

St. Louis Equal Housing and Community Reinvestment Alliance

c/o EHOC · 1027 S. Vandeventer Avenue, 6th floor · St. Louis, MO · 63110 · www.slehcra.org

MEMBER ORGANIZATIONS

Center for the
Acceleration of
African American
Business
December 15, 2010
Lawrence R. Jackson
Deputy Regional Director
Federal Deposit Insurance Corporation
300 South Riverside Plaza
Chicago, IL 60606-3447

Community Action
Agency of St. Louis
County

Citizens Coalition to
Fight Eminent
Domain Abuse
Re: CRA evaluation of Citizens Community Bank, of Mascoutah, IL
Dear Mr. Jackson:

Human Development
Corporation
The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA)
would like to offer public comments regarding Citizens Community Bank, in
Mascoutah, IL, pursuant to the Community Reinvestment Act (CRA) and the bank's
performance evaluation scheduled for the present quarter. SLEHCRA is a coalition
working in the St. Louis metropolitan area to increase investment to low-income and
minority communities by ensuring that banks are meeting their obligations under the
Community Reinvestment Act and fair lending laws. We have some concerns with
Citizens Community Bank and their service to low-income and minority communities,
and we urge the FDIC to consider our concerns in the bank's CRA evaluation.

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

St. Louis Community
Land Trust

Union Sarah
Community
Corporation

Wellston Community
Support Association

We are concerned that Citizens Community Bank is not adequately serving low- and moderate-income borrowers and communities. The bank has low levels of lending to low- and moderate-income geographies. According to the Home Mortgage Disclosure Act (HMDA) data from 2007 to 2009, only one loan was originated to a low-income census tract, which represents only 0.14 percent of the bank's total lending. The bank originated 3.78 percent of loans to moderate-income census tracts. In comparison, the aggregate lending within St. Clair County originated 1.85 percent of loans to low-income census tracts and 11 percent of loans to moderate-income census tracts.

The bank's 2006 performance evaluation notes the lower percentage of loans to low- and moderate-income geographies, but still considers lending reasonable because of the bank's proximity to those geographies. The bank has designated all of St. Clair County as its assessment area, and thus should be expected to serve all areas of the County, including the low- and moderate-income geographies. St. Clair County is comprised of 11 low-income census tracts, which represents 20 percent of the total area, and 14 moderate-income census tracts, or 25 percent of the total geographies. We are concerned that the bank is not adequately serving the low- and moderate-income geographies, and we urge the FDIC to consider this on the bank's CRA examination.

Since the bank's last evaluation, its lending to low- and moderate- income borrowers as a percentage of its total HMDA lending, has declined. According to the HMDA data from 2007 to 2009, the bank originated 13.01 percent of loans to low-income borrowers and 19.44 percent to moderate-income borrowers.

St. Louis Equal Housing and Community Reinvestment Alliance

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

Page 2

These percentages are above the aggregate lending to low- and moderate-income borrowers within St. Clair County, the bank's assessment area, but lower than what the bank demonstrated on their last CRA performance evaluation. The bank's 2006 CRA exam notes 16 percent and 23 percent of loans originated to low- and moderate-income borrower, respectively. Additionally, the last performance evaluation states the demographics of St. Clair County includes 25 percent of low-income families and 19 percent of moderate-income families. While it may not be reasonable to expect lending percentages to match demographics, we would like to see the bank match its prior levels of lending to LMI borrowers.

We also have fair lending concerns with Citizens Community Bank, based on extremely low market penetration to minority borrowers and communities. According to the HMDA data from 2007 to 2009, the bank originated only six loans, or 0.84 percent, to African-American borrowers, only one loan (0.14 percent) to an Asian borrower, and one loan (0.14 percent) to a Hispanic borrower. This market penetration to minority borrowers is extremely low when compared to the aggregate lending and demographics of the bank's assessment area, St. Clair County. In the last three years, the aggregate lending in St. Clair County originated 11.37 percent of loans to African-American borrowers, 0.88 percent to Asian borrowers, and 1.62 percent to Hispanic borrowers. According to the Census 2000, the population of St. Clair County consists of 28.8 percent African-Americans, 0.9 percent Asians, and 2.2 percent Hispanics.

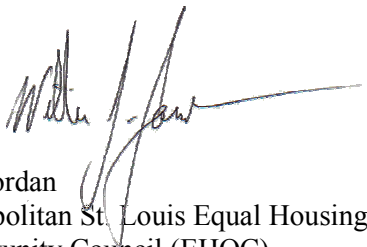
We understand that HMDA data is a limited portion of the bank's full services, however we assume the characteristics of mortgage borrowers are representative of the characteristics of the bank's broader customer base. The bank's extremely low percentage of home mortgage loans to minorities indicates an overall low market penetration to minorities. We are concerned with Citizens Community Bank's service, or lack thereof, to minority communities, and we urge the FDIC to investigate the bank's marketing, treatment, and service to minorities in a thorough fair lending review.

Our coalition seeks to work with banks to increase banking services and activities to low-income and minority individuals and communities. We believe Citizens Community Bank needs to improve its outreach and service to those communities. The bank is not adequately serving low- and moderate-income communities, and has poor service to minority communities. We urge the FDIC to consider these concerns in the bank's CRA performance evaluation and fair lending exam.

We encourage Citizens Community Bank to actively engage within the community to provide increased services and products to low- and moderate- income communities, as well as communities of color. Our coalition stands ready to partner with the bank to identify strategies and create a proactive plan to better serve our shared community.

Thank you for your consideration.

Sincerely,

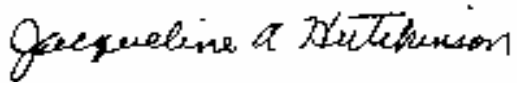


Will Jordan
Metropolitan St. Louis Equal Housing
Opportunity Council (EHOc)



Eddie Davis
Center for the Acceleration of African-American
Business (CAAAB)

Page 3



Jackie Hutchinson
Human Development Corporation (HDC)



Rose Eichelberger
Ready! Aim! Advocate! Committee



Adolphus Pruitt
NAACP St. Louis



Lynn Oldham
Missourians Organizing for Reform and
Empowerment (MORE)



Rance Thomas
North County Churches Uniting for Racial
Harmony and Justice