The State of Bank Reinvestment in St. Louis

An analysis of how banks are meeting the needs of the community

August 2013

St. Louis Equal Housing and Community Reinvestment Alliance

St. Louis Post-Dispatch, Missouri History Museum

This report is being released in conjunction with the 50th commemoration of the Jefferson Bank demonstrations. Beginning on August 30, 1963, black and white community members and leaders demonstrated in front of Jefferson Bank and Trust to protest the bank's lack of black employees as well as overall discriminatory employment practices in St. Louis. The demonstrations involved hundreds of people and lasted over a month. In the end, 19 people arrested, including Alderman and later Congressman William Clay, civil rights activists and attorneys Charles and Marian Oldham, and Norman Seay. The demonstrations were the largest act of civil disobedience in St. Louis and a key civil rights event in St. Louis history.

St. Louis Equal Housing &
Community Reinvestment Alliance

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St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) is a coalition of non-profit and community organizations working in the St. Louis area to increase investment in low- and moderate-income communities, regardless of race, and in minority communities, regardless of income, by ensuring that banks are meeting their obligations under the Community Reinvestment Act and fair lending laws.

Front image of Cass Bank, on the corner of Cass and 15th street in St. Louis City, from Built St. Louis, http://www.builtstlouis.net/cass.html

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I. Executive Summary

As the economy recovers from the financial meltdown, low- and moderate-income communities and communities of color need reinvestment more than ever. Under the Community Reinvestment Act (CRA), financial institutions have the affirmative obligation to meet the needs of all parts of the community.[1] The twenty largest depository banks in St. Louis hold over $45 billion in deposits. With those billions of dollars, banks have an obligation to provide our communities with services, products, and investments.

This report examines the state of bank reinvestment in St. Louis. This analysis focuses on how the top twenty banks are serving the needs of low- and moderate-income communities and communities of color. This report investigates the state of bank reinvestment by examining branch locations, home mortgage lending, small business lending, community development lending, and employment diversity.

Based on this report's analysis of the top twenty banks investigated, the following are the major findings:

Access to Bank Branches is Limited in Predominantly Minority Areas
The branching networks of the top twenty banks provide less access to bank branches in areas with high minority populations. In predominantly minority areas, there is one branch for 7,454 people. Comparatively, predominantly white areas have one bank branch for 3,896 people. Eleven of the twenty banks have even fewer branches in predominantly minority areas. Three of the twenty banks do not have any bank branches in low- and moderate-income areas or in communities of color.

African-Americans Are More Than Twice as Likely to Be Denied a Home Loan Than Whites
In 2011, approximately 31 percent of African-Americans were denied home mortgage loans compared to only 13 percent of white borrowers. The denial rate disparity is highest among borrowers with higher incomes. Among middle- and upper-income borrowers, blacks are 2.4 times more likely to be denied than a white borrower.

Minority Borrowers Are Severely Underrepresented in Home Mortgage Lending
Minorities represent approximately 28 percent of the population in St. Louis, yet the aggregate bank lending originated only 8 percent of loans to minority borrowers in 2011. Only 5 banks included in this analysis have lending to minority borrowers above the aggregate lending percentage. The top-performing bank originated only 12 percent of loans to minority borrowers. Thirteen or 72 percent of the banks are under performing in providing mortgage loans to minority borrowers.

Lack of Diverse Representation in Bank Leadership Positions
Of the banks that provided employment diversity data for this report, the data shows that there is a lack of minorities holding leadership positions as senior managers or members of the board of directors. A third of the banks do not have any minorities within senior management in their St. Louis markets. Six banks do not have any minorities on their Board of Directors.

This report finds serious gaps in all elements of reinvestment by banks that are operating in St. Louis. Each category identifies the banks with the highest performance in serving low- and moderate-income communities and communities of color, yet there is not consistent performance across all categories.

These findings should encourage banks to work towards increasing their community reinvestment performance. To that end, this report proposes recommendations that community members, financial institutions, and policymakers can do to strengthen community reinvestment. If the economy is to successfully recover and grow, then all members of the community must be provided the same opportunities to use banks, build wealth, and have a stable financial future.

[1] Community Reinvestment Act, 12 U.S.C 2901

II. Introduction

Years of divestment, predatory lending, and cycles of debt and poverty have ravaged the low-income neighborhoods and communities of color in St. Louis. The financial damage has been done by federal housing policies, fringe institutions like liquor stores and payday lenders, subprime mortgage lenders and unruly big banks.[2] As the economy recovers from the financial meltdown, these communities need reinvestment more than ever. Reinvestment in these communities can bring access to mainstream financial services that increase wealth, provide opportunities for homeownership, and stabilize these neighborhoods.[3]

Banks have an affirmative obligation to be reinvesting in the community.[4] The Community Reinvestment Act (CRA) was passed in 1977 to ensure that depository institutions are meeting the credit needs of the communities in which they are located.[5] Anti-discrimination laws like the Fair Housing Act, passed in 1968, and the Equal Credit Opportunity Act (ECOA), passed in 1974, ensure that institutions do not discriminate on the basis of race, national origin, and other protected classes in mortgage lending and other credit transactions.[6]

The CRA and fair lending laws are designed to combat redlining, the practice of denying credit or other services to communities because of their racial or ethnic composition.[7] The CRA places a "continuing and affirmative obligation" on banks to provide services, products, and investments, particularly to low- and moderate-income borrowers and communities, consistent with safe and sound banking practices.[8] Regulators periodically review a bank's CRA performance and consider their performance when a bank is applying to expand through mergers or acquisitions.[9]

The CRA has mistakenly been blamed for pushing banks into making risky loans to unqualified borrowers, contributing to the recent housing crisis. Numerous studies have refuted those claims, showing that the CRA had little subprime lending and more responsible and better performing loans during the crisis.[10] A key tenet of the CRA is the focus on safety and soundness. Banks have the obligation to provide quality loans, products, and services to qualified borrowers in all communities.

Despite these community reinvestment obligations and fair lending laws, our communities still struggle as access to financial services is still unequal across the region. The disparities in financial services for low-income communities and minority communities in St. Louis are well documented in the unbanked statistics, presence of payday lenders, and discriminatory banking practices detailed below.

The high percentage of unbanked and underbanked households in the St. Louis metro area, particularly among black households, is one indicator of lack of access to basic financial services. Of black households, 28.6 percent are unbanked, compared to only 3 percent of white households that are unbanked. For underbanked households, 32.9 percent of black households are underbanked compared to 17.3 percent of white households.[11] Unbanked households do not have a checking or savings account,

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[2] Gordon, Colin. Mapping Decline: St. Louis and the Fate of the American City. University of Pennsylvania Press. 2008; Center for Community Change, "Risk of Race? Racial Disparities and the Subprime Refinance Market," May 2002; Massey, Douglas S. and Jacob S. Rugh, "*Racial Segregation and the American Foreclosure Crisis*" American Sociological Review. 75 (5), pg. 629-651; National People's Action, "Credit Segregation: Concentrations of Predatory Lenders in Communities of Color," February 2011; National Fair Housing Alliance, "National Fair Housing Alliance and Wells Fargo Announce Collaboration to Rebuild Homeownership Opportunities in 19 Cities" Press Release. June 6, 2013.
[3] Taylor, John and Josh Silver, "*The Community Reinvestment Act: 30 Years of Wealth Building and What We Must Do to Finish the Job*," Revising the CRA: Perspectives on the Future of the Community Reinvestment Act. Joint Publication by Federal Reserve Banks of Boston and San Francisco. February 2009. page 148.
[4] The Community Reinvestment Act, 12 U.S.C. 2901
[5] 12 U.S.C. 2901
[6] 42 U.S.C. 3605; 15 U.S.C. 1691 et seq
[7] Reid, Carolina, et al, "*Debunking the CRA Myth – Again*," UNC Center for Community Capital, January 2013. page 2.
[8] 12 U.S.C. 2901, section (A)(3).
[9] Ibid.
[10] Reid, Carolina, page 3-4.
[11] FDIC, "2011 National Survey of Unbanked and Underbanked Households" September 2012. www.economicinclusion.gov

while underbanked households do have a checking or savings account. However, they primarily rely on alternative financial services like check cashers, payday lenders, and title loan companies.

The overrepresentation of alternative financial services in low- and moderate-income areas and minority populations is another barrier. Social Compact's DrillDown Report in St. Louis found that 47 percent of residents in the City of St. Louis and North County live closer to a nontraditional lender than a bank. [12] The report notes that communities faced with a high presence of check cashing institutions, payday loan centers and other predatory financial service providers fall victim to higher transactional fees.[13]

Indeed, these alternative financial service providers are ravaging the community with exorbitant fees and interest rates. According to a survey by the Consumer Financial Protection Bureau, the average payday loan in Missouri has an annual percentage rate of 455 percent, more than 100 percentage points higher than the national average.[14] It is estimated that a full-time worker that does not have a checking account could save as much as $40,000 during his career by relying on a checking account instead of check cashing.[15] These companies target African-Americans, making the case that expensive credit like payday and installment loans are vital sources of credit in the African-American community.[16]

One reason that high cost loans are such a prevalent source of credit in the black community is because the banks are not meeting that need. Disparities in credit reports and discriminatory lending practices are limiting the availability of mainstream financial products in the black community. The DrillDown report found that 1 out of 3 residents in St. Louis City and North County do not have credit reports.[17] Mortgage lending disparities are also documented in the constriction of credit to minority communities while white communities experience an increase in lending.[18] African-Americans are more likely to be denied a home loan and more likely to receive a high cost loan when compared to white borrowers.[19] Even with a massive bailout from U.S. taxpayers, banks in St. Louis were found to have low levels of service in low- and moderate-income communities and communities of color.[20]

Further, there is evidence that redlining is alive and well in the St. Louis region. Banks have strategically skipped over areas with high minority populations like north St. Louis County, St. Louis City, and East St. Louis with their branch locations and the designation of their assessment areas. The U.S. Department of Housing and Urban Development (HUD) and the Department of Justice (DOJ) have recently investigated and settled cases against banks for failing to provide adequate services in predominantly minority areas.[21] The federal banking regulators have also stepped up fair lending enforcement and action, giving banks failing CRA ratings when serious fair lending violations are found.[22]

In 2009, the St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) was formed over concerns that many low-income communities and minority communities did not have equal access to

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[12] Social Compact, "St. Louis Neighborhood Market DrillDown" 2011. http://drilldownstl.org/

[13] Ibid.

[14] Kiel, Paul, "A peek inside payday loan industry fight to keep interest cap off ballot" ProPublica and St. Louis Post-Dispatch, August 2, 2013. http://www.stltoday.com/news/local/govt-and-politics/a-peek-inside-payday-loan-industry-fight-to-keep-interest/article_191a2e8b-3d1a-5bde-89ea-46039b9351ae.html

[15] Fellowes, Matt and Mabanta, Mia, "Banking on Wealth: America's New Retail Banking Infrastructure and Its Wealth-Building Potential" The Brookings Institute. January 2008.

[16] Kiel, Paul. "Payday lenders work to get black leaders in their camp" ProPublica and St. Louis Post-Dispatch. August 5, 2013, http://www.stltoday.com/business/local/payday-lenders-work-to-get-black-leaders-in-their-camp/article_27474f5d-2253-57c8-8cbc-9505ee64c71b.html

[17] Social Compact, "St. Louis Neighborhood Market DrillDown" 2011. http://drilldownstl.org/

[18] Metropolitan St. Louis Equal Housing Opportunity Council, "Redlined: A Fair Lending Analysis of the St. Louis Metropolitan Area," February 2011.

[19] Ibid.

[20] Metropolitan St. Louis Equal Housing Opportunity Council, "Bailing Out on Community Reinvestment: A St. Louis Fair Lending Report" December 2008.

[21] Metropolitan St. Louis Equal Housing Opportunity Council v. First National Bank of St. Louis and Central Bancompany, HUD 07-10-0153-8 (12/17/2010), U.S. v. Midwest BankCentre (2011); Metropolitan St. Louis Equal Housing Opportunity Council v. Enterprise Bank and Trust, HUD 07-10-0755-8 (9/29/2011);

[22] Midwest BankCentre CRA Performance Evaluation, Federal Reserve Bank of St. Louis (11/2/2009); First National Bank of St. Louis CRA Performance Evaluation, OCC (10/26/2009); Eagle Bank and Trust Company of Missouri CRA Performance Evaluation, FDIC (05/21/2012).

mainstream financial services and that banks were failing to meet their obligations to invest in these communities. SLEHCRA is a coalition of non-profit and community organizations that work to increase investment in minority communities, regardless of income, and in low- and moderate-income communities, regardless of race, as required by the Community Reinvestment Act (CRA) and fair lending laws.

In furtherance of SLEHCRA's mission, the coalition conducts analysis of banks' CRA activities, writes public comment letters to be considered by federal regulators in CRA evaluations and applications, and engages in dialogue with banks to discuss their service in the community. To date, SLEHCRA has evaluated the performance of more than 42 banks operating in the St. Louis region and has written over 38 public comment letters, including the first public comment letter received by the St. Louis field office of the Office of the Comptroller of the Currency.[23]

SLEHCRA reviews and analyzes data and information from banks and publicly-available sources to determine if a bank is meeting its community reinvestment obligations. Home mortgage and small business lending, location of bank branches, community development activities, and a banks products and services are all factors to be considered. In finding widespread disparities in how banks provide services to low- and moderate-income communities and communities of color, SLEHCRA engages with banks to make commitments to increase their activity in the community. Since the coalition's formation in 2009, this advocacy and engagement has led to over $14.5 million in community development commitments, three new bank branches opened in predominantly minority areas, and a host of additional products and resources have been developed that specifically seek to address needs in underserved communities.[24]

This report evaluates the current state of bank investment in St. Louis. The performance of the top twenty financial institutions serving the St. Louis region are evaluated and compared to the overall market and the conditions of the community.

The twenty largest depository banks in St. Louis hold over $45 billion in deposits. With those billions of dollars, banks have an obligation to be investing that back into our communities, particularly communities that have been underserved and left behind by mainstream financial services. This analysis focuses on how these banks are serving the needs of low- and moderate-income communities and communities of color. This report investigates the state of reinvestment by examining branch locations, home mortgage lending, small business lending, community development lending, and employment diversity.

Considering the state of our communities and the responsibilities that banks have in taking our deposits, SLEHCRA is concerned that all banks are failing to make the grade on community reinvestment. This report finds serious gaps in all categories by banks that are operating in St. Louis. Each category identifies the banks with the highest performance in serving low- and moderate-income communities and communities of color, yet there is not consistent performance across all categories. There are no financial institutions that are top performers in all categories.

It should be noted that the regulators are also failing to respond to the community reinvestment needs in St. Louis. Under the CRA, federal banking regulators review a bank's performance and assign a rating of *Outstanding, Satisfactory, Needs to Improve,* or *Substantial Non-Compliance.* Nationally, over 95 percent of banks receive above *Satisfactory* ratings.[25] Of the twenty institutions included in this analysis, 18 banks have above *Satisfactory* on their last CRA performance evaluation that is publicly available.[26] Considering the low levels of service by banks in low- and moderate-income communities found in this analysis, SLEHCRA is concerned that the federal regulators are not holding banks accountable when it comes to their community reinvestment obligations.

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[23] St. Louis Equal Housing and Community Reinvestment Alliance, "Report to the Community: An Examination of SLEHCRA's Impact of Community Investment in the St. Louis Metro Area," September 2012.
[24] Ibid.
[25] Taylor, John and Josh Silver, page 154
[26] BMO Harris Bank has not yet been subject to a CRA performance evaluation. First National Bank of St. Louis has a *Needs to Improve* rating on their last CRA performance evaluation from October 2009. The bank was scheduled for a CRA exam in the first quarter of 2013 by the Office of the Comptroller of the Currency but the evaluation has not yet been made public.

This analysis is not designed to identify the best and worst banks operating in St. Louis. The purpose of this report is to present information on how the top banks are serving the needs of the community, particularly low- and moderate-income communities and communities of color. The findings should encourage banks to work towards increasing their community reinvestment performance. To that end, SLEHCRA proposes recommendations for community members and organizations, financial institutions, and policymakers that can strengthen community reinvestment. Our communities need reinvestment more than ever. If our economy is to successfully recover and grow, then all members of the community must be provided the same opportunities to utilize banks, build wealth, and have a stable financial future.

III. Methodology

This report examines how banks are performing in low- and moderate-income communities and communities of color. Performance in the community is evaluated on several key indicators that comprise a broader view of bank reinvestment. This includes indicators related to access to branches, lending, and diverse representation in banks hiring of employees, senior leaders and boards of directors. This analysis evaluates how the top financial institutions are performing in the community and compares their performance to the aggregate context of bank services in St. Louis to understand how community needs are being met.

For the purpose of this report, the St. Louis region is defined as the counties of St. Louis, St. Louis City, and St. Charles in Missouri, and Madison and St. Clair in Illinois. This geographic region was selected because it focuses on the urban core areas of the St. Louis metropolitan area. It also includes all of the predominantly minority areas and a majority of low- and moderate-income areas in this metropolitan area.

The top financial institutions included in this report are banks with the largest share of deposits in the St. Louis region that also provide consumer banking services. As such, investment banks and commercial banks were excluded from this report. This excluded Scottrade Bank, Stifel Bank and Trust, TIAA-CREF Trust Company, Cass Commercial Bank, the PrivateBank and Trust Company, and the Business Bank of St. Louis. Although these banks may offer some consumer retail products for bank customers, their business strategies are focused primarily or exclusively on investment or commercial banking. Based on a review of their websites and Community Reinvestment Act examination, if applicable, these excluded banks do not actively promote consumer and retail banking services. This analysis examines the top twenty banks based on the Deposit Market Share Report from the Federal Deposit Insurance Corporation (FDIC) for the counties included in this analysis.[27] The most recent available data is from June 30, 2012.

