

St. Louis Equal Housing and Community Reinvestment Alliance

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

MEMBER ORGANIZATIONS

Center for the Acceleration of African American Business
December 22, 2011
James D. Branney
Vice President

Community Action Agency of St. Louis County
Citizens National Bank of Greater St. Louis
7305 Manchester Rd.
Maplewood, MO 63143

Community Resource and Development Organization
Dear Mr. Branney:

Consumers Council of Missouri
I want to thank you for meeting with members of the St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) on December 13, 2011. We were encouraged to hear about Citizen National Bank of Greater St. Louis' recent community development activities, and we appreciated the open discussion we had regarding additional partnerships that will continue to expand the Bank's outreach into the community.

Citizens Coalition to Fight Eminent Domain Abuse
As you know, SLEHCRA is a coalition of non-profit and community organizations working to increase investment in low-income and minority communities by ensuring that banks are meeting their obligations under the Community Reinvestment Act (CRA) regulations and fair lending laws. Pursuant to the CRA and the Bank's recent CRA performance evaluation, we would like this letter to be considered as public comments and have copied the Office of the Comptroller of the Currency. Please also include a copy in the Bank's public CRA file.

Justine Petersen

Lemay Housing Partnership

Metropolitan St. Louis Equal Housing Opportunity Council
We are pleased that Citizens National Bank of Greater St. Louis has recently made changes to address CRA more directly and proactively, including the HOPE loan program, a designated Community Development position, and the expanded CRA Assessment Area. Many of these positive activities are likely to have a direct impact on the concerns our coalition had regarding the Bank's lending and service to the community. We encourage you to continue developing positive activities and partnerships that will increase market penetration to lower- income communities and minority communities.

Missourians Organizing for Reform and Empowerment

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Specifically, the Bank should continue working to expand lending to low- and moderate-income (LMI) borrowers and minority borrowers. According to publicly-available data from the Home Mortgage Disclosure Act (HMDA) from 2007 to 2010, the Bank originated 7.03 percent of mortgage loans to low-income borrowers and 13.42 percent to moderate-income borrowers. In comparison, the aggregate lending originated 8.67 percent of loans to low-income borrowers and 20.41 percent to moderate-income borrowers. In the St. Louis metro area, 22.60 percent of the household population is considered low-income and 16.85 percent is considered moderate-income.

NAACP St. Louis

North County Churches Uniting for Racial Harmony and Justice
Similarly, the Bank's lending to minority borrowers is lagging behind aggregate lending and the population demographics. According to the HMDA data from the last four years, the bank originated 4.33 percent of loans to African-American borrowers, about one percent of loans to Asian borrowers, and less than half a percent to Hispanic borrowers. Comparatively, the aggregate lending originated 7.17 percent to African-American borrowers, 1.46 percent to Asian borrowers, and 0.84 percent to Hispanic borrowers. The 2010 census reports that of households in the St. Louis metro area, 22.77 percent are African-Americans, 2.56 percent are Asians, and nearly 2 percent are Hispanic.

Ready, Aim, Advocate! Committee

St. Louis Community Land Trust

Union Sarah Community Corporation

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Although the Bank's lending to LMI borrowers and minority borrowers is slightly behind the aggregate levels and the demographics of the region, we believe the Bank is taking steps to increase market penetration to these individuals and communities through outreach and partnerships. We were impressed by your outreach to community organizations and leaders in order to identify community needs and develop strategies to provide for those needs. The targeted outreach to organizations and communities in North St. Louis County and the City of St. Louis is affirmatively reaching out to many of the lower income communities and predominately African-American communities. By developing partnerships with organizations working in these communities and continuing to build a presence within these areas, we hope to see increased lower-income and minority customers of the Bank.

Additionally, the HOPE mortgage program is an innovative loan product that is designed in response to community needs. Working in conjunction with financial education classes, this program provides affordable financing and down-payment assistance for first-time homebuyers with limited or negative credit history. We encourage the Bank to expand this program and continue to outreach about the program. Many of our coalition member organizations currently provide financial education and housing counseling, and we hope to facilitate a partnership with you so the greatest number of people can be served.

We also urge the Bank to expand small business and commercial lending services specifically to lower-income communities and communities of color. We were very encouraged in our meeting to hear of the Bank's efforts in actively looking for programs and products that would provide this support. As we discussed, some of our member organizations have expertise in this type of lending and are ready to partner with the Bank to develop a program supporting small businesses and specifically minority owned businesses.

Service delivery is another area in which the Bank has been improving and should continue working to improve services to lower-income and minority communities. Currently, the Bank has six full-service locations; one branch is located in a moderate-income census tract, four are in middle-income census tracts, and one in an upper-income census tract. None of these branches are located within the City of St. Louis, although the Bank does have an ATM located in downtown St. Louis. The City of St. Louis has a majority of the low- and moderate-income census tracts, and areas like North City are widely underserved by mainstream financial institutions. We are encouraged that the Bank is proactively reaching out to communities within the City of St. Louis through outreach events, partnerships, and the HOPE mortgage program. The Bank also just recently expanded their CRA Assessment Area to include all of the City of St. Louis. However, we strongly encourage the Bank to better serve the City of St. Louis through additional branch locations, partnerships with organizations for service delivery, and other innovative ways of that provides safe and quality banking products.

In our meeting with you, we presented a draft proposal of a CRA agreement with goals and activities that would increase the Bank's CRA activities and service to the community. It is our hope that we can work together to further develop this proposal into a specific and detailed commitment. Many of the activities already undertaken by the Bank, including the HOPE mortgage program, the Community Development Assistant position, and outreach events, provide the foundation for this commitment. In the spirit of outstanding service and CRA activities, we hope to add specific commitments relating to marketing, diversity of Board and employees, small business and commercial lending support, additional services to the City of St. Louis, and more. We are encouraged by the Bank's recent expansion of CRA activities, and we hope to continue that through additional mutually-beneficial partnerships. We look forward to hearing back from you about the continued development of this CRA agreement.

Sincerely,

St. Louis Equal Housing and Community Reinvestment Alliance

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Consumers Council of Missouri



Lynn Oldham
Missourians Organizing for Reform and
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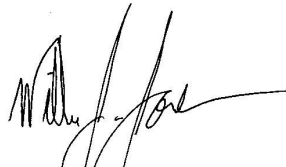
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Rose Eichelberger
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North County Churches Uniting for Racial Harmony
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