. The bank has made new contacts and is seeking out program partnerships. However, we would like to see firm, long-term commitments made by the bank that will provide meaningful support to low-income and minority communities that have been underserved by mainstream financial services.

It is our hope that as a coalition we can work together with Eagle Bank & Trust to address the needs of our community. We hope the FDIC will support our partnership with the bank to increase services to underserved communities. We ask the FDIC to consider our concerns with Eagle Bank & Trust's performance in lower-income and minority communities during the bank's CRA evaluation and fair lending investigation.

Thank you for your consideration. Please feel free to contact us should you need additional information.

Page 5

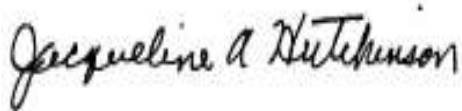
Sincerely,



Will Jordan
Metropolitan St. Louis Equal Housing and
Opportunity Council



Lynn Oldham
Missourians Organizing for Reform and
Empowerment



Jackie Hutchinson
Consumers Council of Missouri



Rance Thomas
North County Churches Uniting for Racial
Harmony and Justice



Rose Eichelberger
Ready! Aim! Advocate! Committee



Merline Anderson
Community Action Agency of St. Louis County,
Inc.



Adolphus Pruitt
NAACP St. Louis

Additional Attachments:
Map of Eagle Bank & Trust Branch Locations
and Assessment Area with Black Population