This report uses the definition of low- and moderate- income that is consistent with procedures used by the Federal Financial Institutions Examination Council (FFIEC). Income characteristics are defined relative to the Median Family Income (MFI) estimated by the U.S. Department of Housing and Urban Development. Incomes that are less than 50 percent of the MFI are considered *Low-Income*, between 50 and 79.9 percent are considered *Moderate-Income*, between 80 and 119.9 percent are *Middle-Income*, and 120 percent or above is *Upper-Income*.[28] Thus, definitions of low- and moderate-income include incomes of less than 80 percent of the MFI. The 2011 HUD estimated MFI for the St. Louis metropolitan area was $69,500.[29]

Definitions of minority individuals and areas with predominantly minority populations are used consistent with Census definitions. *Minorities* are those identified as non-white, including African-American or Black, Hispanic, Asian, American Indian, Native Hawaiian, some other race, and two or more races.[30] Predominantly minority communities are areas with over 50 percent minority population.

Community reinvestment performance was evaluated for five categories: bank branches, home mortgage lending, small business lending, community development lending, and employment diversity. With the exception of data on employment diversity, all data was compiled through publicly available sources.

Bank branch locations were identified from the FDIC's institution directory records.[31] Only deposit-taking locations were included. These were compared to listings on the bank's website. Branches were geocoded using the FFIEC's 2012 geocoding system to identify the census tract's income designation and minority population.[32]

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[27] "Summary of Deposits Market Share Selection" FDIC website. http://www2.fdic.gov/sod/sodMarketBank.asp?barItem=2
[28] FFIEC, Census Info Sheet, http://www.ffiec.gov/census/censusInfo.aspx
[29] FFIEC, Median Family Income Listing, 2011, http://www.ffiec.gov/hmda/pdf/msa11inc.pdf
[30] FFIEC, Census Population Information, Census Info Sheet, http://www.ffiec.gov/census/censusInfo.aspx#CurrentPopulation
[31] FDIC, Institution Directory, http://www2.fdic.gov/idasp/main.asp
[32] FFIEC, Geocoding System, http://www.ffiec.gov/Geocode/default.aspx

Home mortgage lending data is available through the Home Mortgage Disclosure Act (HMDA), a regulation that requires mortgage lenders to report detailed loan information.[33] The Federal Financial Institutions Examination Council (FFIEC) collects the data and makes disclosures available by institutions and for aggregate lending nationwide and for metropolitan areas. This report uses HMDA data analysis provided through Compliance Tech LendingPatterns.[34] The 2011 data is the most recently available data. Only first lien loans made to one-to-four family, owner-occupied properties were included in this analysis. The aggregate bank lending data in this analysis only includes mortgage lenders that report HMDA data to one of the federal banking regulators, including the Federal Deposit Insurance Corporation, the Federal Reserve Bank, the Office of the Comptroller of the Currency, and the Consumer Financial Protection Bureau.

Data on small business lending and community development lending was analyzed by collecting data from the CRA Disclosure accessed through the FFIEC.[35] The most recent available data is from 2011.Only institutions regulated by one of the federal banking regulators that have assets over about $1 billion are required to report data. Although currently not as comprehensive as HMDA data, the CRA disclosure data reports small business loan originations by county for income characteristics of the census tract. Small business loans are defined as commercial loans for $1 million or less that are reported on an institution's Call Report.[36] This report analyzed small business lending in the counties included in the report's geographic scope.

Community Development loans in the CRA Disclosure are reported for the entire institutions lending nationwide. Community development lending is defined by the CRA regulations as loans that have a primary purpose of community development. This includes affordable housing for low- or moderate-income individuals; community services targeting low- or moderate-income individuals; activities that promote economic development of small businesses or farms; activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed areas defined by the CRA.[37] This data does not allow for analysis of community development lending specific to the St. Louis area. For this analysis, community development lending was evaluated as a percentage of an institution's total assets.

Employment diversity data was collected through requests sent directly to the banks included in this analysis. Letters were sent via mail or email to contacts at banks that explained the purpose of the report and asked banks to submit information on the demographics of their employees and board of directors. A sample request letter is included in **Appendix C**. Banks were requested to identify the number of employees, senior management, and members of their Board of Directors by race and gender with data from their most recent filing with the Equal Employment Opportunity Commission Employer Information Report (EEO-1). Only information on employees and senior management in the St. Louis metropolitan area was requested. The request defined senior management as executives, officers, and those with decision-making authority. As banks were self-reporting this information, there could be differences in how the institutions defined senior management, so the representation could be imprecise.

Rankings

In order to compare the performance of the largest twenty banks in the St. Louis area, this report developed a methodology that scored and ranked performance on eleven indicators under the five categories of bank reinvestment. These indicators evaluated how banks are providing services to Low- and Moderate-Income (LMI) communities and communities of color. The categories and indicators are as follows:

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[33] FFIEC, HMDA, http://www.ffiec.gov/hmda/default.htm
[34] For more information on LendingPatterns, see http://compliancetech.com/products/lendingpatterns/
[35] FFIEC, CRA Disclosure Report, http://www.ffiec.gov/craadweb/DisRptMain.aspx
[36] FFIEC, "A Guide to CRA Data Collection and Reporting" 2010, http://www.ffiec.gov/cra/pdf/2010_CRA_Guide.pdf
[37] 12 CFR § 228.12 (g)

I. Branches
   - Percentage of branches in LMI census tracts
   - Percentage of branches in predominantly minority census tracts
II. Home Mortgage Lending
   - Percentage of mortgages to LMI borrowers
   - Percentage of mortgages to LMI census tracts
   - Percentage of mortgages to minority borrowers
   - Percentage of mortgages to minority census tracts
III. Small Business Lending
   - Percentage of small business loans to LMI census tracts
IV. Community Development Lending
   - Percentage of community development loans by asset size
V. Employment Diversity
   - Percentage of minority employees
   - Percentage of minority senior management
   - Percentage of minorities on board of directors

On each indicator, banks are ranked from highest percentage to lowest percentage and scored with 1 to 20, or the total number of banks reporting data in that category if less than 20. A score of 1 was given to highest performance, a 2 given to second highest performance, and so on. On indicators with different groupings to account for size variations (branches and employment diversity), banks are ranked within their size grouping and scored from 1 to the number of banks included in that grouping.

Rankings and scores were assigned for each indicator. Then, to compile findings under each category, a bank's scores on the indicators under that category were added together. For example, under the Home Mortgage Lending category, a bank's scores on the four indicators of lending to LMI borrowers, LMI census tracts, minority borrowers and minority census tracts were added together. Banks were then ranked by the total score within that category. Banks with lower scores represent the highest performance in that category and higher scores represent lower performance. Banks with zeros in multiple indicators under a category are noted.

This report recognizes the limits of this methodology. Certainly, the indicators used in this report do not fully capture all that a financial institution does to serve the needs of the community. The reliance on publicly available data also limits the evaluation of a bank's performance, as the data available publicly is only a portion of a bank's lending record. Additionally, there are other quantitative and qualitative factors that can be considered in assessing a bank's performance. This report does not include consideration of products or special efforts to serve underserved communities. Many banks offer affordable home loans, second chance checking accounts, and credit building loan products that are doing a good job of meeting the needs in the community. Some banks have partnered with community organizations to increase access and capacity of the organization to serve low income families with financial services and resources. The participation of financial institutions in the Metropolitan CRA Association, the St. Louis Regional Unbanked Taskforce and the Bank On Save Up initiative, as well as other initiatives are other positive ways that banks are responding to the financial disparities.

However, the consistency of the data and the methodology used in this analysis is what allows for the transparency and accountability that holds banks to their community reinvestment obligations. This report provides a picture of what banks are doing in the community of St. Louis to serve low- and moderate-income communities and communities of color at this moment in time.

IV. Findings

There are a total of 98 banks in the St. Louis area.[38] This report looks at the top twenty banks that hold the most deposits in the St. Louis region. Together, they hold over $45 billion dollars of St. Louis money, representing 62 percent of the total market share of the area. **Table 1** displays the banks included in this report with the amount of deposits and market share in the St. Louis region.

The findings in this report are organized by the five categories of bank performance: Branches, Home Mortgage Lending, Small Business Lending, Community Development Lending, and Employment Diversity. Under each category, context is provided by examining demographics of the community and the aggregate performance of banks. Then, the performance of each bank is compared to each other and the aggregate. The top performing banks in each category are noted within each indicator. **Appendix B** provides the full data, rankings and scores for all banks by each category.

Table 1: Banks by Deposits in St. Louis

#	Institution Name	HQ State	Deposits in STL (in 000s)	Market Share
1	U.S. Bank, National Association	OH	11,914,401	16.45%
2	Bank of America, National Association	NC	8,750,316	12.08%
3	Commerce Bank	MO	5,278,820	7.29%
4	Regions Bank	AL	2,900,484	4.00%
5	BMO Harris Bank National Association	IL	1,958,350	2.70%
6	Enterprise Bank & Trust	MO	1,602,112	2.21%
7	First Bank	MO	1,508,555	2.08%
8	PNC Bank, National Association	DE	1,450,507	2.00%
9	The Bank of Edwardsville	IL	1,330,514	1.84%
10	UMB Bank, National Association	MO	1,254,296	1.73%
11	Pulaski Bank	MO	1,140,127	1.57%
12	First National Bank of St. Louis	MO	1,017,729	1.41%
13	Fifth Third Bank	OH	898,706	1.24%
14	Reliance Bank	MO	780,983	1.08%
15	Midwest BankCentre	MO	753,624	1.04%
16	Heartland Bank	MO	654,760	0.90%
17	First Collinsville Bank	IL	560,938	0.77%
18	Carrollton Bank	IL	496,671	0.69%
19	First Clover Leaf Bank	IL	408,194	0.56%
20	Jefferson Bank and Trust Company	MO	398,093	0.55%
	Total		**45,058,180**	**62.22%**

Source: FDIC Summary of Deposits, as of June 30, 2012

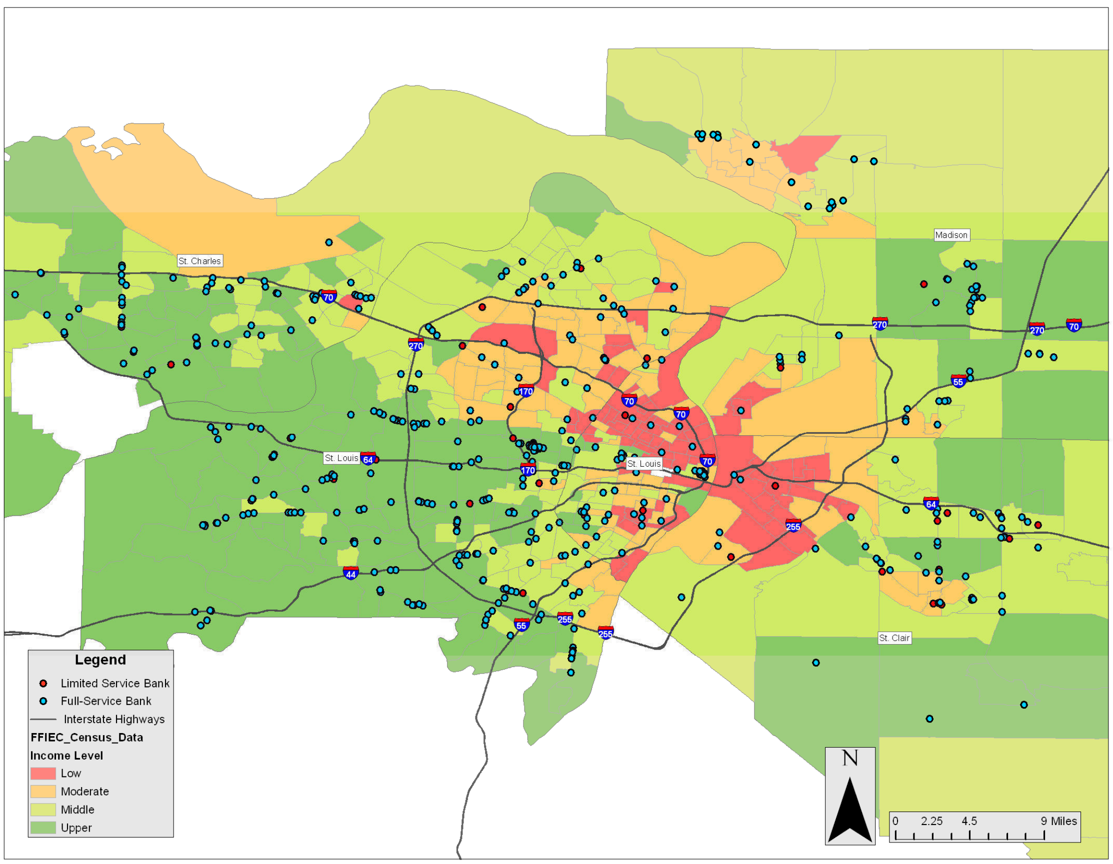
[38] FDIC Summary of Deposits, as of June 30, 2012, for the five counties included in this report.

A. BRANCHES

It is important for banks to have physical locations in low- and moderate-income communities and communities of color. Bank branches are physical investments in the community that provide access to mainstream financial services that allow community members to build assets and savings, paving the way for home mortgage and small business loans.[39] The presence of bank branches, even in the current environment of online and mobile banking, remains essential in low-income communities.[40] Without bank branches, the vacuum of financial services is filled by predatory lenders and check cashers.[41] SLEHCRA generally expects the percent of a bank's branches in low- and moderate-income communities to compare to the percent of low- and moderate-income census tracts. Similarly, the percent of branches in predominantly minority areas should compare to the percent of predominantly minority census tracts.[42]

The top twenty banks collectively have 510 bank branches in the St. Louis area. Of those, 95 branches or 18.6 percent are in Low- or Moderate-Income (LMI) census tracts. Comparatively, 35 percent of all census tracts are considered LMI in the St. Louis region. There are 634,217 people that live in LMI census tracts, or 28.6 percent of the population. There are significantly less bank branches in LMI areas compared to the percent of LMI census tracts and the representation of population in LMI tracts. **Map 1** shows the location of bank branches in the St. Louis region with the income level of census tracts.

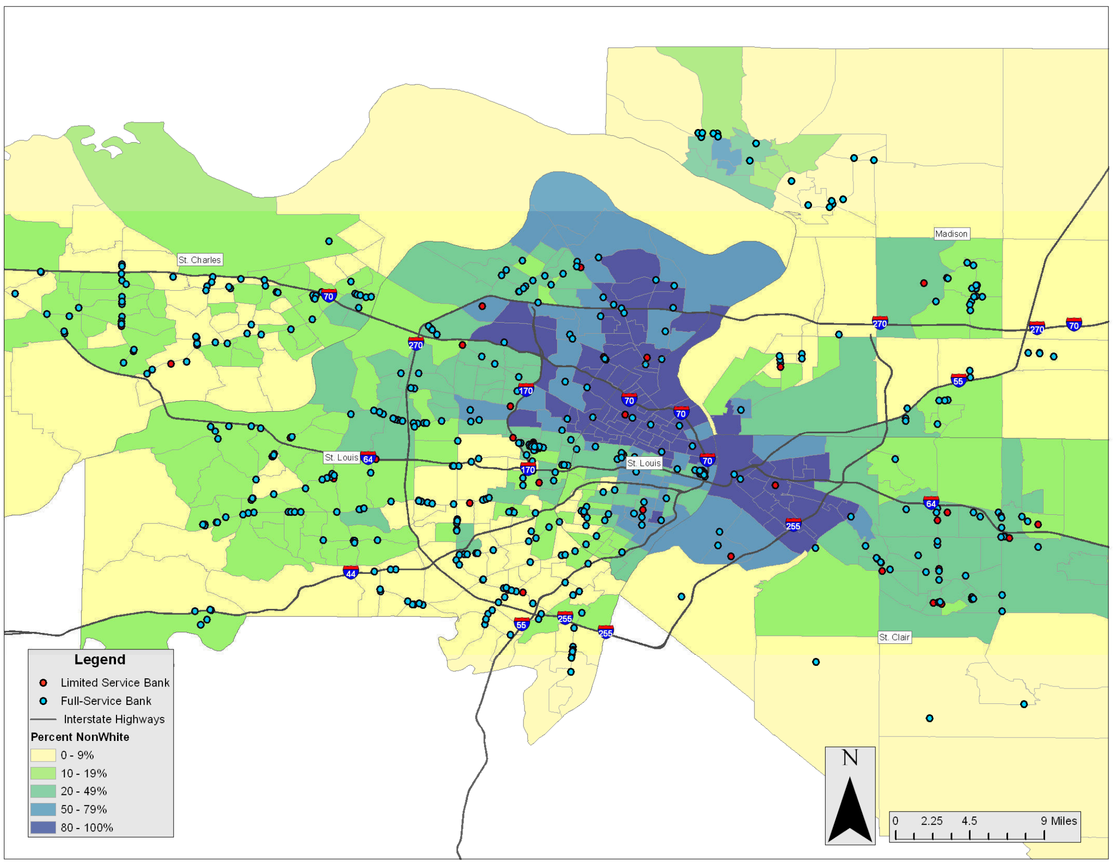
Map 1: Bank Branches with Income Characteristics



[39] Silver, J. and Pradhan, A. "Why Branch Closures are Bad for Communities" Issue Brief by the National Community Reinvestment Coalition, April 2012. http://www.ncrc.org/images/stories/mediaCenter_reports/issuebrief_bank%20branches_april%202012.pdf
[40] Schwartz, Nelson. "Bank Closings Tilt Toward Poor Areas" *The New York Times*, February 22, 2011. http://www.nytimes.com/2011/02/23/business/23banks.html?pagewanted=all
[41] Ibid.
[42] Serna, Rhea. "Where are the Bank Branches in My Community: An Analysis of Branch Distribution in Low-Income Neighborhoods" California Reinvestment Coalition. November 2005.

