



Posted on Mon, Jan. 03, 2011

Bank plans branch in low-income area of St. Clair County

BY WILL BUSS
News-Democrat

The next branch of the First National Bank of St. Louis will be built where new banks usually do not put down roots.

The low-income area in northwest St. Clair County is among one of three spots where the St. Louis bank is considering to build its new branch in the bi-state region. The bank recently announced that it will build a new branch -- a \$2.5 million investment over the next four years -- either in the East St. Louis area, the city of St. Louis or North St. Louis County.

The move comes following a U.S. Department of Housing and Urban Development study that was prompted by a fair housing complaint alleging that the bank had not created a branch to provide services to these poorer neighborhoods. Bank President Rick Bagy said the bank has partnered with the nonprofit Metropolitan St. Louis Equal Housing Opportunity Council to recognize undeserved areas.

"We have really begun a study and have engaged with a consultant to help us decide where to go," Bagy said. "It's not purely profitable, but although we need to be profitable, we're doing this to meet other social goals."

Bagy has been working with Will Jordan, executive director of the Metropolitan St. Louis Equal Housing Opportunity Council, who talked about establishing a program to help low-income residents get access to lower market interest rates for home loans or even down payment assistance.

"We would like to see more services offered to those people," Jordan said.

Bagy said a decision on where to locate the new branch bank will be made in six months, and the new branch could be open within 18 months. Contact reporter Will Buss at wbuss@bnd.com or 239-2526.

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