

First National Bank expands service to low-income, minority areas



By Mary Delach Leonard, Beacon staff

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First National Bank of St. Louis plans to invest \$2.75 million over the next four years in an expanded service area that includes north St. Louis County, the city of St. Louis and northwest St. Clair County.

The bank plans to open a branch location within the designated area within 18 months, though the site has yet to be determined.

The bank's commitment includes \$2 million in community development loans and investments, \$500,000 toward discount mortgages for residents in the area and \$100,000 for fair lending and community reinvestment activities, according to a joint statement from the bank and the Metropolitan St. Louis Equal Housing Opportunity Council.

The bank's action is in response to a fair housing complaint filed by the housing council alleging that the bank failed to locate branches and provide banking services in African-American neighborhoods. The U.S. Department of Housing and Urban Development investigated the complaint and worked out the agreement.

The equal housing council is a member of the St. Louis Equal Housing and Community Reinvestment Alliance, which applauded the bank's action.

"Thirty-one percent of African Americans in our region are unbanked, and about two-thirds of African Americans in metro St. Louis rely on payday lenders, check cashing services, title loans and other high cost financial services," said Will Jordan, the council's executive director, in the statement. "Our communities have been hit hardest by the foreclosure crisis. Banks have to be part of the solution in eliminating these disparities."

The bank will also hire two community development specialists and will increase its visibility in minority and low-income communities through marketing and financial literacy training, according to the news release.

"Access to banking services is critically important for people of all income levels, and our commitment to opening a new branch as well as providing discounted loans and financial support in these economically depressed neighborhoods will go a long way in helping to strengthen our communities," said Rick Bagy,

president of First National Bank of St. Louis in the statement.

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