Sixty-five branches are located in census tracts with predominantly minority populations. Of the top twenty banks in the St. Louis area, this represents 12.7 percent of bank branches. Comparatively, there are 137 census tracts that have predominantly minority populations, which represent 27.1 percent of census tracts in the area. Approximately 484,523 people live in predominantly minority census tracts in the region, or 21.8 percent of the region's population. **Map 2** displays bank branches with the percent minority population.

Map 2: Bank Branches with Minority Population



The comparison between the ratios of population to bank branches demonstrates less access for LMI areas and predominantly minority area. *See* **Table 2.1** and **2.2** on the page 15. In LMI areas there is one branch for 6,675 persons. Comparatively, there is one branch for 3,817 persons in middle- and upper-income (MUI) areas. *See* **Table 2.1**.

Predominantly minority areas have the highest disproportion, with one bank branch for 7,454 persons. Comparatively, predominantly white areas have one bank branch per 3,896 persons. *See* **Table 2.2**.

Table 2.1: Distribution of Bank Branches by Income Level of Census Tracts							
	Bank Branches		**Census Tracts**		**Population**		**Population to Bank Ratio**
	#	%	#	%	#	%	
Total	510		505		2,218,071		4,349
LMI Census Tracts	95	18.6%	177	35.0%	634,217	28.6%	6,676
MUI Census Tracts	415	81.4%	328	65.0%	1,583,854	71.4%	3,817
Source: LendingPatterns, FDIC Industry Analysis, FFIEC Census Reports							

Table 2.2: Distribution of Bank Branches by Racial Composition of Census Tracts							
	Bank Branches		**Census Tracts**		**Population**		**Population to Bank Ratio**
	#	%	#	%	#	%	
Total	510		505		2,218,071		4,349
Predominantly Minority Census Tracts	65	12.7%	137	27.1%	484,523	21.8%	7,454
Predominantly White Census Tracts	445	87.3%	368	72.9%	1,733,548	78.2%	3,896
Source: LendingPatterns, FDIC Industry Analysis, FFIEC Census Reports							

Bank Comparisons

The top twenty banks included in this report range in the number of bank branches they have in the St. Louis area. U.S. Bank, at the top in terms of both deposits and bank branches, has 98 branches. The smallest banks have 5 branches.

Because of the wide range in the number of branches, banks were categorized into three different groups based on the number of bank branches. The *Large* category includes banks with over 40 bank branches. *Mid* includes banks with 11 to 20 branches, and *Small* includes banks with 10 or fewer branches in the area. Within each category, banks are evaluated based on the number and percentage of branches in LMI areas and predominantly minority areas.

Branches in Low- and Moderate- Income Census Tracts

Overall, low and moderate-income communities have less access to bank branches. In the St. Louis area, 35 percent of census tracts are low- and moderate-income (LMI).

Of banks with over 40 branches, Regions Bank has the highest percentage with 26.2 percent of bank branches located in LMI census tracts. *See* **Table 3.1** *and* **Chart 1**.

Table 3.1: Large Banks by LMI Branches			
Banks	Total Branches	LMI Branches	
	#	#	%
Regions Bank	65	17	26.2%
U.S. Bank	98	24	24.5%
PNC Bank	43	8	18.6%
Bank of America	51	9	17.6%
Commerce Bank	47	8	17.0%
First Bank	41	5	12.2%

Chart 1: Large Banks by LMI Branches

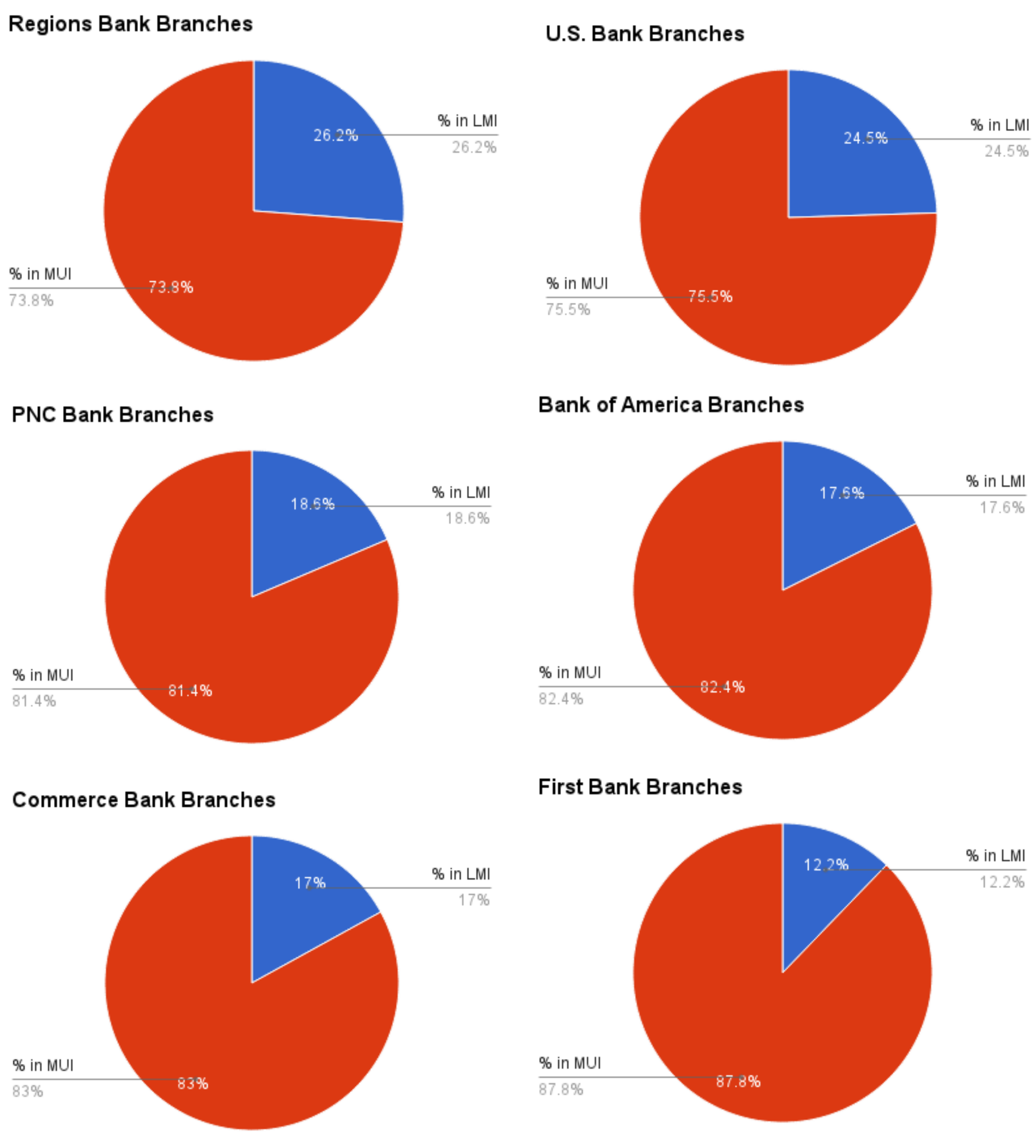


Table 3.2: Mid Banks by LMI Branches			
Banks	Total Branches	LMI Branches	
	#	#	%
Pulaski Bank	13	4	30.8%
UMB Bank	20	4	20.0%
BMO Harris Bank	15	3	20.0%
Fifth Third Bank	16	3	18.8%
First National Bank of St. Louis	14	2	14.3%
The Bank of Edwardsville	18	1	5.6%
Reliance Bank	19	1	5.3%
Heartland Bank	11	0	0.0%

Mid-size banks represent banks with between 11 and 20 bank branches.

Pulaski Bank has the highest percentage of branches in LMI tracts at 30.8 percent of all branches. Heartland Bank, with 11 branches total in the area, does not have any branches in LMI census tracts. *See* **Table 3.2** *and* **Chart 2**.

Of the banks with 10 or fewer bank branches categorized as Small banks, Enterprise Bank and Trust has the highest percentage with 33.3 percent of branches located in LMI census tracts. Carrollton Bank and First Clover Leaf Bank do not have any bank branches in LMI tracts. *See* **Table 3.3** *and* **Chart 3**.

Table 3.3: Small Banks by LMI branches			
Banks	Total Branches	LMI Branches	
	#	#	%
Enterprise Bank & Trust	6	2	33.3%
Midwest BankCentre	7	2	28.6%
Jefferson Bank and Trust	5	1	20.0%
First Collinsville Bank	10	1	10.0%
Carrollton Bank	6	0	0.0%
First Clover Leaf Bank	5	0	0.0%

Chart 2: Mid Banks by LMI Branches

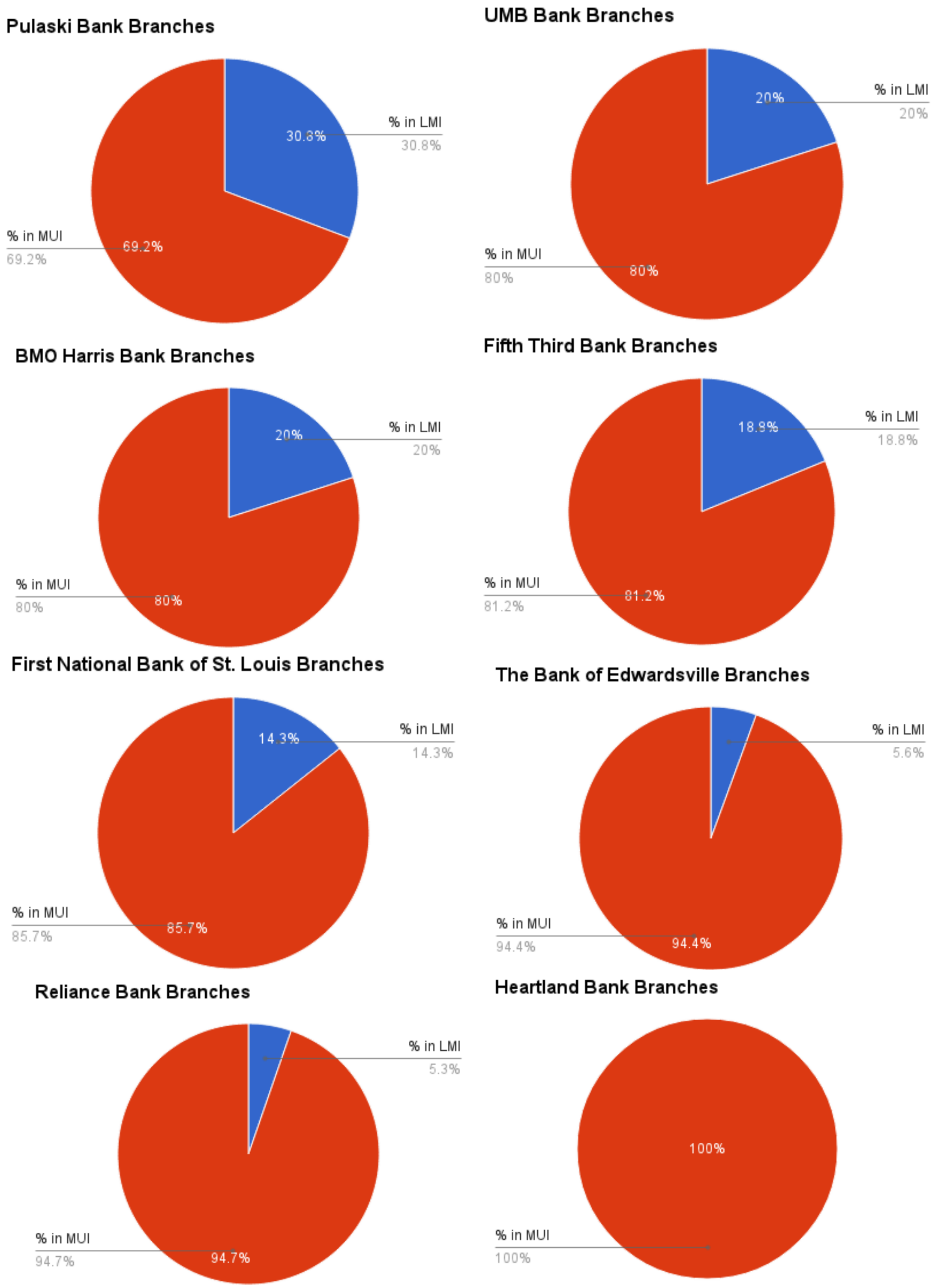
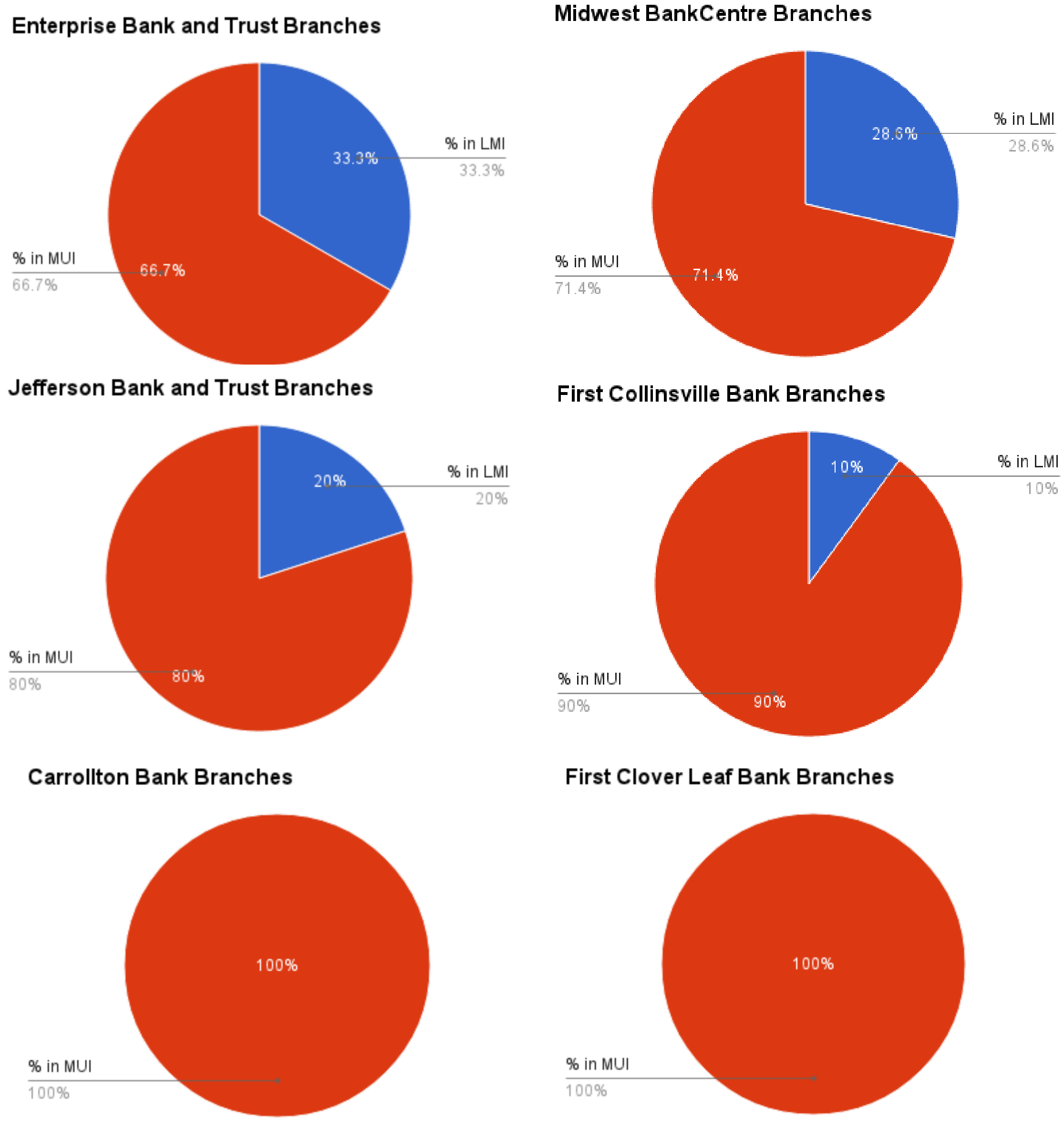


Chart 3: Small Banks by LMI Branches



Branches in Predominantly Minority Areas

Areas with predominantly minority population also have issues with lack of access to bank branches. In the St. Louis area, 27.1 percent of all census tracts have over 50 percent minority population.

Table 4.1: Large Banks by Branches in Minority Areas

Banks	Total Branches	Branches in Minority Areas	
	#	#	%
U.S. Bank	98	19	19.4%
Bank of America	51	7	13.7%
Regions Bank	65	8	12.3%
First Bank	41	5	12.2%
PNC Bank	43	5	11.6%
Commerce Bank	47	5	10.6%

U.S. Bank is the largest bank with the highest percentage of branches in predominantly minority areas. They have 19 branches in areas with predominantly minority population, which represents 19.4 percent of their branches. *See* **Table 4.1** *and* **Chart 4**, *on page 21*.

