

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:

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

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) would like to offer public comment on St. Louis Bank, of Town and Country, MO pursuant to the Community Reinvestment Act (CRA). St. Louis Bank is scheduled for its CRA performance evaluation in the current quarter, and we have some concerns with the bank's present practices. SLEHCRA is a coalition working to increase investment in low-income and minority communities by ensuring that banks are meeting their obligations under CRA and fair lending laws. We urge the FDIC to further investigate our CRA and fair lending concerns during the bank's examination.

According to the publicly available Home Mortgage Disclosure Act (HMDA) data, we noticed unsatisfactory market penetration to low- and moderate- income borrowers. From 2006 to 2008, St. Louis Bank originated not even 10% (9.52%) of loans to low- and moderate- income borrowers. In comparison, the aggregate St. Louis HMDA data originated more than three times that amount with 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.

Interestingly, we noticed a very high percentage of loans originated to moderate-income geographies. In the last three years, over 40% of originations were to properties located in moderate-income census tracts. We are concerned with the discrepancy of high percentage of loans to moderate- income geographies and low percentage of loans to moderate- income borrowers, and we urge the FDIC to further investigate this discrepancy.

We are also concerned that St. Louis Bank is not adequately serving the minority population of their community. In our analysis of the 2006 to 2008 HMDA data, only 2.6% of all loans were originated to African-American, Asian, or Hispanic borrowers. This is significantly less when compared to the aggregate HMDA data for the St. Louis metropolitan area that reported 12.59% of originations to minority borrowers from the past three years. The bank's Assessment Area, consisting of St. Louis County and St. Charles County, has a considerable minority population. According to the 2000 Census, 27.69% of the population within the two counties are African-American, Asian, or of Hispanic origin.

The HMDA data revealed a significant amount of loans originated for properties located in high minority populated geographies. In the last three years, 22.83% of

originations went to census tracts with 80% or higher minority population, which is considerably higher than the comparable aggregate data of 5.12% of originations. We want to acknowledge St. Louis Bank's investments to high minority areas, as similarly to the lending in moderate-income census tracts. However, we are concerned that these loans were not originated to the residents of those census tracts since only 2.6% of loans were originated to minority borrowers. We encourage the FDIC to conduct a fair lending investigation of the bank's services and marketing to minorities.

In addition, we noticed a lack of minority representatives on the Board of Directors and staff of St. Louis Bank, as shown on the bank's website. All of the members of the Board are white, and only one out of twelve staff members pictured on the website is African-American. We are concerned with the lack of diversity on the bank's website and within the bank's leaders and decision-makers.

Our analysis of the HMDA data also revealed very high numbers of unreported race and income characteristics. Over half (57%) of loan originations designated the income and race of the applicant as 'Not Available.' We are concerned that the HMDA data does not fully disclose the lending practices of St. Louis Bank, and we urge the FDIC to further investigate and clarify this issue.

St. Louis Bank has only one branch located in an upper-income census tract, and we recognize the difficulties in serving the substantial population of St. Louis with such limitations. We do acknowledge the bank's deposit box locations with considerable minority populations and low- and moderate- income areas, including one in downtown St. Louis. However, we believe the bank's poor performance in lending to minorities and low- and moderate- income borrowers is evidence of overall inadequacy in meeting the needs of those populations. We feel that the bank must improve their services to low-income and minority individuals and communities, and our coalition is ready to collaborate with the bank on these issues.

We strongly urge the FDIC to consider our concerns in the examination of St. Louis Bank, and to reflect any findings in the 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)