

# St. Louis Equal Housing and Community Reinvestment Alliance

c/o EHOc, 1027 South Vandeventer Ave., 6<sup>th</sup> Floor, St. Louis, MO 63110 \* ehocmt@birch.net

## MISSION

November 5, 2009

*The St. Louis  
Equal Housing  
and Community  
Reinvestment  
Alliance works  
to promote  
investment in  
low-income  
and minority  
communities*

Office of the Comptroller of the Currency  
2350 Market Street - Suite 100  
St. Louis, MO 63103

To Whom It May Concern:

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) is a newly formed coalition that is working to increase investment in minority and low-income communities by ensuring that banks are meeting their obligation under the Community Reinvestment Act ("CRA") and fair lending laws. This letter serves as our public comment on First National Bank of St. Louis, which is scheduled for its CRA performance evaluation during the fourth quarter of 2009. We have a few concerns with the practices of First National Bank of St. Louis that we feel should be investigated by the Office of the Comptroller of the Currency.

## MEMBER ORGANIZATIONS

ACORN St.  
Louis  
stlouis.acorn.org

Adequate  
Housing for  
Missourians

Citizens Coalition  
to Fight Eminent  
Domain Abuse

Justine Petersen  
justinepetersen.org

Metro St. Louis  
Coalition for  
Inclusion &  
Equity

Metropolitan St.  
Louis Equal  
Housing  
Opportunity  
Council  
ehocstl.org

Wellston  
Community  
Support  
Association

We are concerned that the First National Bank of St. Louis is not adequately serving the African-American population in the Metropolitan St. Louis area. According to the publicly available Home Mortgage Disclosure Act data, only 2.55% of residential loan originations have gone to African-Americans in the past three years. This is significantly less than the 10.26% aggregate percentage of residential loans originated to African-Americans in the metropolitan St. Louis area over a three year period.

We also notice a large disparity in denial rates between loan applicants that are African-American and loan applicants of other races. The denial rate for African-American applicants is 15.58%, compared to a denial rate of 3.01% for white applicants and a total denial rate of 3.64%.

Our concern that First National Bank of St. Louis is inadequately serving the African-American population in Metropolitan St. Louis is further supported by their lack of services to areas with high minority populations. Of their 14 branches, all are located in census tracts with 80% or higher majority white population. Additionally, the bank's Assessment Area does not include areas of high African-American concentrations like the City of St. Louis, north St. Louis County in Missouri, and the northwestern portion of St. Clair County in Illinois.

Under 12 CFR, Part 41 (c), a bank's assessment area must generally consist of one or more Metropolitan Statistical Areas, or one or more contiguous political subdivisions. It also must include the geographies in which the bank has its main office, its branch locations, and its deposit-taking ATMs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans.

The Assessment Area of First National Bank of St. Louis does not include the entire Metropolitan Statistical Area of St. Louis, with a significant exclusion of St. Louis

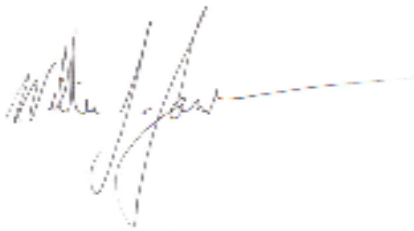
City. Their Assessment Area also divides political subdivisions of St. Louis County in Missouri and St. Clair County in Illinois, with the exclusion of north St. Louis County and the northwestern corner of St. Clair County. Information from 2007 loan data shows a significant number of loans originated to areas outside of their Assessment Area. Over a third (35.52%) of all home mortgage, small business, and farm loan originations were outside of their Assessment Area in 2007. The largest share of those originations is from the excluded areas of St. Louis County, with 9.79% of all loan originations, and St. Louis City, with 8.22% of loan originations. Those loan originations are more than the percent of loans originated inside the bank's Assessment Area to the portion of St. Clair County, Warren County, and Monroe County, which together represents only 4.57% of all loan originations.

Furthermore, under 12 CFR, Part 41(e), the delineation of a bank's assessment area may not reflect illegal discrimination, and may not arbitrarily exclude low- or moderate-income geographies. In their 2008 Assessment Area information, First National Bank of St. Louis excluded parts of St. Louis County and St. Clair County that are predominately African-American, with the border of their Assessment Area drawn to exclude communities like Wellston and Pagedale in Missouri, and East St. Louis and Alorton in Illinois that have over 90% African Americans.

The bank's Assessment Area also does not adequately serve the low- and moderate- income communities in the St. Louis area. Out of the bank's 14 branches, none are located in low- or moderate- income census tracts. In 2008, their Assessment Area only contained one low-income census tract and 11 moderate-income census tracts, out of a total of 207 census tracts. As detailed above, the bank's Assessment Area does not include the entire St. Louis metropolitan area. Many of the excluded areas are those of low- and moderate- income census tracts. By simply excluding the City of St. Louis from its assessment area, for example, the bank excluded 40 low-income census tracts and 49 moderate- income census tracts.

For a large bank such as First National Bank of St. Louis, it is unacceptable to exclude these communities from their services and opportunities. Based on this evidence, we urge the OCC to further investigate the bank's fair lending and CRA practices in their upcoming performance evaluation. Please feel free to contact us should you have any questions.

Sincerely,



Will Jordan  
Executive Director, Metropolitan St. Louis Equal Housing Opportunity Council  
On behalf of the St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA)

SLEHCRA Member Organizations:

- ACORN St. Louis Office
- Adequate Housing for Missourians
- Citizens Coalition to Fight Eminent Domain Abuse
- Justine Petersen
- Metro St. Louis Coalition for Inclusion & Equity (M-SLICE)
- Metropolitan St. Louis Equal Housing Opportunity Council (EHOC)
- Wellston Community Support Association