Among mid-size banks, Pulaski Bank has the highest percentage of bank branches in predominantly minority areas with 23.1 percent of their branches. The Bank of Edwardsville and Heartland Bank have zero branches in predominantly minority areas. **Table 4.2** and **Chart 5** on page 21 display mid-size banks with branches in minority areas.

Table 4.2: Mid Banks by Branches in Minority Areas

Banks	Total Branches	Branches in Minority Areas	
	#	#	%
Pulaski Bank	13	3	23.1%
Fifth Third Bank	16	3	18.8%
UMB Bank	20	3	15.0%
BMO Harris Bank	15	2	13.3%
First National Bank of St. Louis	15	1	7.1%
Reliance Bank	20	1	5.3%
The Bank of Edwardsville	18	0	0.0%
Heartland Bank	11	0	0.0%

Chart 4: Large Banks by Branches in Minority Areas

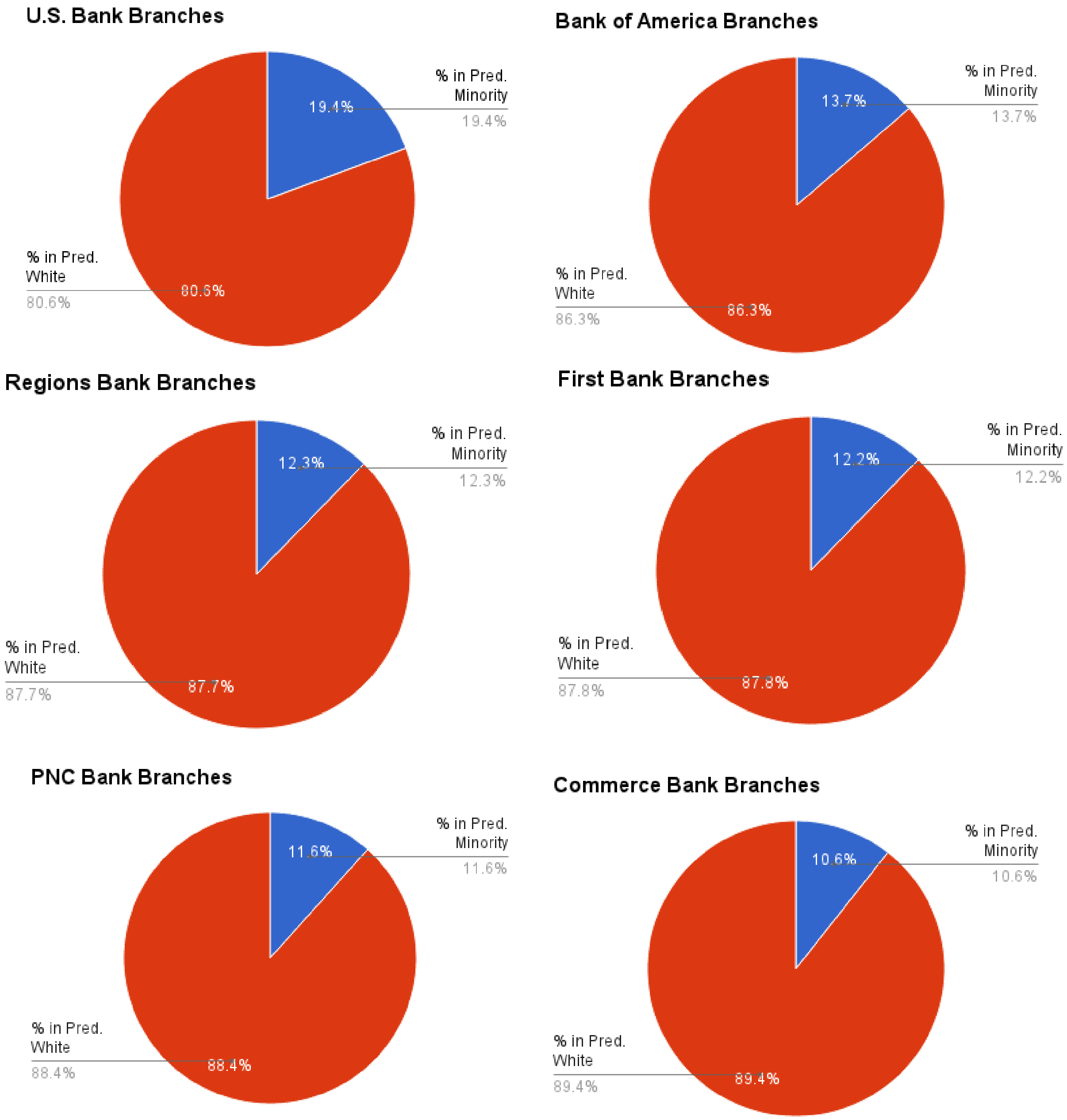


Chart 5: Mid Banks by Branches in Minority Areas

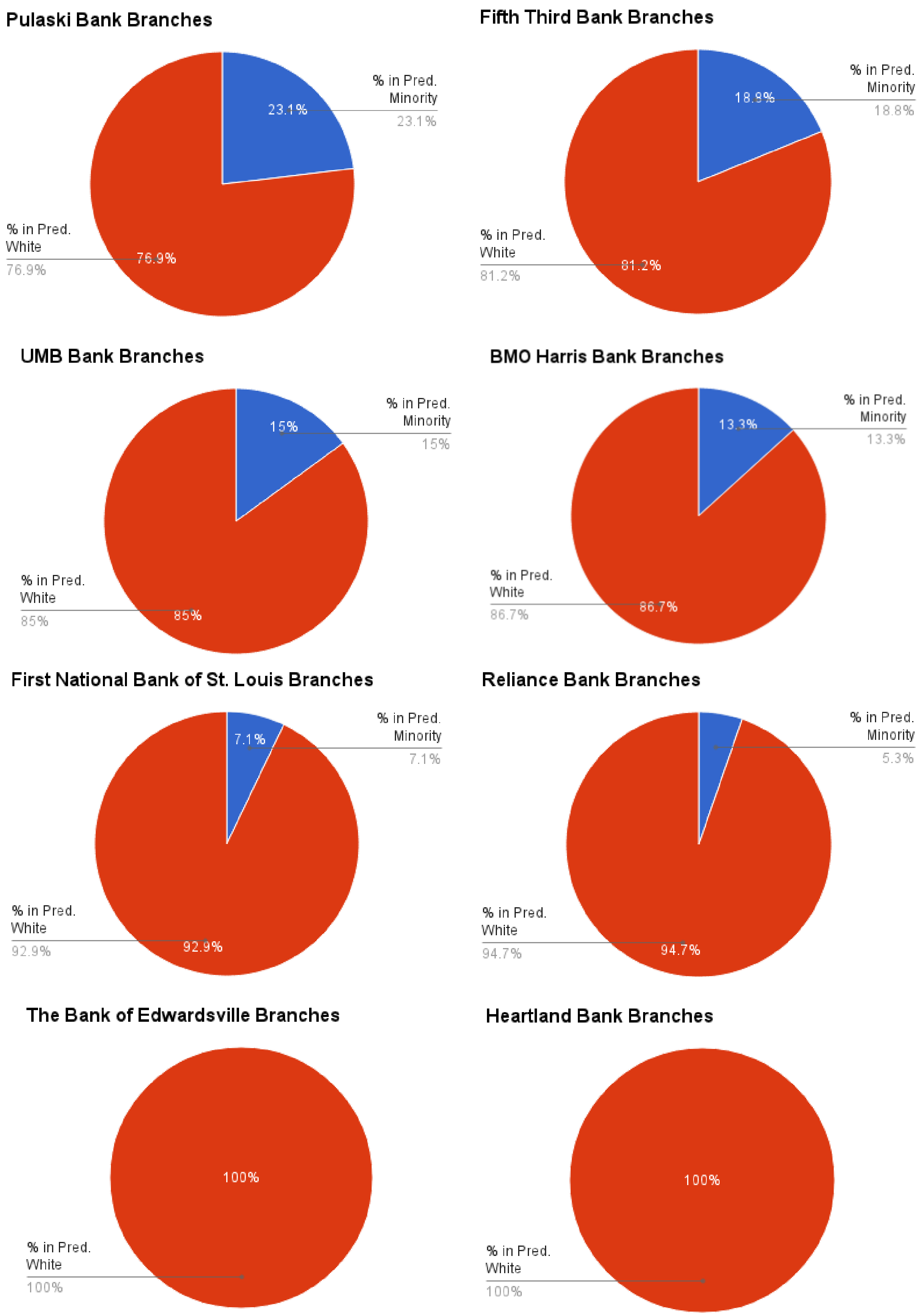
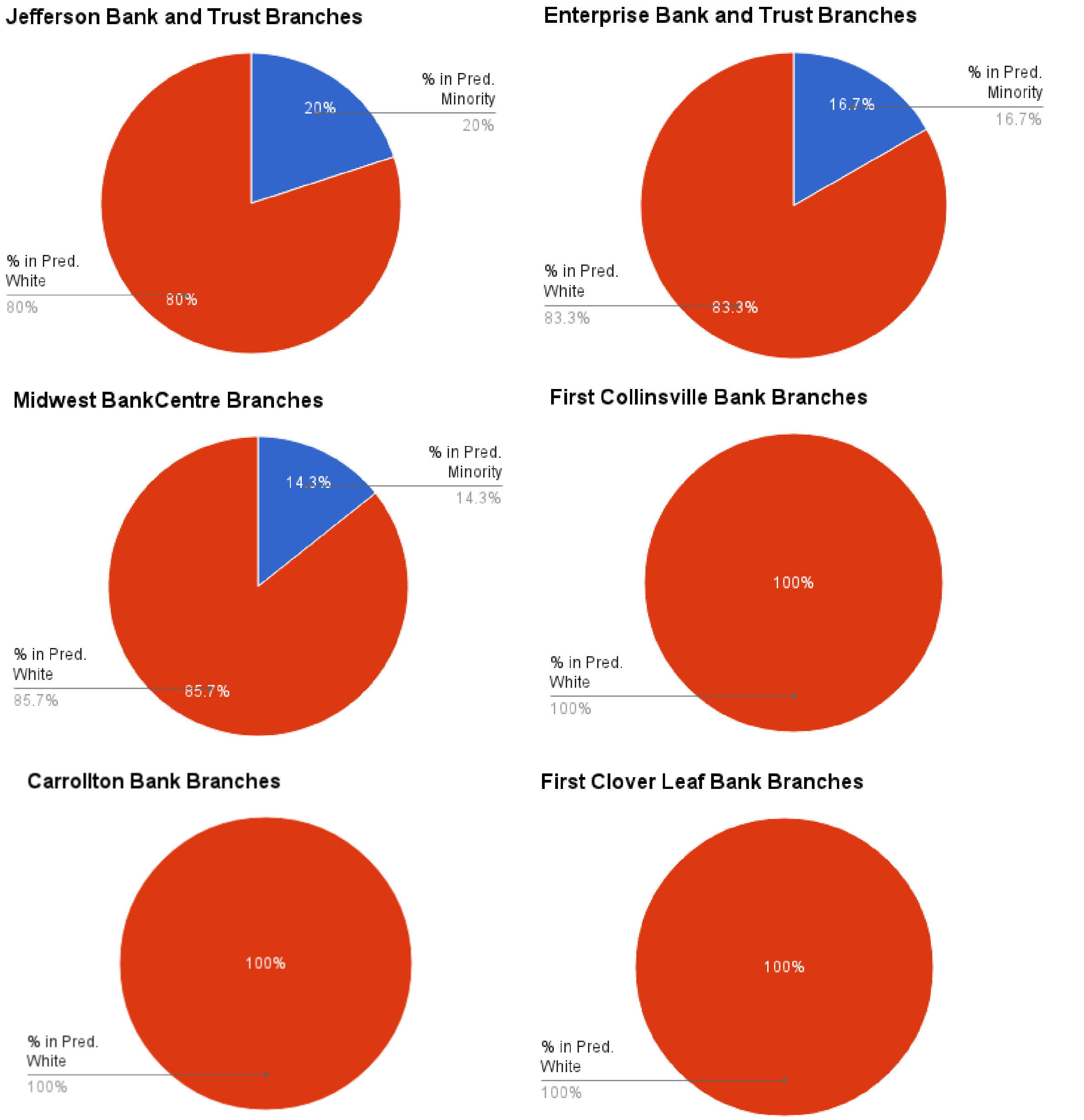


Table 4.3: Small Banks by Branches in Minority Areas			
Banks	Total Branches	Branches in Minority Areas	
	#	#	%
Jefferson Bank and Trust	5	1	20.0%
Enterprise Bank & Trust	6	1	16.7%
Midwest BankCentre	7	1	14.3%
First Collinsville Bank	10	0	0.0%
Carrollton Bank	6	0	0.0%
First Clover Leaf Bank	5	0	0.0%

The banks included in the small bank category all have either one or zero branches in predominantly minority areas. Jefferson Bank and Trust has the highest percentage of branches, with one branch out of their total five. First Collinsville Bank, Carrollton Bank, and First Clover Leaf Bank all have zero branches in predominantly minority census tracts. *See* **Table 4.3** *and* **Chart 6.**

Chart 6: Small Banks by Branches in Minority Areas



Conclusions: Branches

The performance of banks under the branch category evaluates both the percentage of branches in low- and moderate-income (LMI) areas and in predominantly minority areas. The rankings show that some banks are doing better than others when it comes to locating branches in the community. See **Appendix B** for full rankings and scores. However, the data also reveals that there is an overall need in LMI communities and predominantly minority communities for more bank branches. The disparities in population per branch demonstrate the lack of access to bank branches, especially in minority communities.

Pulaski Bank has the highest percentage of branches in low- and moderate-income areas and in predominantly minority areas with top rankings in both categories. With 30.8 percent of branches in LMI areas and 23.1 percent of branches in predominantly minority areas, Pulaski Bank's branch network is nearly reflective of the percent of census tracts in the region.

U.S. Bank and Enterprise Bank and Trust come in second with rankings in the top two on each indicator. Jefferson Bank and Trust and Regions Bank come in third, ranking in the top three in one of the indicators. These banks have more bank branches in LMI areas and predominantly minority areas than the average of all banks included in this report.

Table 5: Rankings for Branches
Top Performance
Pulaski Bank
Second Performance
U.S. Bank
Enterprise Bank & Trust
Third Performance
Regions Bank
Jefferson Bank and Trust
Zero Performance
Heartland Bank
Carrollton Bank
First Clover Leaf bank

All of the banks in this report have a total of 18.6 percent of branches in LMI areas and 12.7 percent of branches in predominantly minority areas. Compared to the average of the banks in this report, half of the banks have lower than average branches in LMI areas. Eleven banks, or just over half, have lower than average branches in predominantly minority areas.

However, compared to the 35 percent of LMI census tracts and 27 percent predominantly minority census tracts, all of these banks have branch networks below the reflective demographics. Enterprise Bank and Trust has the closest overall percent of branches in LMI areas, at 33.3 percent, followed by Pulaski Bank at 30.8 percent. None of these banks have comparable percentages to minority census tracts. All of the remaining banks examined in this report have branch levels far below the demographics.

Of concern are the banks that do not have any branches in both LMI and predominantly minority areas. Heartland Bank, First Clover Leaf Bank, and Carrollton Bank all have zeros on both of these indicators.

B. HOME MORTGAGE LENDING

Home mortgage lending is a key aspect of community reinvestment. Homeownership often provides the biggest asset for a family by significantly increasing their household wealth and stability.[43] In the last decade, low-income communities and communities of color have faced abusive subprime lending, been hit hardest by the crippling foreclosure crisis, and experienced a tight constriction of the mortgage market that places new barriers to accessing mortgage loans.[44] Now, access to responsible home mortgage loans will help families re-build wealth and stabilize neighborhoods. It is essential that banks are providing low- and moderate-income communities and communities of color access to safe and sound mortgage loans. SLEHCRA evaluates mortgage lending market penetration as compared to the demographics of the population.

The Home Mortgage Disclosure Act (HMDA) provides detailed information about the mortgage lending market.[45] This report includes data for owner-occupied, one-to-four family, first lien loan originations in order to best represent the mortgage lending market experienced by average consumers. This includes loans for all home purchases, refinances, and home improvements.

According to the 2011 HMDA data, 43,140 mortgages were originated by 398 banks to borrowers in the St. Louis area.[46] Refinance loans make up the majority of lending with nearly 74 percent of all loan originations. Home purchase lending captures 24.4 percent of the mortgage market, and home improvement loans only capture 1.7 percent of loans. Over 80 percent of loans are conventional loans. Government-backed loans represent 17.7 percent of loans, with FHA lending capturing the largest share at 12.9 percent, VA lending at 4.4 percent, and FSA/RHS loans at 0.5 percent of all lending.

Lending to Low- and Moderate- Income Borrowers and Communities

The HMDA data provides information about the income of borrowers of originated mortgage loans. This report examines lending to low and moderate-income (LMI) borrowers and communities, which represents those with incomes under 80 percent of the Median Family Income (MFI). In 2011, the St. Louis MSA's MFI was $69,500, so any household reporting income under $55,600 is considered LMI.

