

# St. Louis Equal Housing and Community Reinvestment Alliance

c/o EHOC · 1027 S. Vandeventer Avenue, 6<sup>th</sup> floor · St. Louis, MO · 63110 · [www.slehcra.org](http://www.slehcra.org)

November 29, 2012

## **Member Organizations**

Coalition of  
Concerned Citizens,  
Alton Area

Center for the  
Acceleration of  
African American  
Business

Community Action  
Agency of St. Louis  
County

Community Resource  
and Development  
Organization

Consumers Council of  
Missouri

Justine Petersen

Lemay Housing  
Partnership

Metropolitan St.  
Louis Equal Housing  
& Opportunity  
Council

Missourians  
Organizing for  
Reform and  
Empowerment

MoKan

NAACP St. Louis

North County  
Churches Uniting for  
Racial Harmony and  
Justice

Ready, Aim,  
Advocate! Committee

Scott J Wilson, Examiner in Charge  
Office of the Comptroller of the Currency-National Bank Examiners  
343 Sansome St., 11th Floor, Suite 1150  
San Francisco, CA 94163  
[Barry.Wides@occ.treas.gov](mailto:Barry.Wides@occ.treas.gov)

Dear Mr. Wilson:

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) would like to provide comments regarding Wells Fargo Bank pursuant to the Community Reinvestment Act (CRA) and the bank's ongoing CRA performance evaluation in the fourth quarter of 2012. SLEHCRA is a coalition working to increase investment in minority communities, regardless of income, and in low- and moderate-income communities, regardless of race, by ensuring that banks are meeting their obligations under the CRA and fair lending laws.

SLEHCRA regularly evaluates banks operating in the St. Louis region for performance in meeting the needs of minority communities and low- and moderate-income communities. We submit public comment letters during CRA evaluations or applications to note any concerns with the bank's performance or to highlight positive practices. All of our research summaries and public comment letters are available on our website, [www.slehcra.org](http://www.slehcra.org).

SLEHCRA is deeply concerned with Wells Fargo's Direct Deposit Advance, a high interest loan that can have an APR of up to 180 percent for a two-week loan term. We believe that this high interest loan product is essentially the same as a payday loan and that it takes advantage of Wells Fargo's customer relationship, something that has been deemed as an unacceptable banking practice in the Office of the Comptroller of the Currency's (OCC) Guidance on Deposit-Related Consumer Credit Products<sup>1</sup>. Even though 18 states have introduced caps on payday lending, institutions like Wells Fargo have been able to offer payday loans in 26 states, regardless of any state payday lending regulations. Wells Fargo has also used a loophole to offer this high interest loan to military personnel, despite federal regulations against offering loans to active duty members with interest rates above 36% APR.

While being the leading mortgage lending institution in the country, Wells Fargo has shown to have a less than ideal track record as a mortgage lender, showcasing a lack of interest in helping the communities it serves. The Department of Justice alone has filed two lawsuits against Wells Fargo in the past six months, one on grounds of racial discrimination and another on grounds of general misconduct. We firmly believe that the subsequent judgment of \$175 million to 34,000 customers in the former case is a clear indication that Wells Fargo has extensively engaged in discriminatory lending in

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<sup>1</sup> "Guidance on Deposit-Related Consumer Credit Products, Proposed Rule." *Federal Register* 76 (8 June 2011). Web. Accessed 28 November, 2012.

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the communities it serves and has not been meeting the needs of minority communities. We would also like to note that Wells Fargo was part of a recent major settlement with the federal government and 49 attorney generals this year, in which five banks, including Wells Fargo, were accused of routinely violating the law through faulty lending practices.

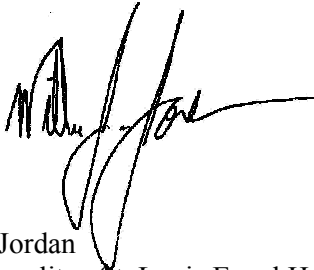
We also wish to voice our concern over the fact that the St. Louis MSA is not included in Wells Fargo's Assessment Area under CRA. We understand that the bank has no active branches in the area. However, given its strong presence in our community in the form of both financial services and mortgage lending, we strongly believe that Wells Fargo's activities in the St. Louis MSA should be accounted for in the bank's CRA assessment. Wells Fargo currently has ten home mortgage offices, while Wells Fargo Advisors, an affiliate of the bank, has ten offices in the St. Louis MSA. Moreover, the bank is one of the top mortgage lending institutions in the region with over 6900 mortgage loans originated in 2011.

We feel the need to monitor Wells Fargo's lending practices in the St. Louis MSA as part of their CRA evaluation due to the fact that many people in our community are still losing their homes to foreclosure and possibly faulty lending practices. One example is the recent locally publicized case of Angelia Williams, who lost her home to foreclosure after failed attempts to get her loan modified by Wells Fargo. In the news story on this case, Fox2 Now went into detail on how Wells Fargo kept misplacing William's documents pertaining to her loan modification request, which eventually led to her defaulting on her loan<sup>2</sup>.

Based on the concerns listed above, we believe that Wells Fargo is failing to meet the needs of all parts of our community. We ask the OCC to consider these concerns in the upcoming performance evaluation of Wells Fargo.

Thank you for your consideration.

Sincerely,



Will Jordan  
Metropolitan St. Louis Equal Housing and Opportunity Council



Jackie Hutchinson  
Consumer's Council of Missouri

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<sup>2</sup> Jaco, Charles. "Eviction Stopped By Protesters' Threats to Interfere" [Fox2Now](#); News. 9/21/2012.

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Rance Thomas  
North County Churches Uniting for Racial Harmony and Justice



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



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