

St. Louis Equal Housing and Community Reinvestment Alliance

c/o EHOc 1027 S. Vandeventer Ave., 6th floor · St. Louis, MO · 63110 · www.slehkra.org

MISSION

April 30, 2010

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

James LaPierre
Regional Director
Federal Deposit Insurance Corporation
2345 Grand Boulevard, Suite 1200
Kansas City, Missouri 64108-2638

Dear James LaPierre,

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

MoKan

NAACP St. Louis

North County Churches Uniting

Ready! Aim! Advocate! Committee

Red Brick Community Land Trust

Union Sarah Community Corporation

Wellston Community Support Association

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) is hereby requesting a 30-day extension of the public comment period for the application by Enterprise Bank & Trust to open a new branch. SLEHCRA is a coalition working to increase investment in low-income and minority communities. We have some serious concerns with the CRA and fair lending performance of Enterprise Bank & Trust, and request additional time of the public comment period to allow us to address our concerns directly with the bank.

If our request for an extended public comment period is denied, then we ask you to deny Enterprise's application for a new branch based on the following concerns.

We are concerned that Enterprise Bank is not adequately serving minority populations. Based on Home Mortgage Disclosure Act (HMDA) data, Enterprise has extremely low market penetration in the African-American community in the St. Louis metropolitan area. From 2006 to 2008, fewer than 1% of home mortgage applications and originations went to African-American borrowers. Out of total 848 loans originated within those three years, only 7 loans were to African American borrowers, or 0.83% of all originations. This is substantially less than the St. Louis aggregate HMDA data of 10.26% of originations to African American borrowers.

We are also concerned that the bank has excluded the City of St. Louis from their Assessment Area, and therefore excluded high minority areas, as well as low- and moderate- income geographies. The City of St. Louis contains 40 low-income census tracts and 49 moderate- income census tracts, and is predominately minority, including 48.5% African American, 2.1% multiracial, 2% Asian and 2.8% Latino.

Enterprise also does not have any branches located in areas with high minority populations in the St. Louis region. The bank's four St. Louis branches are all located in census tracts with 90% or higher white populations. The bank does operate a loan production office in a predominately African-American census tract, but it does not offer any banking services and is not open to the public. We are concerned with the bank's lack of services to minority populations in the St. Louis area.

Additionally, we have concerns with the locations of the branches in Arizona. Enterprise currently operates two branches in the Phoenix metropolitan area in Goodyear and Mesa, which are located in census tracts with minority populations of 33% and 56.41% respectively. The location in Mesa was acquired by Enterprise Bank in December 2009 through the failure of Valley Capital Bank. Enterprise is proposing to open a new branch at a current loan production office, which is located in a census tract with 6.66% minority population.

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It is our understanding that with the opening of this new branch, Enterprise Bank will close the branch in Mesa. We are seriously concerned that Enterprise would close a branch located in a predominately minority area because of an opening branch in a predominately white area.

Enterprise Bank also accepted \$35 million in Troubled Asset Relief Program (TARP) funds. With that assistance from the federal government, we believe Enterprise has an obligation to use the funds to affirmatively further fair housing. In December of 2008, members of the Metropolitan St. Louis Equal Housing Opportunity Council (EHOc), a SLEHCRA member organization, met with representatives from the bank to discuss our concerns with their CRA and fair lending performance. EHOc also submitted a public comment letter with the FDIC regarding Enterprise Bank's use of TARP funds. Since that meeting with the bank, their lending performance to minorities and low- and moderate- income borrowers has actually decreased, according to our analysis of their 2009 HMDA data. They did not originate any loans to African-Americans in 2009, and only originated 1.27% of loans to low-income borrowers.

4 year originations by race of borrower

	2006		2007		2008		2009	
Total Number	314		269		265		314	
White	234	74.52%	204	75.84%	153	57.74%	214	68.15%
Black	4	1.27%	3	1.12%	0	0%	0	0%
Asian	3	0.96%	3	1.12%	0	0%	1	0.32%
Other	73	23.35%	59	21.93%	112	42.26%	99	31.53%
Hispanic	0	0%	0	0%	0	0%	0	0%

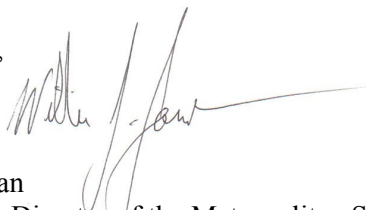
4 year originations by Income Characteristics of borrower.

	2006		2007		2008		2009	
Total Number	314		269		265		314	
Low-Income	7	2.23%	6	2.23%	5	1.89%	4	1.27%
Moderate-Income	21	6.69%	33	12.27%	18	6.79%	12	3.82%
Middle-Income	31	9.87%	27	10.04%	27	10.19%	26	8.28%
Upper-Income	157	50%	134	49.81%	90	33.96%	155	49.36%
N/A	98	31.21%	69	25.65%	125	47.17%	117	37.26%

We do want to acknowledge Enterprise Bank's strong performance in Community Development lending. They have an impressive portfolio of community development loans, grants, and investments that are above the performance of their peer groups.

We hope that an extended public comment period will give us the opportunity to meet with representatives from the bank to address community concerns and find ways to partner to increase financial services in low-income and minority communities. We appreciate the opportunity to make public comment on this application.

Sincerely,



Will Jordan

Executive Director of the Metropolitan St. Louis Equal Housing Opportunity Council
On Behalf of the St. Louis Equal Housing and Community Reinvestment Alliance