Table 6: Loan Originations to Borrowers by Income Level

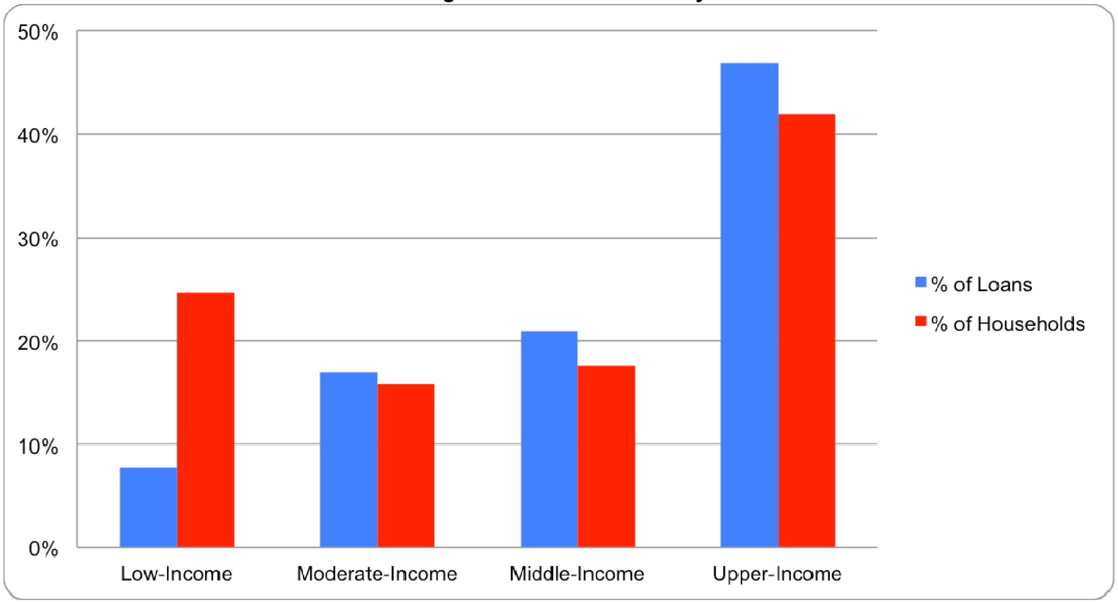
	# of Loans	% of Loans	# of Households	% of Households
Low-Income	3,327	7.7%	218,276	24.6%
Moderate-Income	7,318	17.0%	140,616	15.9%
Middle-Income	9,032	20.9%	155,360	17.5%
Upper-Income	20,231	46.9%	371,888	42.0%
NA	3,232	7.5%	0	0.0%
TOTAL	43,140	100.0%	886,140	100.0%

Source: LendingPatterns

In the St. Louis area, 7.7 percent of all mortgage loans originated to low-income borrowers and 17 percent originated to moderate-income borrowers. *See* **Table 6** *and* **Chart 7**. Comparatively, 24.6 percent of households are low-income and 15.9 percent of households are moderate-income.[47] Lending to low-income borrowers is below the demographics of the community, while lending to moderate-income borrowers is above the demographics.

[43] Kochhar, Rakesh, "Wealth Gaps Rise to Record Highs Between Whites, Blacks, and Hispanics" Pew Research Center, July 26, 2011. pg. 24.
[44] Metropolitan St. Louis Equal Housing Opportunity Council, "Redlined: A Fair Lending Analysis of the St. Louis Metropolitan Area" February 2011; Center for Community Change, "Risk of Race? Racial Disparities and the Subprime Refinance Market," May 2002; Massey, Douglas S. and Jacob S. Rugh, "*Racial Segregation and the American Foreclosure Crisis*" American Sociological Review. 75 (5), pg. 629-651
[45] Home Mortgage Disclosure Act, 12 U.S.C. 2801
[46] Data only includes lending institutions regulated by the Federal Reserve, FDIC, OCC, and CFPB to reflect mortgage lending by banks.
[47] 2012 Census Demographics, LendingPatterns

Chart 7: Loan Originations to Borrowers by Income Level



HMDA data also provides information about the census tract in which the property is located. In 2011, only 0.6 percent of loans originated to properties in low-income census tracts and 6.3 percent originated to properties in moderate-income census tracts. Over 50 percent of mortgages originated in upper-income census tracts within the St. Louis area. *See* **Table 7** *and* **Chart 8**.

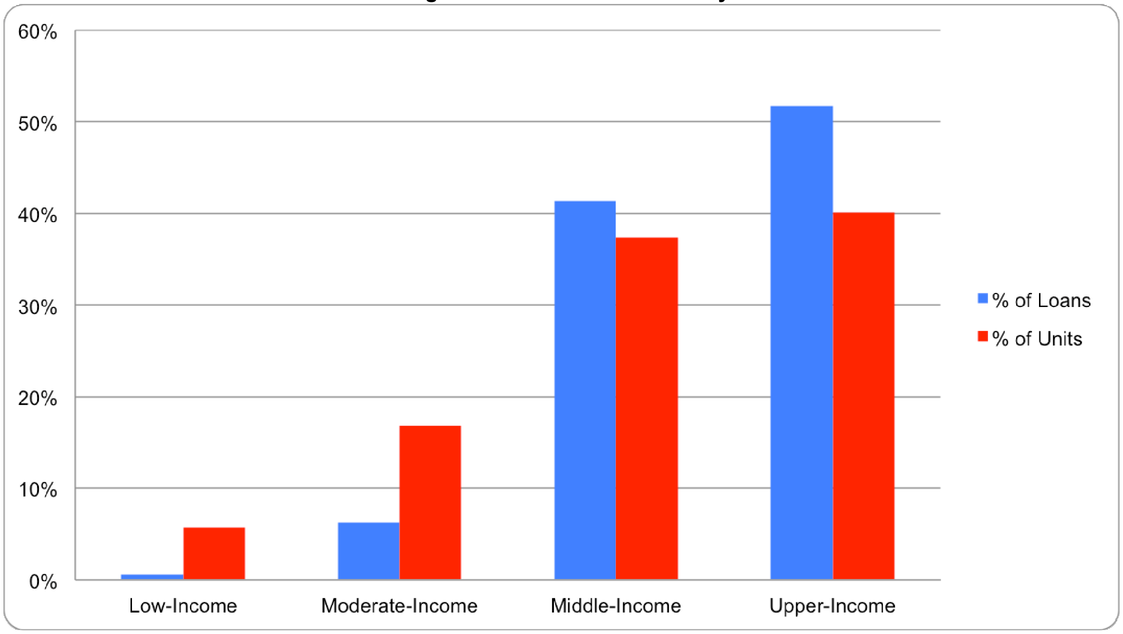
Table 7: Loan Originations to Census Tracts by Income Level

	# of Loans	% of Loans	# of Units	% of Units
Low-Income	256	0.6%	35,094	5.7%
Moderate-Income	2,708	6.3%	103,911	16.9%
Middle-Income	17,851	41.4%	230,116	37.3%
Upper-Income	22,318	51.7%	247,316	40.1%
NA	7	0.0%	7	0.0%
TOTAL	43,140	100.0%	616,444	100.0%

Source: LendingPatterns

These lending percentages are compared to the number of owner occupied housing units in census tracts. There are 5.7 percent of owner occupied housing units in low-income census tracts and 16.9 percent of owner occupied housing units in moderate-income tracts. Lending to homes in both low- and moderate-income census are below the percentage of owner occupied housing units in those areas.

Chart 8: Loan Originations to Census Tracts by Income Level



Lending to Minority Borrowers and Communities

Of all mortgage loans originated in the St. Louis area in 2011, 83.9 percent of borrowers were white, 4.4 percent were African-American, 1.2 percent were Hispanic, and 2.0 percent were Asian. Borrowers of other minorities or those that did not report race represent 8.5 percent of originations. *See* **Table 8** *and* **Chart 9**.

Table 8: Loan Originations to Borrowers by Race and Ethnicity				
	# of Loans	% of Loans	# of Households	% of Households
White	36,201	83.9%	664,473	74.3%
Black	1,915	4.4%	192,889	21.6%
Hispanic	523	1.2%	17,576	2.0%
Asian	844	2.0%	19,139	2.1%
Other	3,657	8.5%	17,734	2.0%
TOTAL	43,140	100.0%	894,235	100.0%
Source: LendingPatterns, Census 2010				

Comparatively, 74.3 percent of households are white, 21.6 percent are black, 2 percent are Hispanic, and 2.1 percent are Asian. Mortgage lending to African-Americans is extremely underrepresented for the population of households. Lending to Hispanic and Asian borrowers is slightly below the percent of households in the area.

Chart 9: Loan Originations to Borrowers by Race and Ethnicity

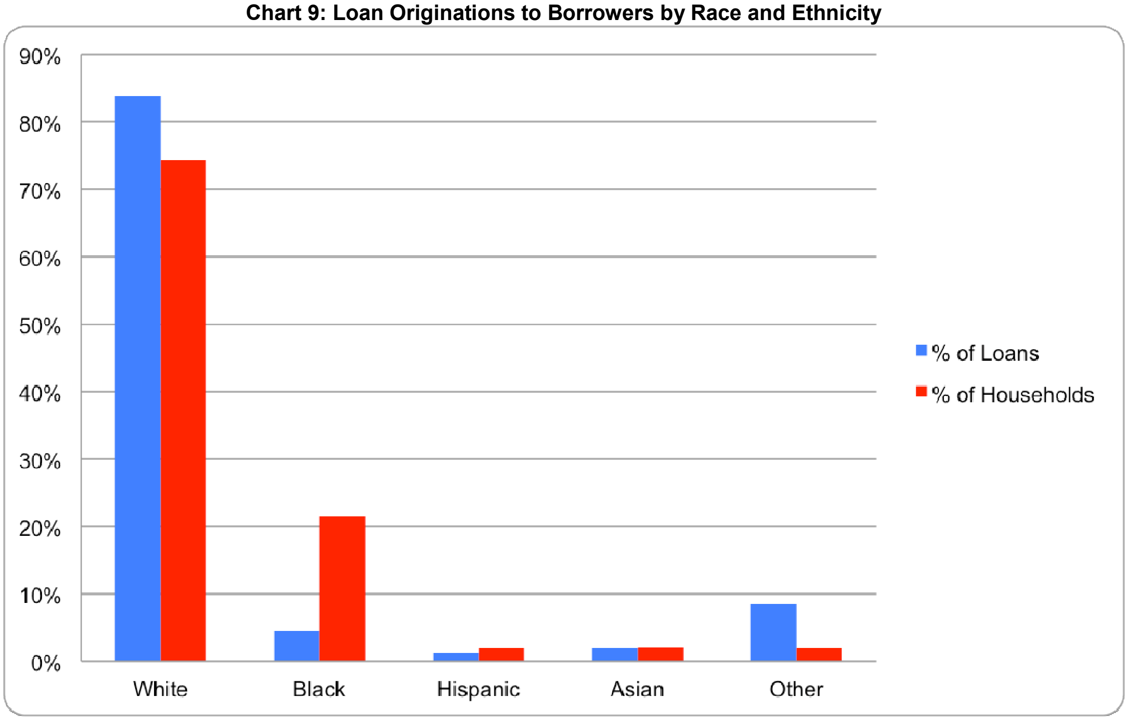
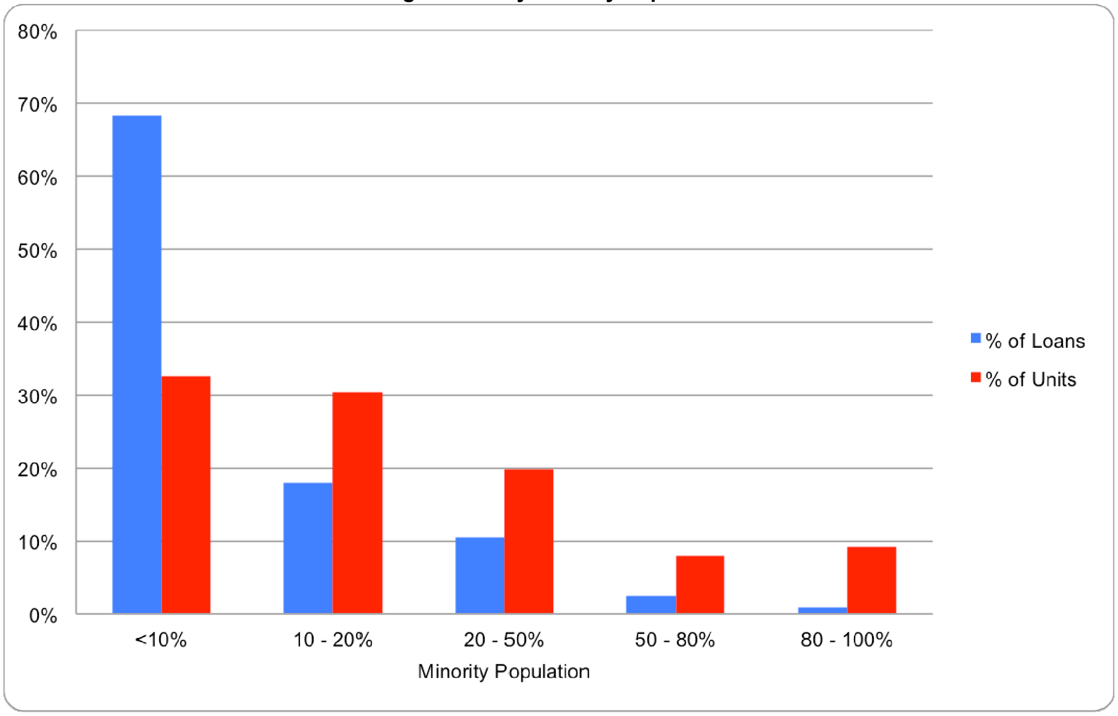


Table 9: Loan Originations by Minority Population of Census Tract				
	# of Loans	% of Loans	# of Units	% of Units
<10%	29,472	68.3%	201,366	32.7%
10 - 20%	7,719	17.9%	187,445	30.4%
20 - 50%	4,492	10.4%	122,535	19.9%
50 - 80%	1070	2.5%	48,567	7.9%
80 - 100%	387	0.9%	56,531	9.2%
NA	0	0.0%	0	0.0%
TOTAL	43,140	100.0%	616,444	100.0%
Source: LendingPatterns				

The majority of loans (68.3 percent) were originated in census tracts with less than 10 percent minority population. *See* **Table 9** *and* **Chart 10**. Only 3.4 percent of loans originated to predominantly minority census tracts, defined as over 50 percent minority population. Comparatively, 17.1 percent of owner occupied housing units are in predominantly minority census tracts. Only 32.7 percent of owner occupied housing units are in areas with less than 10 percent minority population.

Chart 10: Loan Originations by Minority Population of Census Tract



Disparities in Denial Rates

The continued gap in minority representation for mortgage originations is one indicator of the lack of access to credit faced by minority borrowers and communities. Another serious indicator is the high denial rate disparities that show that minority borrowers are more likely to be denied mortgage loans than white borrowers.

Table 10: Denial Rate by Race of Borrower

	# of denials	Denial Rate	Disparity[48]
White	6,472	13.0%	
Black	1,177	31.0%	2.4
Hispanic	169	20.9%	1.6
Asian	245	17.8%	1.4
Other	1,473	22.8%	1.8
TOTAL	9,536	15.3%	
Source: LendingPatterns			

African-Americans are 2.4 times more likely to be denied a mortgage loan than a white borrower. *See* **Table 10**. Of applications, 31 percent of African-Americans are denied compared to 13 percent of white borrowers.[49] The denial rate for African-Americans is the highest among all minority categories. Hispanic borrowers are 1.6 times more likely to be denied than white borrowers, with 20.9 percent of Hispanic applications being denied. Asian borrowers have a denial rate of 17.8 percent, meaning Asians are 1.4 times more likely to be denied than white borrowers.

Interestingly, a breakdown by income levels show that the disparity for African-Americans actually increases with higher incomes. *See* **Table 11**. The disparity between middle- and upper-income African-American and white borrowers is greater than the disparity among low- and moderate-income borrowers.

[48] Disparity is compared to white borrowers.
[49] Denial rates are calculated by dividing the number of denials to the total number of applications for that particular borrower category.

Upper-income African-American borrowers are 2.4 times more likely to be denied than white borrowers. Comparatively, low-income African-American borrowers are only 1.8 times more likely to be denied than a low-income white borrower.

This trend is not true for other minority borrowers. The disparity for Hispanic borrowers, Asian borrowers and other borrowers is greatest among moderate-income borrowers.

Table 11: Denial Rate Disparities by Race of Borrower

	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	Denial Rate	Disparity	Denial Rate	Disparity	Denial Rate	Disparity	Denial Rate	Disparity
White	23.7%		15.7%		12.7%		10.0%	
Black	42.8%	1.8	31.0%	2.0	30.7%	2.4	24.5%	2.4
Hispanic	33.3%	1.4	25.7%	1.6	17.6%	1.4	15.0%	1.5
Asian	36.8%	1.6	28.3%	1.8	21.9%	1.7	10.0%	1.0
Other	39.4%	1.7	30.3%	1.9	23.9%	1.9	16.3%	1.6
TOTAL	28.4%		18.9%		15.1%		11.1%	

Source: LendingPatterns

The denial rate disparities for minority borrowers is concerning. This is particularly evident among African-American borrowers, as the disparity increases when controlling for higher incomes. Although HMDA data is limited and does not currently include data on the creditworthiness of the borrower, these disparities indicate that African-Americans are experiencing significantly different outcomes than whites in mortgage lending transactions.

Bank Comparisons

Of the banks included in this report, most have substantial mortgage lending records. U.S. Bank captures the largest share of mortgage lending overall in St. Louis, with 5,418 loan originations that represents 12.6 percent of all mortgage lending by banks in the market.[50]

The second largest mortgage lender in the area is Wells Fargo Bank, which is not included in this report because the bank does not have any deposits in the St. Louis area. JPMorgan Chase Bank also has a similar situation as the bank is ranked fifth in terms of number of mortgage loan originations yet does not have any deposits in the St. Louis area. Both Wells Fargo Bank and JPMorgan Chase Bank do not have any deposit-taking branches in the St. Louis metropolitan area.

