

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

February 24, 2012

Center for the
Acceleration of
African American
Business

Robert J. Carmona
Deputy Regional Director
Federal Deposit Insurance Corporation
1100 Walnut St, Box #11
Kansas City, MO 64106

Community Action
Agency of St. Louis
County

Re: CRA performance evaluation of Commercial Bank, St. Louis, Missouri.

Community Resource
and Development
Organization

Dear Mr. Carmona:

Consumers Council of
Missouri

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) would like to provide public comments regarding Commercial Bank, of St. Louis, Missouri, pursuant to the Community Reinvestment Act (CRA). The bank is scheduled for a CRA performance evaluation during this present quarter. SLEHCRA is a coalition working to increase investment in low-income and minority communities by ensuring that banks are meeting their obligations under the CRA and fair lending laws. We have some concerns with Commercial Bank that we ask the FDIC to consider in the bank's CRA and fair lending evaluation.

Citizens Coalition to
Fight Eminent
Domain Abuse

Justine Petersen

Lemay Housing
Partnership

Based on publicly available data through the Home Mortgage Disclosure Act (HMDA), we are concerned that Commercial Bank is not adequately serving low- and moderate-income communities. We also are concerned that Commercial Bank is not providing equal access to minority borrowers and communities. We understand that Commercial Bank is a very small institution with limited assets and a limited presence in the larger St. Louis market, especially in the mortgage market. Commercial Bank also does a significant amount of mortgage lending through secondary market investors, which is not reported in the bank's HMDA data. Our analysis certainly considers these factors in regards to the bank's performance in serving low-income and minority communities. However, we believe Commercial Bank needs to increase their service to these communities that are traditionally underserved by mainstream financial institutions. We urge the FDIC to hold Commercial Bank accountable for our concerns relating to the bank's CRA and fair lending performance.

Metropolitan St.
Louis Equal Housing
and Opportunity
Council

Missourians
Organizing for
Reform and
Empowerment

MoKan

NAACP St. Louis

North County
Churches Uniting for
Racial Harmony and
Justice

Based on HMDA data from 2008 to 2010, Commercial Bank originated 5.19 percent of loans to low-income borrowers and 11.69 percent of loans to moderate-income borrowers. Comparatively, the population of the bank's assessment area includes 15 percent of families considered to be low-income and 16 percent of families considered moderate-income, according to the bank's last CRA exam. The aggregate lending in the St. Louis metro area originated 8.27 percent of loans to low-income borrowers and 18.93 percent to moderate-income borrowers. We are concerned that Commercial Bank is not adequately serving low- and moderate-income borrowers.

Ready, Aim,
Advocate! Committee

St. Louis Community
Land Trust

We do acknowledge Commercial Bank's record of lending to low- and moderate-income geographies. In the last three years, 1.95 percent of loans were originated to low-income census tracts and 23.38 percent were originated to moderate-income census tracts. These levels of lending are above the percent of low- and moderate-income

Union Sarah
Community
Corporation

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census tracts within the bank's Assessment Area. We encourage Commercial to continue lending to these geographies to help reinvest into these communities.

However, we are concerned that a significant amount of Commercial Bank's loans are originated outside of the bank's Assessment Area. In the last three years, only 56.49 percent of loans were originated to St. Louis County, Commercial Bank's designated Assessment Area. The data from 2010 shows increased loans in St. Louis County, at 69.57 percent of all loan originations, but lending in 2009 and 2008 to St. Louis County have been at 52.24 percent and 56.25 percent, respectively. We are concerned that Commercial Bank is not adequately focusing on the needs of St. Louis County as their designated assessment area as required by CRA regulations.

We also have fair lending concerns in regards to Commercial Bank's lending to minority borrowers. According to the HMDA data from 2008 to 2010, African-American borrowers represented 3.25 percent of loan originations. Hispanic borrowers represented 1.30 percent of all loan originations. There were zero loan originations to Asian borrowers. We are concerned that these levels of lending to minority borrowers are not representative of the population in which Commercial Bank serves. Specifically, the bank's branches are located in census tracts with significant minority populations; the Florissant branch is in a census tract with 38.3 percent African-American population, 0.4 percent Asian population, and 2.9 percent Hispanic population; Chesterfield Valley branch is in a census tract with 1.1 percent African-American population, 7.8 percent Asian population, and 2.2 percent Hispanic population; and the bank's headquarters in West Port is in a census tract with 8.2 percent African-American population, 23.2 percent Asian population, and 3.6 Hispanic population. Considering the demographics, we are concerned that Commercial Bank is not adequately serving minority communities. We urge the FDIC to do a thorough fair lending investigation of the bank's marketing, service, and treatment of minority customers.

Based on our analysis, Commercial Bank needs to improve their service to low- and moderate-income communities and communities of color. We believe there are many unmet needs in these communities in which the bank serves. We urge the FDIC to consider these concerns during Commercial Bank's CRA and fair lending performance review. Our coalition hopes to encourage Commercial Bank to respond to the unmet needs within the community and to proactively serve low-income and minority communities with outstanding products and services. We stand ready to partner with Commercial Bank to develop such strategies.

Thank you for your consideration.

Sincerely,



Jackie Hutchinson
Consumers Council of Missouri



Lucille Walton
Community Resource and Development
Organization (CRADO)

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Rance Thomas
North County Churches Uniting for Racial
Harmony and Justice



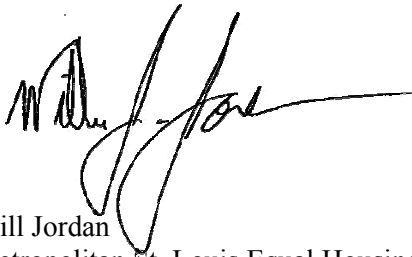
Adolphus Pruitt
NAACP St. Louis



Rose Eichelberger
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Janice McKinney

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Community Action Agency of St. Louis County
Inc. (CAASTLC)



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