

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

December 15, 2010

Center for the
Acceleration of
African American
Business

Glenda Wilson
Community Affairs Officer
Federal Reserve Bank
P.O. Box 442
St. Louis, MO 63166

Community Action
Agency of St. Louis
County

Re: CRA evaluation of Premier Bank of Jacksonville, Jacksonville, IL

Citizens Coalition to
Fight Eminent
Domain Abuse

Dear Ms. Glenda Wilson:

Human Development
Corporation

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) would like to offer public comments regarding the Premier Bank of Jacksonville, in Jacksonville, IL, pursuant to the Community Reinvestment Act (CRA) and the bank's performance evaluation scheduled for the present quarter. SLEHCRA is a coalition working 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.

Justine Petersen

Lemay Housing
Partnership

Metropolitan St.
Louis Equal Housing
Opportunity Council

Premier Bank of Jacksonville currently has four locations in Illinois. One location is within the St. Louis metropolitan area, in Edwardsville, IL within Madison County, which operates under the trade name "Edge Bank." Our comments are specific to the bank's activities within the St. Louis metropolitan area and thus specific to the Edge Bank, but also pertain to the Premier Bank of Jacksonville as the responsible entity. We have some concerns with the bank's service to low-income and minority communities and we urge the Federal Reserve to further investigate and consider these concerns in the upcoming CRA evaluation.

Missourians
Organizing for
Reform and
Empowerment

MoKan

NAACP St. Louis

North County
Churches Uniting for
Racial Harmony and
Justice

We are concerned that Premier Bank of Jacksonville is not adequately serving the low- and moderate-income borrowers and communities through its services by the Edge Bank based on levels of lending to low- and moderate-income borrowers and the delineation of the bank's assessment area. According to publicly-available data from the Home Mortgage Disclosure Act (HMDA), the bank originated 7.44 percent of loans to low-income borrowers and 9.77 percent to moderate-income borrowers in the St. Louis metropolitan area from the years 2007 to 2009. These percentages are unsatisfactory compared to the aggregate lending within Madison County, portions of which have been designated as the bank's assessment area. From 2007 to 2009, the Madison County aggregate originated 10.16 percent of loans to low-income borrowers and 21.12 percent to moderate-income borrowers.

Ready, Aim,
Advocate! Committee

St. Louis Community
Land Trust

Union Sarah
Community
Corporation

The bank's assessment area for the Edge Bank also excludes low- and moderate-income census tracts, and does not accurately reflect where the bank is providing services. Currently, the bank has designated four census tracts in Madison County, IL as its assessment area within the St. Louis metropolitan area. All of the four census tracts are upper-income census tracts. The entirety of Madison County includes 2 low-income census tracts, 21 moderate-income census tracts, 28 middle-income census tracts, and 8 upper-income census tracts. We are concerned that the Edge Bank, and

Wellston Community
Support Association

St. Louis Equal Housing and Community Reinvestment Alliance

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Premier Bank of Jacksonville, has excluded the areas of Madison County with low- and moderate-income geographies, particularly when a majority of lending is to areas outside of their assessment area.

In the last three years, only 31.63 percent of home mortgage loans originated within the St. Louis metropolitan area were to the four census tracts designated as their assessment area in Madison County. 64.19 percent of loans were to areas outside of their assessment area, with a majority of those originated to the areas of Madison County that are currently excluded. Under the CRA regulations, a bank's assessment area must "include the geographies in which the bank has its main office, its branches, and its deposit-taking ATMs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans" (12 CFR 228.41). The current delineation of the bank's assessment area in Madison County does not include the areas in which a *majority* of loans are originated, which appears to be in violation of the CRA regulations and is an unfavorable consideration in a CRA performance evaluation. Despite the presence of low- and moderate-income geographies in Madison County, the current assessment area only includes upper-income census tracts. We ask the Federal Reserve to require the bank to adjust their assessment area to include the entire Madison County, which would better reflect the bank's service and would provide an affirmative commitment to low- and moderate- income communities.

We also have fair lending concerns with the Edge Bank and the Premier Bank of Jacksonville, based on low market penetration of minority borrowers. According to the HMDA data from 2007 to 2009, the bank originated only 2.33 percent of loans to African-Americans within the St. Louis metropolitan area. Only 0.47 percent of loans were originated to Asian borrowers, and no loans were made to Hispanic borrowers. These percentages are low compared to the population demographics of the bank's surrounding areas. The city of Edwardsville has a population that consists of 8.7 percent African-Americans, 1.7 percent Asians, and 1 percent Hispanic residents. Madison County, where a majority of the bank's loans are originated as stated above, has similar population demographics with 7.3 percent African-Americans, 0.6 percent Asians, and 1.5 percent Hispanic residents. We are concerned with the Edge Bank's low market penetration to minority borrowers, and urge the Federal Reserve to conduct a thorough fair lending investigation into the bank's marketing, treatment, and service to minority communities.

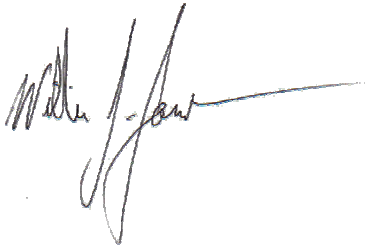
We understand that Premier Bank of Jacksonville has a limited presence within the St. Louis metropolitan area market, with only one branch located in Edwardsville, IL. However, that branch, which operates independently as the Edge Bank, has ample opportunities to serve the surrounding low- and moderate-income communities, as well as minority communities. We are concerned with the bank's low market penetration to low- and moderate- income borrowers, as well as an assessment area that does not include any low-, moderate-, or middle-income geographies and does not reflect the areas in which the bank is providing a majority of services. We are also concerned with the low market penetration to minority borrowers considering a significant minority population within the bank's area of service. We urge the Federal Reserve to consider these concerns on the bank's CRA performance evaluation and fair lending review.

It is our desire to work with banks to actively engage within the community to provide increased services and products to low- and moderate- income communities, as well as communities of color. We encourage the Edge Bank to be innovative and to find strategies that increase outreach and market penetration. Our coalition stands ready to partner with the bank to identify strategies and develop a proactive plan that will better serve our shared community.

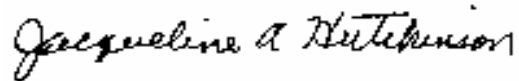
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Thank you for your consideration.

Sincerely,



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



Jackie Hutchinson
Human Development Corporation (HDC)



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



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