Two banks included in the report have mortgage lending records with only one or two loans originated in 2011. BMO Harris Bank, with two loans originated, entered the St. Louis market by acquiring M&I Bank in June of 2011.[51] Jefferson Bank and Trust Bank only originated one loan in the area included in this report. Because these banks have so few loan originations, they have not been included in the comparisons of lending to low- and moderate-income communities and minority communities.

[50] The market share data is the aggregate HMDA lending for institutions regulated by bank regulators, including the Federal Reserve, FDIC, OCC, and CFPB. This does not include credit unions or independent mortgage companies.
[51] Federal Reserve Board, "Approval of proposal by Bank of Montreal," Press Release, June 21, 2011.

Lending to Low- and Moderate- Income Borrowers

Lending to low- and moderate-income (LMI) borrowers is a key component of bank reinvestment. Banks are evaluated on this component in CRA examinations. Examiners compare a bank's market penetration to aggregate lending levels and the percentage of households in a bank's assessment area.[52]

This report examines the percentage of loans originated to LMI borrowers and the percentage of loans originated to LMI census tracts, ranking each bank by both of those indicators.

Table 12: Loan Originations to LMI Borrowers			
Banks	Total Loans	LMI Borrower	
	#	**#**	**%**
Fifth Third Bank	41	18	43.9%
UMB Bank	115	41	35.7%
First Bank	658	233	35.4%
Pulaski Bank	3334	1139	34.2%
Regions Bank	723	237	32.8%
Heartland Bank	1355	423	31.2%
Bank of America	2,761	807	29.2%
U.S. Bank	5,418	1516	28.0%
PNC Bank	577	158	27.4%
First Collinsville Bank	640	166	25.9%
Commerce Bank	440	114	25.9%
The Bank of Edwardsville	1194	300	25.1%
Aggregate Bank Lending	**43,140**	**10,645**	**24.7%**
First Clover Leaf Bank	287	62	21.6%
First National Bank of St. Louis	980	195	19.9%
Carrollton Bank	362	54	14.9%
Reliance Bank	64	8	12.5%
Midwest BankCentre	595	66	11.1%
Enterprise Bank & Trust	172	19	11.0%
Source: LendingPatterns			

Table 12 and **Chart 11** (on page 32) display the lending to LMI borrowers by banks included in this report.

Fifth Third Bank has the highest percentage of loans to LMI borrowers at 43.9 percent of loans, although it should be noted that the loan volume was small. Fifth Third Bank originated 41 total loans in 2011, with 18 of those originated to LMI borrowers. UMB has the second highest percentage, with 35.7 percent of loans originated to LMI borrowers.

Compared to the aggregate lending, a majority of banks have market penetration to LMI borrowers above the aggregate level of lending at 24.7 percent of loans. However, 40.5 percent of households in the St. Louis area are considered to be low- and moderate-income. Only Fifth Third Bank's level of lending is representative of the household demographics.

[52] Assessment areas are designated by the bank and should reflect the areas in which they primarily do business, including the geographies around all deposit-taking branches and ATMs. Community Reinvestment Act, *12 C.F.R. § 345.41*

Lending to Low- and Moderate- Income Census Tracts

Lending to low- and moderate-income census tracts is also a component of a bank's CRA examination. In the St. Louis area, there are 177 census tracts that are designated as Low- or Moderate-Income (LMI).

Table 13 and **Chart 12** display lending to LMI census tracts for the banks in this report.

UMB Bank has the highest percent of lending to properties located in LMI tracts, with 13.9 percent of loans originated to LMI areas. PNC Bank has the second percentage at 10.6 percent of loans.

Compared to the aggregate lending to LMI census tracts, half of the banks included in this analysis reported a higher level of loans originated for properties in LMI areas. However, LMI census tracts hold 22.6 percent of all owner-occupied housing units in the St. Louis region. All of the banks are lending far below the demographics of the community.

Table 13: Loan Originations to LMI Census Tracts

Banks	Total Loans	LMI tracts	
	#	**#**	**%**
UMB Bank	115	16	13.9%
PNC Bank	577	61	10.6%
Fifth Third Bank	41	4	9.8%
Regions Bank	723	70	9.7%
Bank of America	2,761	259	9.4%
Pulaski Bank	3334	301	9.0%
Carrollton Bank	362	29	8.0%
U.S. Bank	5,418	414	7.6%
Commerce Bank	440	31	7.1%
Aggregate Bank Lending	**43,140**	**2,964**	**6.9%**
Heartland Bank	1355	78	5.8%
The Bank of Edwardsville	1194	68	5.7%
First Bank	658	35	5.3%
First National Bank of St. Louis	980	50	5.1%
Enterprise Bank & Trust	172	8	4.7%
First Clover Leaf Bank	287	13	4.5%
Midwest BankCentre	595	23	3.9%
First Collinsville Bank	640	22	3.4%
Reliance Bank	64	2	3.1%
Source: LendingPatterns			

Chart 11: Loan Originations to LMI Borrowers

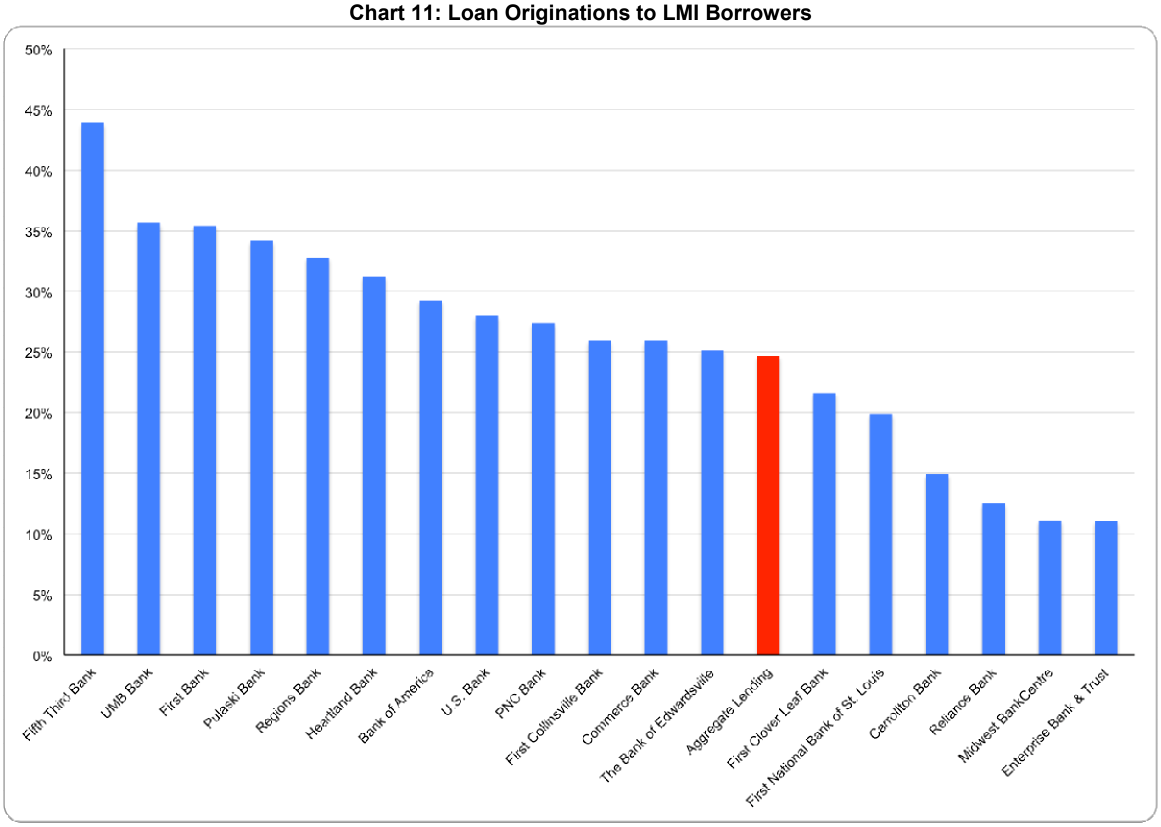
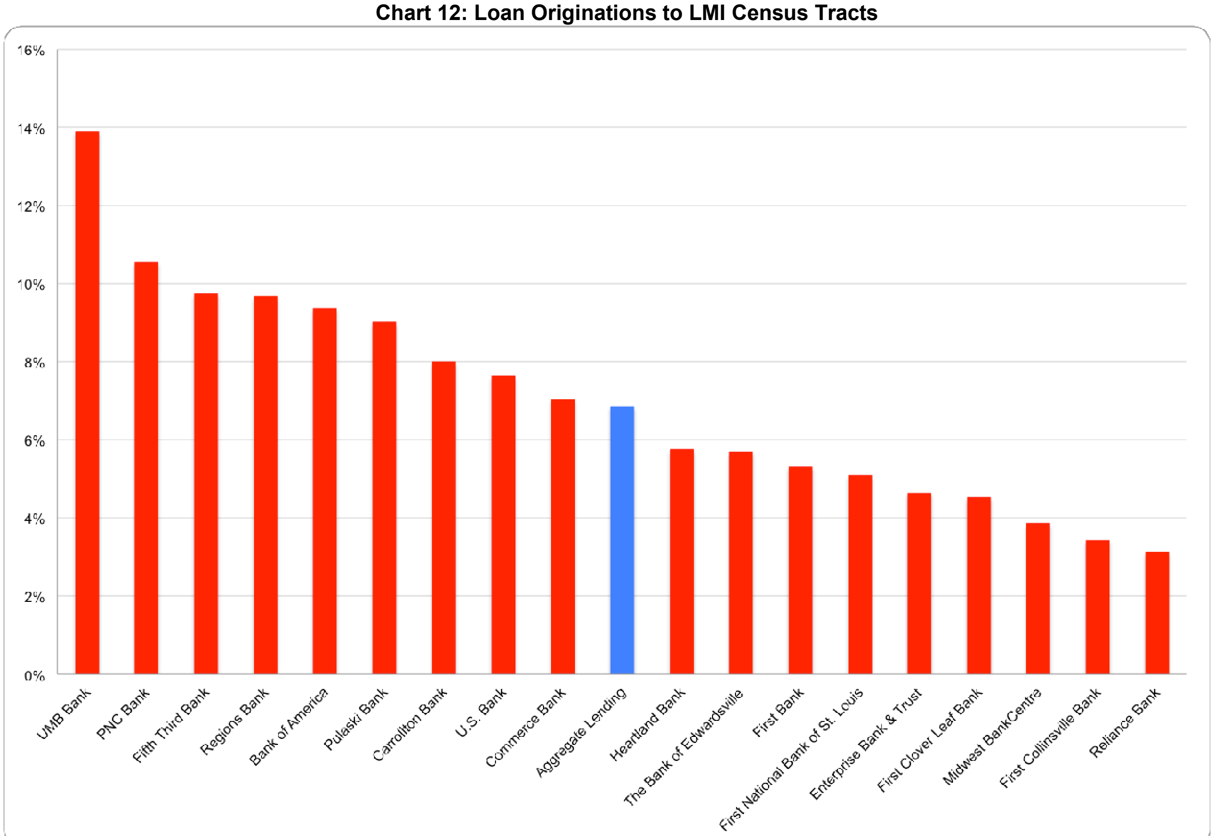


Chart 12: Loan Originations to LMI Census Tracts



Lending to Minority Borrowers

Lending to minority borrowers and communities is another aspect of bank reinvestment that ensures all communities, regardless of race or ethnicity, have access to opportunities for home loans and financial services. For this report, minority borrowers include borrowers that reported their race as African-American, Asian, Native American, Hawaiian, and Multi Race. Predominantly minority areas are those with a population over 50 percent minority. This report ranks the performance of banks in percentage of loan originations to minority borrowers and predominantly minority census tracts. **Table 14** displays the percentage of loan originations for all minority borrowers, African-American borrowers, and Hispanic borrowers. **Chart 13** on page 36 displays lending to minority borrowers.

Table 14: Loan Originations to Minority Borrowers

Banks	Total	Minority Borrowers		Black		Hispanic	
	#	#	%	#	%	#	%
Heartland Bank	1355	162	12.0%	111	8.2%	20	1.5%
Bank of America	2,761	309	11.2%	191	6.9%	37	1.3%
Pulaski Bank	3334	303	9.1%	190	5.7%	52	1.6%
U.S. Bank	5,418	482	8.9%	301	5.6%	53	1.0%
First National Bank of St. Louis	980	82	8.4%	36	3.7%	14	1.4%
Aggregate Bank Lending	**43,140**	**3,466**	**8.0%**	**1,915**	**4.4%**	**523**	**1.2%**
Regions Bank	723	58	8.0%	35	4.8%	9	1.2%
UMB Bank	115	9	7.8%	5	4.3%	0	0.0%
PNC Bank	577	43	7.5%	19	3.3%	8	1.4%
First Bank	658	45	6.8%	30	4.6%	6	0.9%
Commerce Bank	440	27	6.1%	15	3.4%	4	0.9%
Fifth Third Bank	41	2	4.9%	1	2.4%	0	0.0%
Midwest BankCentre	595	27	4.5%	14	2.4%	4	0.7%
First Collinsville Bank	640	20	3.1%	5	0.8%	10	1.6%
The Bank of Edwardsville	1194	26	2.2%	16	1.3%	3	0.3%
Reliance Bank	64	1	1.6%	1	1.6%	0	0.0%
First Clover Leaf Bank	287	4	1.4%	2	0.7%	1	0.3%
Carrollton Bank	362	3	0.8%	0	0.0%	2	0.6%
Enterprise Bank & Trust	172	1	0.6%	1	0.6%	0	0.0%
Source: LendingPatterns							

Heartland Bank has the highest percentage of loans to minority borrowers at 12 percent of loan originations to minority borrowers. The bank's percentage of loans specific to African-American borrowers is also the highest at 8.2 percent of all loan originations. Bank of America has the second highest percentage of lending to minority borrowers and African-American borrowers. All minority borrowers represent 11.2 percent of Bank of American's loans and African-American borrowers are 6.9 percent of their loan originations.

A few banks have extremely low percentages of lending to minority borrowers. Four banks originated less than one percent of loans to African-American borrowers, including First Collinsville Bank, First Clover Leaf Bank, Enterprise Bank and Trust, and Carrollton Bank. Carrollton Bank did not originate any loans to African-Americans in 2011.

Lending to Hispanic borrowers represents a small portion of lending to all minority borrowers. First Collinsville Bank and Pulaski Bank are tied for the highest percentage of lending to Hispanic borrowers, both with 1.6 percent of loans originated to Hispanic borrowers. Heartland Bank ranks second with 1.5 percent of loans originated to Hispanic borrowers.

Four banks did not originate any loans to Hispanic borrowers in 2011, including UMB Bank, Fifth Third Bank, Reliance Bank, and Enterprise Bank and Trust.

Compared to the aggregate level of lending to minority borrowers, only five banks have higher percentages of loan originations to minority borrowers. But despite these banks' lending above the average of banks in St. Louis, their percentage of lending to minorities is far below the population demographics. Minority households represent 27.6 percent of all households in St. Louis, and yet the top-performing bank on this indicator only originated 12 percent of loans to minority borrowers. This disparity is a severe concern in the St. Louis region.

Lending to Predominantly Minority Census Tracts

There are 137 census tracts in the St. Louis area that are predominantly minority, meaning there is over 50 percent minority population. Owner occupied housing units in those census tracts represent 17.1 percent of all owner occupied housing units in the region.

Table 15: Loan Originations to Predominantly Minority Census Tracts

Banks	Total Loans	Minority Tracts	
	#	**#**	**%**
UMB Bank	115	11	9.6%
Bank of America	2,761	159	5.8%
Commerce Bank	440	21	4.8%
PNC Bank	577	24	4.2%
U.S. Bank	5,418	221	4.1%
Pulaski Bank	3334	135	4.0%
Heartland Bank	1355	54	4.0%
First Bank	658	26	4.0%
Aggregate Bank Lending	**43,140**	**1457**	**3.4%**
Midwest BankCentre	595	20	3.4%
First National Bank of St. Louis	980	31	3.2%
Fifth Third Bank	41	1	2.4%
Regions Bank	723	14	1.9%
Enterprise Bank & Trust	172	2	1.2%
First Collinsville Bank	640	5	0.8%
The Bank of Edwardsville	1194	5	0.4%
First Clover Leaf Bank	287	1	0.3%
Carrollton Bank	362	1	0.3%
Reliance Bank	64	0	0.0%
Source: LendingPatterns			

Table 15 and **Chart 14** display lending to predominantly minority census tracts.

UMB Bank has the highest percentage of loans to predominantly minority census tracts at 9.6 percent of loan originations. Bank of America has the second highest percentage at 5.8 percent of loans.

Eight banks have higher levels of lending to predominantly minority census tracts than the aggregate level of lending. Ten banks are below the aggregate level of lending.

Reliance Bank did not originate any loans to properties in predominantly minority census tracts.

Considering that 17.1 percent of owner occupied housing units in the region are located in predominantly minority census tracts, all banks are under performing in lending to minority communities. Even the top performing bank's level of loan originations is substantially lower than the comparable demographics.

