

St. Louis Equal Housing and Community Reinvestment Alliance

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

MEMBER ORGANIZATIONS

Center for the
Acceleration of
African American
Business

October 29, 2010

Community Action
Agency of
St. Louis County

Mr. Robert J. Carmona
Deputy Regional Director
Federal Deposit Insurance Corporation
2345 Grand Boulevard, Suite 1200
Kansas City, MO 64108

Citizens Coalition
to Fight Eminent
Domain Abuse

Re: CRA performance evaluation of Triad Bank, Frontenac, MO.

Human
Development
Corporation

Dear Mr. Carmona:

Justine Petersen

Lemay Housing
Partnership

Metropolitan St.
Louis Equal
Housing
Opportunity
Council

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) would like to provide public comment on Triad Bank, of Frontenac, MO, pursuant to the Community Reinvestment Act (CRA). The bank is scheduled for a performance evaluation during the fourth quarter of 2010. SLEHCRA is a coalition working to increase investment in low-income and minority communities by ensuring that banks are meeting their obligations under the Community Reinvestment Act and fair lending regulations. We have some concerns with Triad Bank, and we urge the FDIC to further investigate during the bank's evaluation.

Missourians
Organizing for
Reform and
Empowerment

We are concerned that the bank is inadequately serving low- and moderate- income borrowers and communities, according to our analysis of lending data, branch location, and previous CRA performance. We understand that Triad Bank is focused on commercial lending, of which data is not publicly available. However, we believe that data from the Home Mortgage Disclosure Act (HMDA) reflects the bank's broader customer base.

MoKan

NAACP St. Louis

North County
Churches Uniting
for Racial
Harmony and
Justice

In the last three years, the bank originated only three home mortgage loans to low- and moderate-income borrowers, representing 1.84% of all mortgage loans. A majority of loans were originated to borrowers that do not report income characteristics, and we assume these loans are originated to businesses and 'non-natural persons,' as cited in the bank's last CRA performance evaluation.

Ready, Aim,
Advocate!
Committee

The bank originated 4.91% of home mortgage loans from the last three years to low-income census tracts, and 29.45% of loans to moderate-income census tracts. The bank's lending volume over the last three years has been decreasing substantially, which is seen particularly in lower levels of originations to low- and moderate-income geographies. In 2009, one loan (3.85%) was originated for a property in a low-income census tract and three loans (11.54%) were for properties in moderate-income tracts. We are concerned that the loans made to those census tracts are not benefiting the residents of those communities, as the bank primarily is lending to non owner-occupied housing and to non natural persons.

Red Brick
Community Land
Trust

Union Sarah
Community
Corporation

Commercial lending was also found to be inadequately serving low- and moderate- income census tracts, according to the analysis in the bank's last CRA exam. None of the sampled commercial loans were originated to a low-income census tract and only one loan was originated to a moderate-income census tract. The performance evaluation still cites the lending as reasonable considering the bank's proximity to low- and moderate-income census tracts.

Wellston
Community
Support
Association

St. Louis Equal Housing and Community Reinvestment Alliance

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The bank's only office is in an upper-income census tract, with a median family income that is 244.13% of the St. Louis metropolitan area's median family income. The inaccessibility of the bank to low- and moderate-income borrowers and communities requires the bank to be proactive in their services to those individuals, businesses, and communities. We urge the FDIC to consider the poor record of lending to low- and moderate-income borrowers and communities, and to require the bank to create an affirmative outreach plan to reach those communities with products and services.

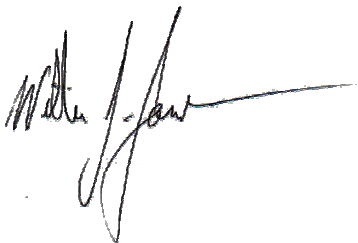
We are also concerned with the bank's extremely low market penetration to minority borrowers, as indicated in the HMDA data. Again, we consider the demographics of mortgage borrowers to serve as a reflection of the bank's broader customer base. In the last three years, only 2 loans were originated to African-American borrowers and one loan to a Hispanic borrower. We are concerned that the bank is not adequately serving minority individuals or minority-owned businesses, and we urge the FDIC to investigate the bank's treatment of and marketing to minority customers in a thorough fair lending examination.

We also have concerns with the bank's lending outside of their Assessment Area. Currently, the bank has designated St. Louis County as its assessment area. According to HMDA data from 2007 to 2009, the bank originated 61.96% of loans to areas outside of St. Louis County. 39.26% of loans were originated within the City of St. Louis, which is a larger percentage than the 38.04% of loans originated to the bank's assessment area of St. Louis County. Additionally, the bank's last CRA performance evaluation cites that 41% of all lending was outside of their assessment area. We believe this substantial volume of lending outside of the bank's assessment area does not meet criteria within the CRA evaluation and should not be considered reasonable. Further, loans made outside of the assessment area are not as rigorously scrutinized under the CRA regulations, and we ask the FDIC to closely examine all of the bank's loans for safety and soundness, as well as compliance with fair lending laws.

Triad Bank also received \$3.7 million as part of the Troubled Asset Relief Program (TARP) in March 2009, which has not yet been repaid. We believe that by taking TARP funding the bank has an affirmative obligation to serve our entire community with products and services.

We urge the FDIC to further investigate our concerns and to consider them during the bank's CRA performance evaluation. We feel that Triad Bank has a poor record of lending to low- and moderate- income communities and borrowers, and that they are not effectively reaching out to meet the credit needs of the entire community. We urge the FDIC to require the bank to create an affirmative CRA plan that improves the bank's services to low- and moderate- income communities, as well as communities of color. Our coalition stands ready to partner with the bank to create that plan.

Sincerely,



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



Dr. Rance Thomas
North County Churches Uniting for Racial
Harmony and Justice

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Adolphus M. Pruitt
NAACP St. Louis



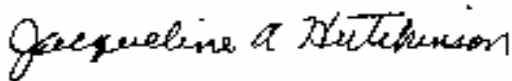
Lynn Oldham
Missourians Organizing for Reform and
Empowerment (MORE)



Rose Eichelberger
Ready! Aim! Advocate! Committee



Yaphett El-Amin
MoKan



Jacqueline Hutchinson
Human Development Corporation (HDC)



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