

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

July 28, 2011

Center for the
Acceleration of
African American
Business

Robert J. Carmona
Deputy Regional Director
Federal Deposit Insurance Corporation
1100 Walnut St, Suite 2100
Kansas City, MO 64106

Community Action
Agency of St. Louis
County

RE: Application Number: 20111848

Community Resource
and Development
Organization

Dear Mr. Carmona:

Citizens Coalition to
Fight Eminent
Domain Abuse

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) would like to provide public comment on the application of Enterprise Bank & Trust to purchase a branch of BankLiberty, application number 20111848.

Human Development
Corporation

Enterprise Bank & Trust is currently under investigation by the U.S. Department of Housing and Urban Development (HUD) in regards to a fair housing complaint that was filed by the Metropolitan St. Louis Equal Housing Opportunity Council, a member of SLEHCRA. We ask the FDIC to delay any action on Enterprise Bank & Trust's application until the complaint is resolved by HUD.

Justine Petersen

Lemay Housing
Partnership

Our coalition has concerns with Enterprise Bank & Trust's performance under the Community Reinvestment Act (CRA) and fair lending laws that have previously been documented in public comment letters to your agency. Within the bank's St. Louis market, we have concerns with their branch locations, their assessment area designation, and market penetration to low-income and minority borrowers. The proposed branch from BankLiberty further adds to our concerns that the bank is not adequately serving low-income and minority communities.

Metropolitan St.
Louis Equal Housing
Opportunity Council

Missourians
Organizing for
Reform and
Empowerment

Currently, Enterprise Bank's four branch locations in the St. Louis market are all in predominately white areas. The bank's Clayton office is located in a census tract in which only 1.54 percent of people living in households are African-American (please note that this is the same census tract in which the St. Louis County Jail is located so population in households was analyzed rather than total population); the Sunset Hills branch is located in a census tract that is only 0.18 percent African-American; the St. Peters branch is 2.16 percent African-American; and the St. Charles branch is only 4.35 percent African-American. The bank does have an administrative support location at 1281 N. Warson Road, St. Louis, Missouri, which is in a census tract with 47.13 percent African American population, but this location is not open to the public and does not offer any banking services. Members of our coalition have repeatedly asked the bank to open this facility to the public as a banking location during conversations over the last few years. The proposed branch from BankLiberty is located at 11401 Olive Boulevard, Creve Coeur, Missouri, an upper-income census tract that has only 4.4 percent African-American population.

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

The bank also does not have any locations in the City of St. Louis, and does not include the City of St. Louis in their designated Assessment Area. We are concerned that this excludes high minority areas and many low- to moderate- income areas.

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Specifically, the population of the City of St. Louis is 49.2 percent African-American, 2.9 percent Asian, and 3.5 percent Hispanic, according to the 2010 Census. Of 113 total census tracts in the City of St. Louis, 39 are low-income and 49 are moderate-income, representing 78 percent of the total census tracts. Enterprise Bank & Trust has designated their Assessment Area as St. Louis County and St. Charles County, which have significantly lower minority populations and less low- to moderate- income census tracts. Specifically, the population of St. Louis County and St. Charles County combined is 18.24 percent African-American, 3.12 percent Asian, and 2.58 percent Hispanic, according to Census 2010. St. Louis County is comprised of 18.5 percent low- to moderate-income census tracts and St. Charles is 3.51 percent low- to moderate-income census tracts. The proposed new branch is also located in St. Louis County, in an upper-income, predominately-white census tract that would only maintain the bank's inadequate service to the City of St. Louis and low-income and minority communities.

We also have concerns with the bank's market penetration to minority borrowers and low- to moderate-income borrowers as seen in low levels of lending in the Home Mortgage Disclosure Act (HMDA) data. According to HMDA data from 2006 to 2009 in the St. Louis metropolitan area, Enterprise Bank & Trust originated only 7 loans to African-American borrowers, representing 0.62 percent of all mortgage loans. They have not originated any loans to Hispanic borrowers in the last four years. Considering the St. Louis aggregate of originating 8.74 percent of loans to African American borrowers and nearly 1 percent to Hispanic borrowers over the last four years, we are extremely concerned with the bank's market penetration to minority borrowers.

Additionally, the bank's lending to low- and moderate- income borrowers in the St. Louis market is also below the aggregate levels. From 2006 to 2009 the bank originated 2.12 percent of mortgage loans to low-income borrowers and 8.48 percent to moderate-income borrowers. Comparatively, the aggregate originated 9.46 percent to low-income borrowers and 21.51 percent to moderate-income borrowers. We are concerned with this low market penetration, and are concerned that Enterprise Bank & Trust is not adequately meeting the needs of lower income communities as obligated by the Community Reinvestment Act.

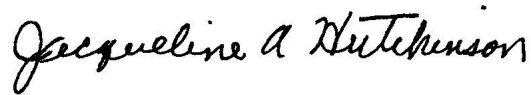
Enterprise Financial Services Corp., the parent company of Enterprise Bank & Trust, accepted \$35 million in relief through the U.S. Treasury's Troubled Asset Relief Program (TARP) in December 2008. By accepting federal financial assistance, Enterprise Financial Services Corp. and thus Enterprise Bank & Trust have obligations to comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and Section 109 of Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5309) that prohibit discrimination on the basis of race, color, national origin, and sex under programs using federal financial assistance and use funds in whole or part from this Title. Of course, the holding company and bank should be in compliance with the Fair Housing Act, the Equal Credit Opportunity Act, and any other fair lending laws. Additionally, we believe that Enterprise Financial Services Corp. and Enterprise Bank & Trust have an obligation to use the funds received from a federal agency to *affirmatively* further fair housing, as described in Executive Order 12892.

We, as a coalition, remain concerned that Enterprise Bank & Trust has violated these fair housing and fair lending laws, in addition to not adequately meeting their obligations under the Community Reinvestment Act. We believe the acquisition of the branch of BankLiberty would further exacerbate these concerns, and we ask the FDIC to deny this application while Enterprise Bank & Trust is under investigation by a federal agency for possible violations including those regarding their branching structure. We ask the FDIC to defer to the U.S. Department of Housing and Urban Development, and deny this application until the fair housing complaint is resolved. The fair housing complaint is currently being investigated by HUD's Office of Systemic Investigations in Washington, D.C.

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Thank you for your consideration.

Sincerely,



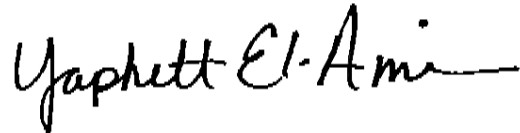
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Human Development Corporation



Rose Eichelberger
Ready! Aim! Advocate! Committee



Lynn Oldham
Missourians Organizing for Reform and
Empowerment (MORE)



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Adolphus Pruitt
NAACP St. Louis City

Janice McKinney

Janice McKinney
Community Action Agency of St. Louis County
(CAASTLC)



Rance Thomas
North County Churches Uniting for Racial
Harmony and Justice

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