Chart 13: Loan Originations to Minority Borrowers

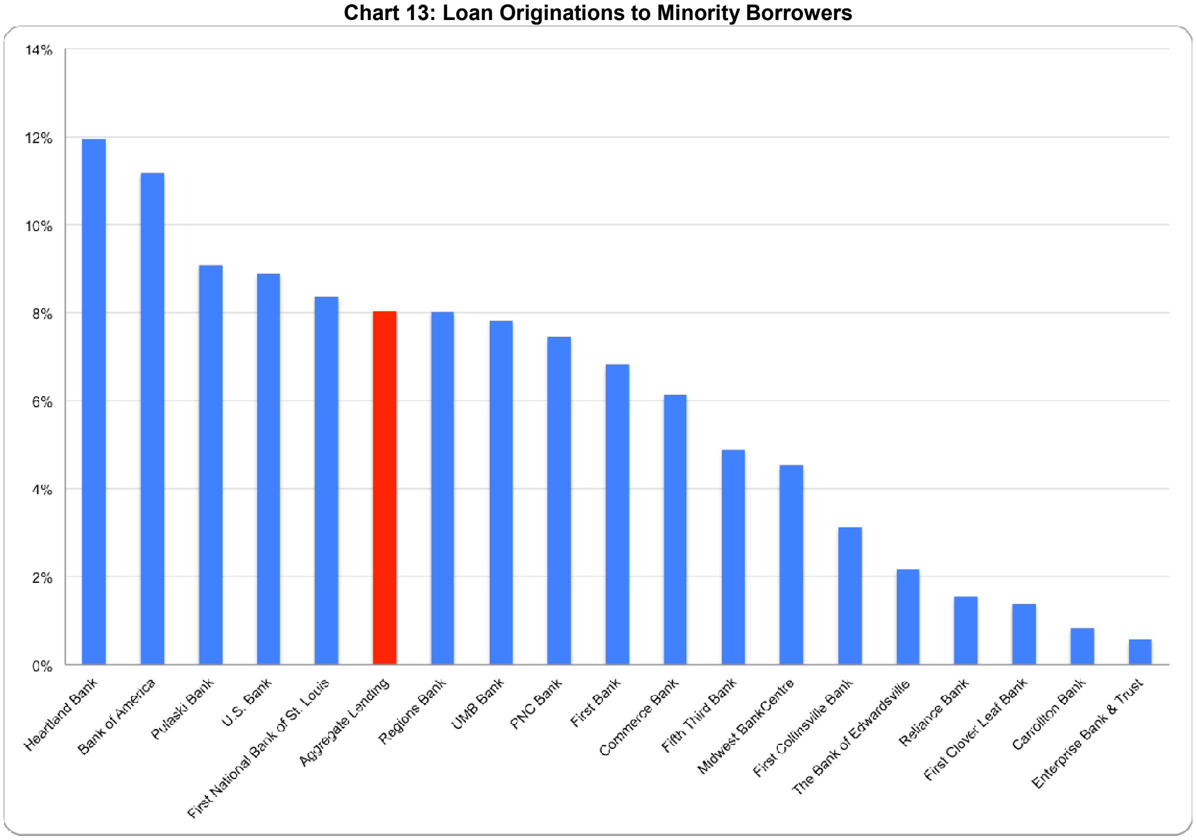
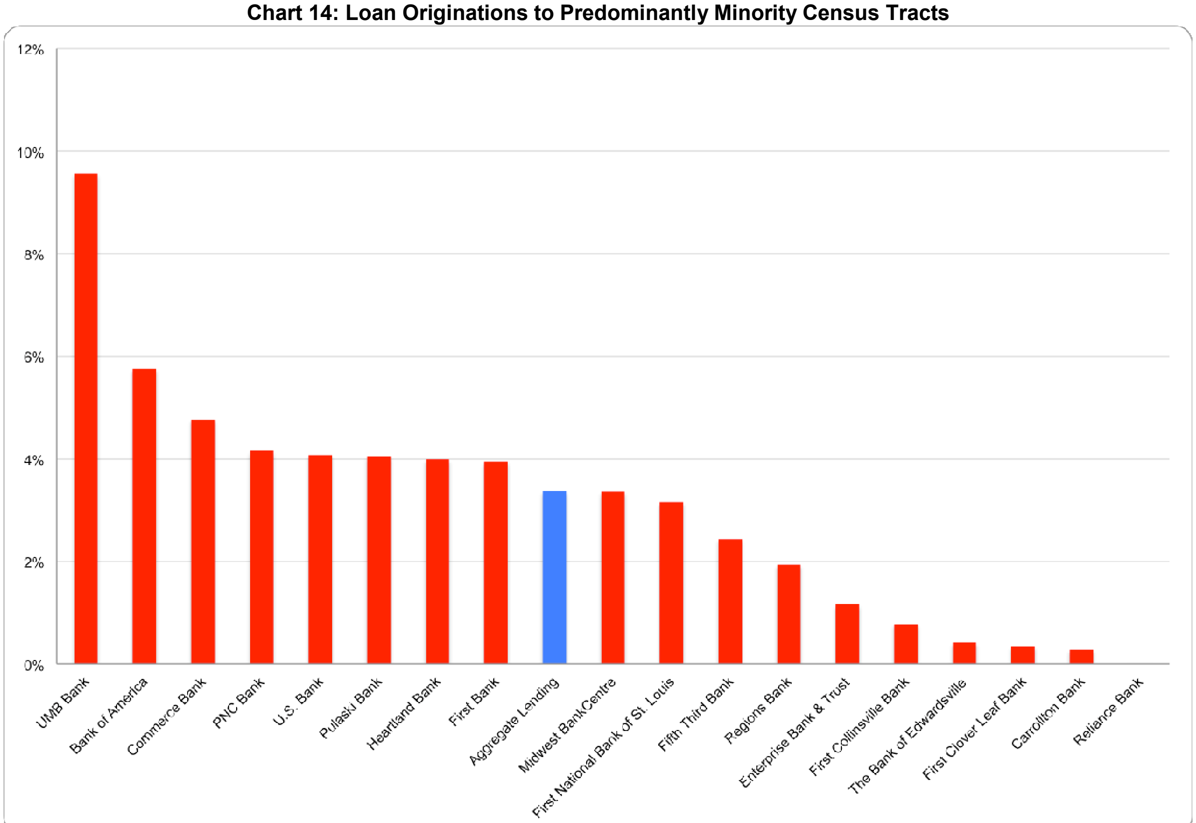


Chart 14: Loan Originations to Predominantly Minority Census Tracts



Conclusions: Home Mortgage Lending

Home mortgage lending is evaluated by examining a bank’s market penetration to low- and moderate-income borrowers and communities, as well as minority borrowers and communities. Bank performance overall is extremely low in this category, particularly in lending to minority borrowers and communities. **Appendix B** displays the full data of rankings and scores on the indicators in this category.

Table 16: Rankings in Home Mortgage Lending
Top Performance
UMB Bank
Second Performance
Bank of America
Third Performance
Pulaski Bank

UMB has the highest performance in home mortgage lending, with top ranks in lending to LMI census tracts and predominantly minority census tracts. This bank ranked second in lending to LMI borrowers. UMB Bank originated 35.7 percent of loans to LMI borrowers and 13.9 percent of loans to LMI census tracts. UMB originated 9.6 percent of loans to predominantly minority census tracts. This bank ranked seventh in lending to minority borrowers, with 7.8 percent of loans originated to minority borrowers.

Bank of America ranks second in performance for mortgage lending. This bank is ranked second on both lending to minority borrowers and predominantly minority areas, with 11.2 percent and 5.8 percent of originations respectively. Lending to LMI borrowers and LMI census tracts is at 29.2 percent and 9.4 percent of originations, respectively.

Following in third is Pulaski Bank. Pulaski Bank originated 34.2 percent of loans to LMI borrowers and 9 percent to LMI census tracts. This bank is ranked third in lending to minority borrowers with 9.1 percent of originations. Lending to predominantly minority census tracts comprises 4 percent of the bank’s loan originations.

No bank had multiple zeros in the indicators for this category, although a few banks had zero loans reported in lending specific to African-American borrowers and Hispanic borrowers. Reliance Bank is the only bank with a zero in any indicator, with zero loans originated to predominantly minority census tracts.

Considering the demographics of the region, all banks have extremely low performance in lending to minority borrowers and communities. The gaps in lending to minority borrowers and communities are a significant issue for the St. Louis region. Approximately 28 percent of the population is a minority; yet all banks originated only 8 percent of loans to minority borrowers. The bank with the highest performance in lending to minority borrowers originated only about 12 percent of loans to minority borrowers. More banks fell below the aggregate level of lending than in any other indicator in this category. Thirteen of the eighteen banks, representing 72 percent of the top lenders, have lower percentages of minority borrowers than the already low aggregate level of lending.

Similarly, there are significant gaps in lending to minority census tracts. Approximately 17 percent of housing units are in predominantly minority areas, and yet the highest performing bank originated less than 10 percent of loans to those census tracts. The aggregate originated only 3.4 percent of loans to predominantly minority census tracts. Ten banks have lending below the aggregate level of lending.

There are also gaps in lending to LMI borrowers and communities. Low- and moderate-income households represent about 40 percent of the population. Only Fifth Third Bank’s lending is proportional to LMI borrowers, at 44 percent of loan originations. UMB, the top-performing bank on all lending indicators combined, has lending slightly below with 35 percent of lending to LMI borrowers. Six banks have lending to LMI borrowers that is below the aggregate lending. Lending to LMI census tracts is below the demographics for all banks included in this analysis. Twenty-two percent of housing units are in LMI tracts, yet the highest ranked bank originated 14 percent of loans. The aggregate originated 6.9 percent of loans to LMI communities. Nine banks reported lower levels of lending than the aggregate lending.

The gaps demonstrated in this analysis of home mortgage lending reveals that all banks have significant room for improvement in lending to low- and moderate-income communities and communities of color. Even the highest performing banks are not adequately serving the population in the community.

C. SMALL BUSINESS LENDING

Lending to small businesses is another way banks provide investment in the community. Access to credit, particularly for businesses in low- and moderate-income communities contributes to the economic development and revitalization of the neighborhood.[53] Higher levels of small business lending under CRA obligations are seen to be associated with higher employment rates and income.[54] SLEHCRA expects banks to provide small business loans particularly to those located in low- and moderate-income communities.

The CRA small business lending data is available through the Federal Financial Institutions Examination Council (FFIEC) as part of the CRA disclosure. Small business loans are defined as commercial loans for $1 million or less that are reported on the institutions Call Report.[55] Currently, the data is very limited and only identifies the size of the small business and the census tract in which the loan was made. Although this is only a small picture of small business lending demographics, the data does allow for an analysis of lending in low- and moderate-income neighborhoods.

The most recent available data is from 2011. Only banks over a certain asset size are required to collect and report this data. The asset-size threshold changes annually. In 2011, banks were required to report data if a bank had assets of $1.122 billion as of December 31 for each of the prior two calendar years.[56] Banks can also voluntarily report their CRA disclosure data.

Table 17: Small Business Loan Originations to Census Tracts by Income

	# of Loans	% of Loans	% of Businesses
Low-Income CT	1148	3.4%	3.9%
Moderate-Income CT	4635	13.9%	16.3%
Middle-Income CT	12990	38.9%	47.4%
Upper Income CT	14149	42.3%	32.2%
NA	499	1.5%	0.3%
TOTAL	33421		

Source: FFIEC 2011 CRA Disclosure

Aggregate small business lending data is available nationally and for metropolitan areas. In the St. Louis region, 33,421 small business loans were originated in 2011.[57] Loans made to businesses in low- and moderate-income census tracts represent 17.3 percent of all loans in the St. Louis region. *See* **Table 17**.

Aggregate lending is slightly below the percentage of businesses located in LMI tracts. There are 3.9 percent of businesses located in low-income census tracts and 16.3 percent located in moderate-income census tracts.[58]

Bank Comparisons

Out of the top twenty banks included in this report, all but three banks have 2011 CRA disclosures available. The three banks that do not have data available all fall below the CRA asset-size requirement and are Heartland Bank, First Clover Leaf Bank, and Jefferson Bank and Trust.

Table 18 and **Chart 15** display small business lending in LMI tracts for the banks included in this report.

[53] Laderman, Elizabeth and Carolina Reid, "The Community Reinvestment Act and Small Business Lending in Low- and Moderate-Income Neighborhoods during the Financial Crisis," Working Paper, The Federal Reserve Bank of San Francisco. October 2010.
[54] "Does CRA Small Business Lending Increase Employment: An Examination on a County Level" National Community Reinvestment Coalition, July 2010.
[55] FFIEC, "A Guide to CRA Data Collection and Reporting" 2010, http://www.ffiec.gov/cra/pdf/2010_CRA_Guide.pdf
[56] FFIEC, "Who Reports CRA Data?" 2011 Reporting Criteria, http://www.ffiec.gov/cra/reporter11.htm
[57] For the purpose of this report, the St. Louis region includes St. Charles County, St. Louis County, St. Louis City, Madison County and St. Clair County.
[58] Note percentage of businesses located in LMI tracts includes the entire St. Louis MSA, so the geographic boundaries include more than the scope of this report.

U.S. Bank originated the most small business loans overall with 1,157 loans originated. BMO Harris Bank reported only six small business loans originated in the St. Louis area. BMO Harris Bank acquired M&I Bank in July 2011, which explains their low number of loans during this year.

Table 18: Loan Originations to Businesses in LMI Census Tracts

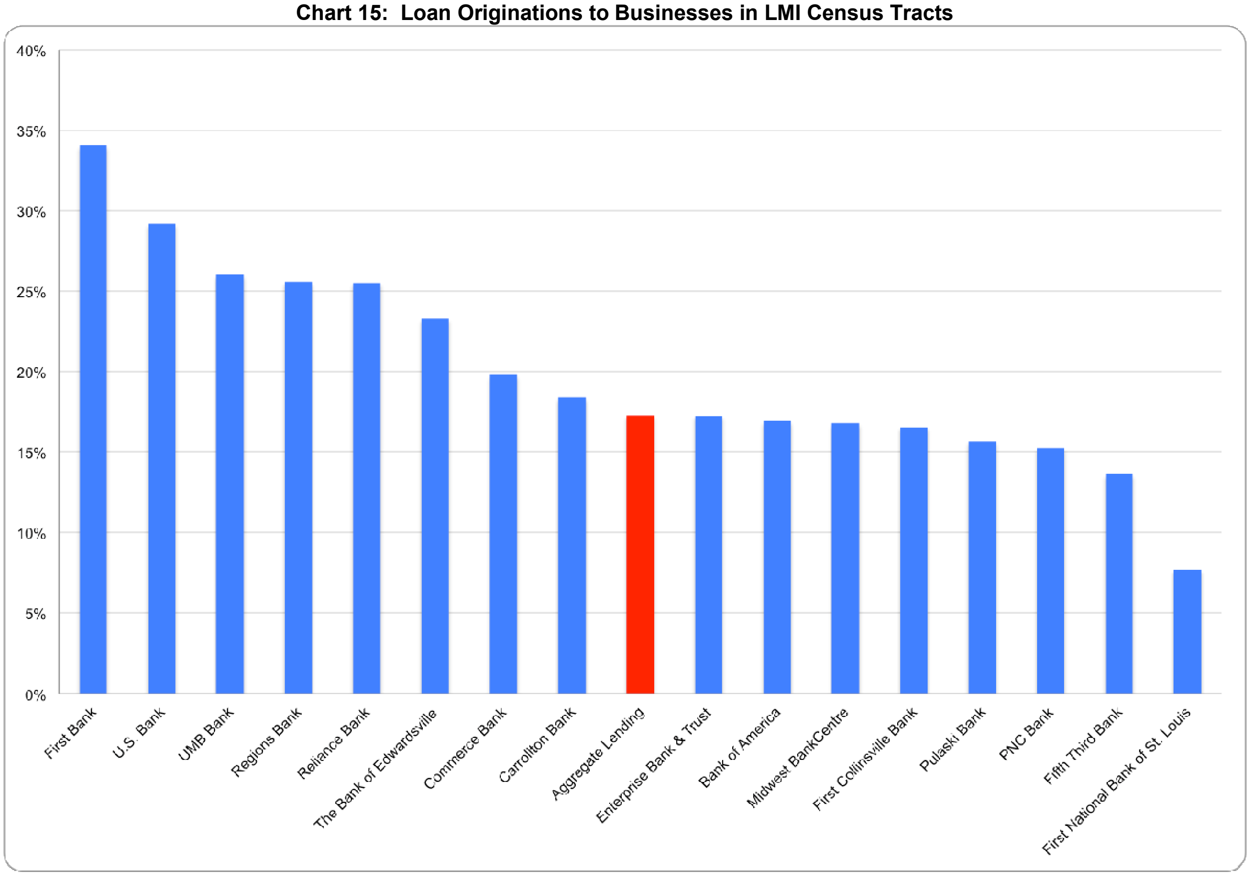
Banks	Total Loans	LMI Tracts	
	#	#	%
First Bank	364	124	34.1%
U.S. Bank	1157	338	29.2%
UMB Bank	315	82	26.0%
Regions Bank	1039	266	25.6%
Reliance Bank	94	24	25.5%
The Bank of Edwardsville	468	109	23.3%
Commerce Bank	1040	206	19.8%
Carrollton Bank	261	48	18.4%
Aggregate Bank Lending	**33421**	**5783**	**17.3%**
Enterprise Bank & Trust	724	125	17.3%
Bank of America	372	63	16.9%
Midwest BankCentre	238	40	16.8%
First Collinsville Bank	157	26	16.6%
Pulaski Bank	198	31	15.7%
PNC Bank	1041	159	15.3%
Fifth Third Bank	132	18	13.6%
First National Bank of St. Louis	402	31	7.7%
BMO Harris Bank	6	0	0.0%
Source: FFIEC 2011 CRA Disclosure			

This report examines the percentage of small business loans that are made in low- and moderate-income (LMI) census tracts. The aggregate small business lending in the St. Louis region originated 17.3 percent of loans to LMI census tracts and there are approximately 20.2 percent of businesses located in LMI tracts.

