

St. Louis Equal Housing and Community Reinvestment Alliance

c/o EHOC · 1027 S. Vandeventer Avenue, 6th floor · St. Louis, MO · 63110 · www.slehkra.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 Jefferson Bank & Trust Company, Eureka, MO.

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 Jefferson Bank & Trust Company, of Eureka, 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 Jefferson Bank & Trust 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 Jefferson Bank & Trust is not adequately serving low- and moderate-income communities. We also are concerned that Jefferson Bank & Trust is not providing equal access to minority borrowers and communities based on low market penetration disparities in origination rates.

Metropolitan St.
Louis Equal Housing
and Opportunity
Council

We understand that Jefferson Bank & Trust has substantially reduced their mortgage lending over the last three years and is now under a Consent Order by the FDIC to improve their overall performance. We also understand the bank has a primary focus on commercial lending, which does not provide publicly-available data for analysis and review. Jefferson Bank & Trust also is limited in asset size and scope of service throughout the St. Louis region. We certainly consider these factors and the overall limitations of using HMDA data in our analysis of the bank's service to low-income and minority communities. However, we believe Jefferson Bank & Trust needs to improve their service and performance within the community.

Missourians
Organizing for
Reform and
Empowerment

MoKan

NAACP St. Louis

North County
Churches Uniting for
Racial Harmony and
Justice

According to HMDA data from 2008 to 2010, Jefferson Bank & Trust originated only 4.17 percent of loans to low-income borrowers and 1.04 percent of loans to moderate-income borrowers. Comparatively, the demographics of the bank's assessment area include 18 percent low-income families and 17 percent moderate-income families. The aggregate lending in the St. Louis metropolitan area originated 8.27 percent to low-income borrowers and 18.93 percent to moderate-income borrowers. Jefferson Bank and Trust's extremely low levels of lending indicate a lack of service to low- and moderate-income families. The bank's last CRA examination in 2009 also notes that lending to low- and moderate-income borrowers is below peer lending and the demographics of the bank's assessment area. We are concerned with Jefferson Bank and Trust's consistently inadequate service to low- and moderate-income borrowers, and we urge the FDIC to consider these concerns in the bank's current CRA evaluation.

Ready, Aim,
Advocate! Committee

St. Louis Community
Land Trust

Union Sarah
Community
Corporation

St. Louis Equal Housing and Community Reinvestment Alliance

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The bank has one branch location in a low-income census tract in downtown St. Louis, according to the most recent census data. This branch is the oldest of the bank's current branches and represents the original market of the bank in the City of St. Louis. The City of St. Louis currently has most of the low- and moderate-income census tracts in the bank's assessment area and is widely considered underserved by mainstream financial services. The bank also has one branch in a middle-income census tract and three branches in upper-income census tracts. Jefferson Bank & Trust should be doing a better job at meeting the credit needs of low- and moderate-income communities considering the bank's long history of serving the City of St. Louis and their branch location in and close to many low- and moderate- income geographies.

We also have fair lending concerns with Jefferson Bank & Trust's service to minority borrowers. According to the HMDA data, 2.6 percent of loans were originated to African-American borrowers within the last three years. In comparison, African Americans represent over 20 percent of the population in Jefferson Bank and Trust's assessment area, according to the 2010 Census. The aggregate lending in the St. Louis metropolitan area originated nearly 5 percent of loans to African-American borrowers. We are concerned with Jefferson Bank & Trust's low market penetration to the African-American community.

Additionally, there is a significant disparity in origination rates between African-American borrowers and white borrowers. In the last three years, only 38.46 percent of applications from African-American borrowers were originated. Comparatively, 77.42 percent of white applications were originated. Overall, 83.48 percent of applications were originated from all borrowers. We understand the limitations of the HMDA data in providing all information about borrowers that factor into credit decisions and that such fair lending concerns are not purely based on HMDA data. However, we always become concerned with disparities in origination rates or denial rates between minority borrowers and white borrowers. We urge the FDIC to conduct a thorough fair lending review of Jefferson Bank & Trust's underwriting, loan approval, and overall treatment of minority customers.

We believe Jefferson Bank & Trust needs to improve their service to low- and moderate- income communities and minority communities. We urge the FDIC to consider our concerns during the bank's CRA performance evaluation and fair lending review. Our coalition encourages Jefferson Bank & Trust to respond to our concerns by ensuring proactive service to low-income and minority communities. We offer our partnership to Jefferson Bank & Trust to together develop strategies for outstanding products and services that meet the credit needs of all in our shared community.

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



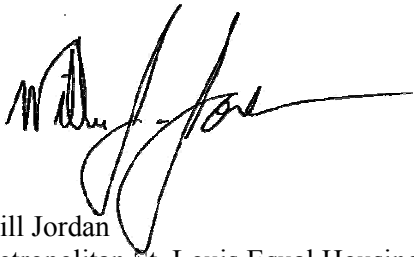
Adolphus Pruitt
NAACP St. Louis



Rose Eichelberger
Ready! Aim! Advocate! Committee

Janice McKinney

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



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