

St. Louis Equal Housing and Community Reinvestment Alliance

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Police Turn Away Community Members Attempting to Meet with Business Bank of St. Louis CEO Larry Kirby

As the foreclosure crisis continues, community members target Business Bank of St. Louis for blocking foreclosure mediation, low Community Reinvestment Act (CRA) Rating

Community members, including Missourians Organizing for Reform and Empowerment (MORE), were faced with a huddle of police officers blocking the entrance to the Business Bank of St. Louis this morning in Clayton. The group wanted to make an appointment with bank CEO Larry Kirby, but was told by police that they were not allowed to enter the building.

The group wanted to address Kirby about his bank's opposition to foreclosure mediation in St. Louis County and its low Community Reinvestment Act (CRA rating). Foreclosure mediation legislation allows a homeowner facing foreclosure to enter mediation with the lender or servicer of the loan, thereby giving homeowners access to a fairer foreclosure process. The Business Bank of St. Louis has filed a lawsuit against the St. Louis County Council, blocking the mediation legislation passed by the council in August from taking effect.

"Foreclosure mediation has the potential to keep thousands of homeowners from being kicked out of their homes. But the Business Bank of St. Louis is blocking the legislation in yet another show of greedy bankers sacrificing our communities for their profits," says Arielle Klagsbrun.

The need for a fairer process in our community is clear. Last week, the evictions of foreclosed homeowners Joe Colvin of Florissant and Angelia Williams of North City resulted in confrontations with the sheriff's office and arrests. But despite community protest, both Colvin and Williams were still thrown out of their homes. Both instances could have been prevented by foreclosure mediation.

Banks including the Business Bank of St. Louis are claiming the ordinance denies them their "right to choose when and how to exercise a lawful foreclosure remedy" that was granted them by the state. According to RealtyTrac, the St. Louis metropolitan area reported 1,872 total foreclosure filings in May 2012, a rate of one in every 667 housing units. Total foreclosure activity increased by 4.4 percent over April 2012. Widespread support for the foreclosure mediation ordinance says the cost of mediation is significantly less than the cost of foreclosure, not only for the banks but for the communities of St. Louis County.

The Business Bank of St. Louis has also consistently demonstrated low performance under the Community Reinvestment Act. The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) submitted public comments (attached) about the Business Bank of St. Louis' challenge to the St. Louis County foreclosure mediation ordinance. The public comment was filed with the Federal Deposit Insurance Corporation and will be considered in the bank's upcoming performance evaluation of how the bank is meeting the needs of all parts of our community as required by the Community Reinvestment Act (CRA). The public comment says the bank's action against the foreclosure mediation ordinance demonstrates the bank's continued inadequate service to low- and moderate-income communities

The groups says it wants the Business Bank of St. Louis to drop its lawsuit against the St. Louis County Council and enact SLEHCRA's recommendations for increasing its CRA performance.