

St. Louis Equal Housing and Community Reinvestment Alliance

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MISSION

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

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

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For Immediate Release

Community Organizations File Public Comment Letter against Midwest BankCentre

St. Louis, Mo. – A coalition of community organizations called the St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) announced today that they had filed a public comment letter with the Federal Reserve Bank regarding Midwest BankCentre's performance under the Community Reinvestment Act (CRA).

The public comment letter alleges that the bank does not provide equal access to services for African American communities; that the bank excludes areas of high minority concentration in its assessment area; that the bank has not approved mortgage loans to black borrowers in five years; and that the bank appears to treat borrowers differently according to race.

SLEHCRA gathered data through the Home Mortgage Disclosure Act (HMDA) showing that the bank has not approved a single mortgage loan to an African American borrower in five years (2004 – 2008), despite receiving applications from African Americans. In the past 3 years (2006 – 2008), in contrast, 355 mortgage loan applications from white borrowers were approved. Also cited in the letter was the lack of services in African American communities. All full service branches are located in areas with less than 2.5% of African American households. The bank also serves four retirement centers, one of which is located in a census tract that is 32% African American. However, these partial service locations are not open to the general public and do not issue credit. SLEHCRA also noted that the bank's assessment area appears to exclude areas of high concentration of minorities, leaving out large parts of St. Louis City and some parts of north St. Louis County in apparent violation of federal regulations for large banks that recommend the assessment area be designated as the entire metropolitan area or at least within entire political subdivisions.

Finally, the Metro St. Louis Equal Housing Opportunity Council (EHOC) conducted a "test" in which potential borrowers appeared to be treated differently because of race. The potential black borrower received one customer service contact, while the potential white borrower received one customer service contact and 6 personally-generated contacts from the mortgage division, despite the black borrower having superior qualifications.

Founded in 1906 as Lemay Bank and Trust, the bank had assets of \$958.5 million in 2007 and was examined as a large bank. The bank is undergoing is performance evaluation this quarter by the Federal Reserve Bank. A negative rating can result in additional performance evaluations; delays or denials of mergers, acquisitions, or expansions of services; or enforcement activity by the U. S. Department of Justice.

For more information or to set up interviews, contact Elisabeth Risch at 314-534-5800 ext. 22.