

St. Louis Equal Housing and Community Reinvestment Alliance

c/o EHOCA, 1027 South Vandeventer Ave., 6th Floor, St. Louis, MO 63110 * ehocmt@birch.net

MISSION

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

February 8, 2010

Robert J. Carmona
Deputy Regional Director
Federal Deposit Insurance Corporation
2345 Grand Boulevard, Suite 1200
Kansas City, MO 64108

Dear Mr. Carmona:

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) would like to offer public comment on Rockwood Bank of Eureka, MO, pursuant to the Community Reinvestment Act (CRA) and their performance evaluation scheduled for the present quarter. SLEHCRA is a coalition working to increase investment in low-income and minority communities. We have some CRA and fair lending concerns with Rockwood Bank and we urge the FDIC to further investigate these during the bank's performance evaluation.

MEMBER ORGANIZATIONS

Citizens Coalition
to Fight Eminent
Domain Abuse

Justine Petersen

Metro St. Louis
Coalition for
Inclusion &
Equity

Metropolitan
St. Louis Equal
Housing
Opportunity
Council

Missourians
Organizing for
Reform and
Empowerment

North County
Churches Uniting

Red Brick
Community Land
Trust

Wellston
Community
Support
Association

Based on publicly available Home Mortgage Disclosure Act (HMDA) data from 2006 to 2008, Rockwood Bank has unsatisfactory market penetration to low- and moderate-income geographies and borrowers. In the last three years, Rockwood Bank originated only three loans to low-income census tracts (or 0.31%) out of 976 total loan originations. This is considerably less than the St. Louis aggregate HMDA data of 2.51% of loans originated to low-income census tracts.

The bank's percentage of loans to low- and moderate- income borrowers is also far below the aggregate data. Rockwood Bank originated only 19.59% of loans to low- and moderate- income borrowers, compared to the St. Louis aggregate of 32.23% of loans originated to low- and moderate- income borrowers. We are concerned that the bank is inadequately serving low- and moderate- income individuals and communities.

In the bank's 2006 CRA performance evaluation, lending to low- and moderate-income borrowers was also below the related demographic percentages and the aggregate lending data. Likewise, both commercial and residential lending to low- and moderate- income geographies was below the demographic and aggregate lending data. However, the FDIC still considered the lending reasonable and the bank received an overall satisfactory rating. We feel that this rating is inflated, and that the FDIC's assessment does not address substandard lending to low- and moderate- income borrowers.

The performance evaluation also states that the bank demonstrated a willingness to meet the needs of low- and moderate- income communities. Our analysis of Rockwood Bank shows no improvement within the last three years as the bank's lending to low- and moderate- income borrowers and geographies remains substantially small and far below the comparable aggregate lending data. Thus, we are concerned that the bank is not adequately serving the low- and moderate-income communities and not adequately fulfilling its CRA requirements.

In our analysis of HMDA data, we are also concerned that Rockwood Bank is inadequately serving the African-American population. In the last three years, the bank received only eight applications from African-Americans. This represents less than 1% of all loan applications from 2006 to 2008, which is significantly less than the population percentage of African-Americans within the bank's Assessment Area. We are concerned with the bank's market penetration in the African-American community, and encourage a thorough fair lending investigation of the bank's services and marketing to African-Americans.

We strongly urge the FDIC to consider our concerns in Rockwood Bank's fair lending and community reinvestment 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)