First Bank has the highest percentage of small business loans originated in LMI census tracts at 34.1 percent. U.S. Bank ranks second with 29.2 percent of loans originated to LMI census tracts.

The aggregate lending numbers fall in the middle of the banks included in this report, with 8 banks originating more loans to LMI census tracts and 9 banks originating fewer loans compared to the aggregate lending percentages.

Chart 15: Loan Originations to Businesses in LMI Census Tracts



Conclusions: Small Business Lending

Although data on small business lending is currently limited, the level of lending within low- and moderate-income communities is an important aspect to include in this report on bank reinvestment.

The banks that reported small business lending data were ranked on the percentage of loans originated to businesses in low- and moderate-income census tracts. **Appendix B** displays all data on rankings and scores.

Table 19: Rankings in Small Business Lending
Top Performance
First Bank
Second Performance
U.S. Bank
Third Performance
UMB Bank

First Bank has highest performance in small business lending to LMI areas at just over 34 percent. Ranked second is U.S. Bank with 29.2 percent of loans to LMI areas. UMB Bank comes in third place with 26 percent of loans in LMI census tracts. There are no banks that have zero performance on this indicator.

D. COMMUNITY DEVELOPMENT LENDING

As part of community reinvestment, banks have obligations to provide loans for community development purposes. These activities provide access to capital for developing affordable housing, providing community services, economic development, or the revitalization of low- or moderate-income areas.[59] Community development loans are specific loans that are made to address the needs of low- and moderate-income communities. Often, community development loans are made to or in partnership with non-profit organizations or entities that are working directly to serve the needs of the community, including community development financial institutions (CDFIs), community development corporations (CDCs), or community credit unions.[60] SLEHCRA believes that community development lending should be substantial and compares the level of lending to a bank's asset size.[61]

Banks report community development lending to the FFIEC as part of their CRA disclosure. As with requirements for reporting small business lending, only banks with assets generally over $1 billion must report their CRA disclosure. The most recent available data is from 2011, and only banks with assets of $1.122 billion as of December 31 for each of the prior two calendar years were required to report data.[62] Community development lending in the CRA disclosure is reported for the entire institution and geography, so the data is from nationwide community development lending.

Of the twenty banks included in this report, all but 3 have CRA disclosures available because they fall below the asset-size requirement. Heartland Bank, First Clover Leaf Bank, and Jefferson Bank and Trust did not report community development lending.

This report examines the number and dollar value of community development lending from 2011. The dollar volume of community development lending is evaluated as a percentage of total assets in order to evaluate the level of community development lending for each institution. **Table 20** displays community development lending for banks included in this report.

Regions Bank has the largest number of community development loans with 425, although the dollar amount is ranked sixth. U.S. Bank reports the highest dollar amount of community development lending at $1.27 billion. Bank of America and PNC Bank rank second and third, both with community development lending totaling over $1 billion.

Reliance Bank has the highest percentage of community development loans compared to total assets, with 6.7 percent. Enterprise Bank and Trust has the second highest percentage at 5.3 percent of assets.

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[59] 12 CFR § 228.12 (g)
[60] "CRA Community Development Loans, Investments and Services Fact Sheet" Office of the Comptroller of the Currency, Community Affairs, June 2011, www.occ.gov/topics/community-affairs/publications/fact-sheets/fact-sheet-cra-loans.pdf
[61] This evaluation method is similar to that used by the National Community Reinvestment Coalition. See National Community Reinvestment Coalition, "The CRA and Fair Lending Performance of Major Banks in New Orleans," June 2008.
[62] FFIEC, "Who Reports CRA Data?" 2011 Reporting Criteria, http://www.ffiec.gov/cra/reporter11.htm

Table 20: Community Development Lending by Percentage of Assets				
Banks	Community Development Lending			
	#	$ (in 000s)	Assets (in 000s)	% of assets
Reliance Bank	29	65,742	980,389	6.7%
Enterprise Bank & Trust	51	165,030	3,107,300	5.3%
Carrollton Bank	17	44,586	1,106,339	4.0%
Commerce Bank	238	831,032	22,079,408	3.8%
First Bank	53	215,806	6,360,763	3.4%
UMB Bank	79	319,181	15,459,121	2.1%
Midwest BankCentre	13	22,686	1,133,429	2.0%
First National Bank of St. Louis	23	29,333	1,519,384	1.9%
First Collinsville Bank	26	10,809	657,851	1.6%
Fifth Third Bank	221	854,241	118,997,722	0.7%
Pulaski Bank	4	8,939	1,349,269	0.7%
Regions Bank	425	753,015	118,935,276	0.6%
The Bank of Edwardsville	17	7,974	1,612,887	0.5%
PNC Bank	205	1,140,545	290,107,628	0.4%
U.S. Bank	249	1,267,052	345,786,969	0.4%
Bank of America	324	1,223,165	1,458,091,000	0.1%
BMO Harris Bank	39	64,641	98,724,706	0.1%
Heartland Bank	NA		811,479	NA
First Clover Leaf Bank	NA		601,213	NA
Jefferson Bank and Trust	NA		480,738	NA
Source: FFIEC 2011 CRA Disclosure, FDIC Industry Analysis				

Conclusions: Community Development Lending

Reliance Bank has top level community development lending when compared to asset size. Ranked second is Enterprise Bank and Trust and ranked third is Carrollton Bank. **Appendix B** displays all rankings and scores.

Table 21: Rankings in Community Development Lending
Top Performance
Reliance Bank
Second Performance
Enterprise Bank and Trust
Third Performance
Carrollton Bank

All of the top three banks are local St. Louis banks, with relatively small assets compared to the other institutions included in this report. Reliance Bank has the smallest level of assets of the top three, with under $1 billion. Enterprise Bank and Trust has over $3 billion in assets. Carrollton Bank has just over $1 billion in assets.

Interestingly, the banks with the highest dollars in community development lending are the ones at the bottom of the rankings. U.S. Bank's community development lending only represents 0.4 percent of assets and Bank of America's community development lending is 0.1 percent of total assets.

A higher level of community development lending means increased resources for affordable housing development, economic development, services for low- and moderate-income individuals, and revitalization of underserved areas. Based on this community development lending data, community banks have a higher level of investing in the St. Louis community with loans that achieve community development purposes.

E. EMPLOYMENT DIVERSITY

The diversity and inclusion of people working at financial institutions is an element of bank reinvestment in the community included in this report as employees, loan officers, and executives should be diverse and reflect the demographics of the community.

Diversity and inclusion is recognized as important among financial institutions. The largest banks in the country have strong diversity initiatives, including U.S. Bank that cites an ingrained diversity and inclusion culture that values embracing differences, which is what "enables us to innovate and drive business success."[63] Bank of America's diversity and inclusion statement says that "encouraging a diverse, inclusive workplace gives us the business advantage of understanding and meeting the needs of our diverse customers, clients, and communities."[64]

Research on workplace diversity generally supports the idea that diversity is an opportunity for organizations to excel and provides for greater adaptability in the changing world today.[65] However, a more important component that has greater benefits for an organization is the diversity within leadership.[66] Greenlining Institute annually investigates the racial composition of bank board of directors in California, finding that members of bank board of directors continue to be predominantly white and male.[67] They acknowledge that diverse leadership in members of the board of directors and among senior management positions can help make connections to communities of color to increase access to mainstream financial services, thus aiding in the greater economic recovery and tapping into the buying power of an unreached market.[68] Further, studies by the Government Accountability Office and the Federal Reserve Bank of Boston have found that diversity on board of directors can increase effectiveness and innovation.[69]

Diversity and inclusion is also a priority at the federal banking regulators, under mandates from Executive Order 13583 and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act).[70] One of the provisions of the Dodd-Frank Act established Office of Minority and Women Inclusion at federal banking agencies.[71] In addition, this provision mandates that the diversity policies and practices of entities regulated by the agencies are also assessed.[72] Thus, the institutions regulated by those banking agencies should also have a priority of diversity and inclusion.

According to the Federal Reserve's 2012 annual report filed with Congress, the Directors of the Office of Minority and Women Inclusion at the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Consumer Financial Protection Bureau, and the Securities Exchange Commission have all collaborated together to develop interagency standards for assessing diversity policies and practices of regulated entities.[73] This policy statement, still forthcoming, will describe leading diversity practices for financial institutions in terms of organizational commitment, employment practices, supplier diversity, and transparency of diversity and inclusion policies.[74] Therefore, banks should make diversity a priority

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[63] U.S. Bank, "Diversity & Inclusion", Careers, www.usbank.com/careers/diversity.html.
[64] Bank of America, "Diversity and Inclusion", Careers / About Us. www.**bankofamerica**.com/**diversity**/
[65] Research Center for Leadership in Action, "Leadership, Diversity and Inclusion: Insights from Scholarship" New York University Robert F. Wagner Graduate School of Public Service and National Urban Fellows. March 2011
[66] Ibid.
[67] Vissa, Preeti, "Annual Bank Board Diversity Report 2012" Issue Brief, Greenlining Institute, February 2013.
[68] Vissa, Preeti, "Bank Diversity and the Road to Financial Recovery: Annual Report on the Diversity of Bank Boards and Senior Management" The Greenlining Institute. Issue Brief. June 2011.
[69] Ibid.
[70] "Executive Order 1583," White House Press Release, August 18, 2011, http://www.whitehouse.gov/the-press-office/2011/08/18/executive-order-establishing-coordinated-government-wide-initiative-prom; H.R. 4173--111th Congress: Dodd-Frank Wall Street Reform and Consumer Protection Act
[71] Sec. 342, House Report 111-517 - Dodd-Frank Wall Street Reform and Consumer Protection Act, http://thomas.loc.gov/cgi-bin/cpquery/?&sid=cp111qFgwM&r_n=hr517.111&dbname=cp111&&sel=TOC_562874
[72] Ibid. Sec. 342 (b) (3)
[73] Board of Governors of the Federal Reserve System, "Report to the Congress on the Office of Minority and Women Inclusion", March 2013, http://www.federalreserve.gov/publications/minority-women-inclusion/files/omwi-report-20130329.pdf
[74] Ibid.

because of the regulatory requirement, but also because of the social, economic and moral benefits for having diverse employees and leaders.

For this report, employment diversity information was requested from the banks included in this analysis. A sample request letter is included in **Appendix C**. The racial composition of employees, senior management, and board of directors was analyzed. Only employees and senior management that work in the St. Louis market were reported. Senior management positions were described as executives, officers, and those with decision-making authority. With banks self-reporting this information, there could be significant differences in how different banks define senior management positions.

The information on employment diversity provided by the banks for this report is compared to the statistics collected by the U.S. Equal Employment Opportunity Commission (EEOC). The EEOC compiles statistics on job patterns by sector nationally and for metropolitan areas. The subcategory Credit Intermediation represents the credit and banking industry.[75] A further sub category of Depository Credit represents only banks and credit unions, yet statistics are only available on this level for national aggregate. Minority representation in these industries is examined in the St. Louis metropolitan area and compared to the national aggregate.

Table 22: 2011 Job Patterns in Credit Industry in St. Louis MSA

	All Employees		Executive and Senior Officials and Managers		First/Mid-Level Officials and Managers	
	#	%	#	%	#	%
Total	19,269		532		2,802	
Minority	4,248	22.0%	14	2.6%	323	11.5%
Source: EEOC 2011 Job Patterns						

According to the 2011 statistics in the St. Louis metropolitan area, 19,269 individuals work in the credit industry.[76] Of those total employees, minorities represent 22 percent. *See* **Table 22**.

The EEOC reports separate out employees by job title and positions. The EEOC's definition of officials and managers includes positions "who set broad policies, exercise overall responsibility… and direct individual departments or special phases of a firm's operations."[77] Executive and Senior Officials and Managers represent the top management of institutions. The 2011 data reports 532 individuals in executive and senior management positions, with less than 3 percent of those being minority. There are 2,802 First/Mid-Level Officials and Managers, with 11.5 percent of those minorities. With differences in reporting definitions and categories, it could be difficult to compare these statistics to the senior management statistics of the banks in this report. Information on board of directors is not included in the EEOC reports.

Nationally, 32.2 percent of employees in the credit industry are minorities. *See* **Table 23**. Among Executives and Senior Officials nationally, 10.9 percent are minority. First/Mid-Level Officials and Managers are comprised of 22.6 percent minorities. The national rate of minority employment in all of these levels is significantly above the rate of St. Louis minority employment.

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[75] "Diversity in the Finance Industry" U.S. Equal Employment Opportunity Commission. 2006 report.
[76] This statistic includes all of the St. Louis metro area, which is bigger than the geographic focus of this report, and includes other lending and banking institutions than the ones focused on in this report.
[77] U.S. Equal Employment Opportunity Commission, Job Patterns for Minorities and Women in Private Industry: Glossary" http://www.eeoc.gov/eeoc/statistics/employment/jobpat-eeo1/glossary.cfm

Table 23: 2011 Job Patterns in Credit Industry for National Aggregate						
	All Employees		Executive and Senior Officials and Managers		First/Mid-Level Officials and Managers	
	#	%	#	%	#	%
Total	1,276,634		40,367		208,275	
Minority	410,493	32.2%	4,378	10.9%	47,160	22.6%
Source: EEOC 2011 Job Patterns						

The national aggregate data for just depository credit institutions shows that the rates of minority employment decrease slightly. These statistics better represent the field of banks. Nationally, 31.7 percent of all employees are minorities. Nearly 10 percent of Executives and Senior Officials and nearly 22 percent of First/Mid-Level Officials are minorities. *See* **Table 24**.

Table 24: 2011 Job Patterns in Depository Credit for National Aggregate						
	All Employees		Executive and Senior Officials and Managers		First/Mid-Level Officials and Managers	
	#	%	#	%	#	%
Total	1,046,432		32,271		172,690	
Minority	331,587	31.7%	3,199	9.9%	37,896	21.9%
Source: EEOC 2011 Job Patterns						

Bank Comparisons

Information on diversity of bank employees and board of directors was obtained by requesting data from each of the banks included in the report. Five banks declined to provide their information: PNC Bank, First Bank, First National Bank of St. Louis, First Clover Leaf Bank and Jefferson Bank and Trust.

Diversity in Employees and Senior Management

Since the range in the number of employees varied so greatly among the banks, three different groups were used to compare the level of diversity between banks with similar sizes. Banks with over 500 local employees are considered *Large*, those with between 200 and 500 are considered *Mid*-size, and banks with under 200 local employees are considered *Small*.

The top four banks with the largest deposits are the top four banks in terms of employees as well. **Table 25** and **Chart 16** display the Large Bank employees. **Chart 17** displays Large Bank senior management diversity. Among these banks, U.S. Bank has the highest percentage of minority employees. With over 4,000 employees in St. Louis, 35.5 percent are minorities. Within senior management at U.S. Bank, 12.2 percent are minorities. This percentage of minority senior management is the second highest among Large Banks, with Commerce Bank ranking just above with 13.2 percent of senior management being minority. Notably, Bank of America and Regions Bank reported zero minorities in senior management out of 20 positions and 15 positions, respectively.

Table 25: Large Banks by Employee Diversity							
Banks	Employees				Senior Management		
	Total	# Minority	% Minority		Total	# Minority	% Minority
U.S. Bank	4084	1448	35.5%		657	80	12.2%
Bank of America	2212	603	27.3%		20	0	0.0%
Commerce Bank	1134	256	22.6%		258	34	13.2%
Regions Bank	562	80	14.2%		15	0	0.0%

Chart 16: Large Bank Minority Employees

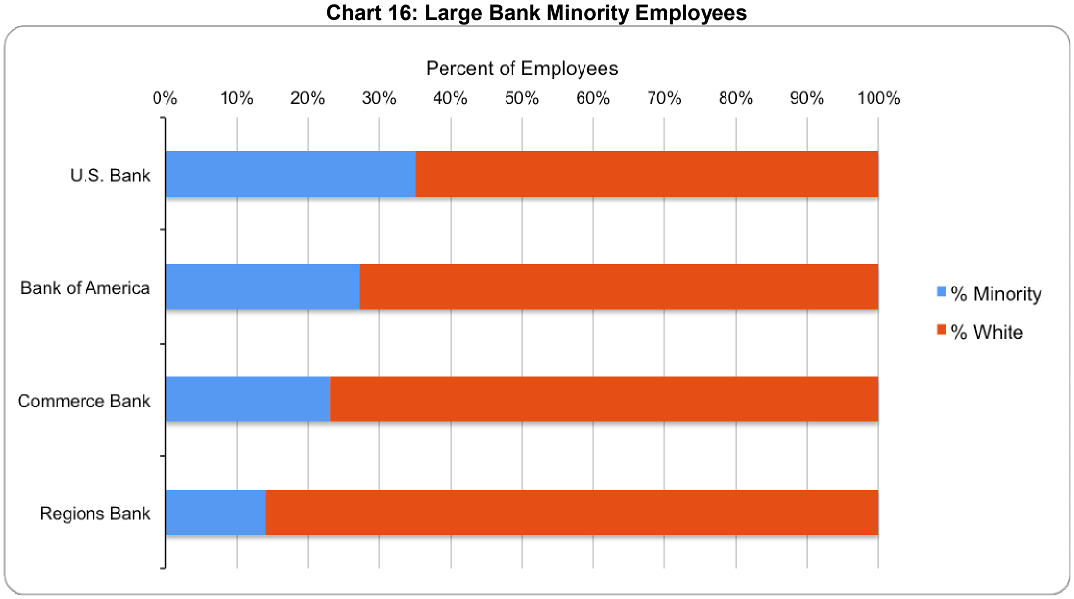
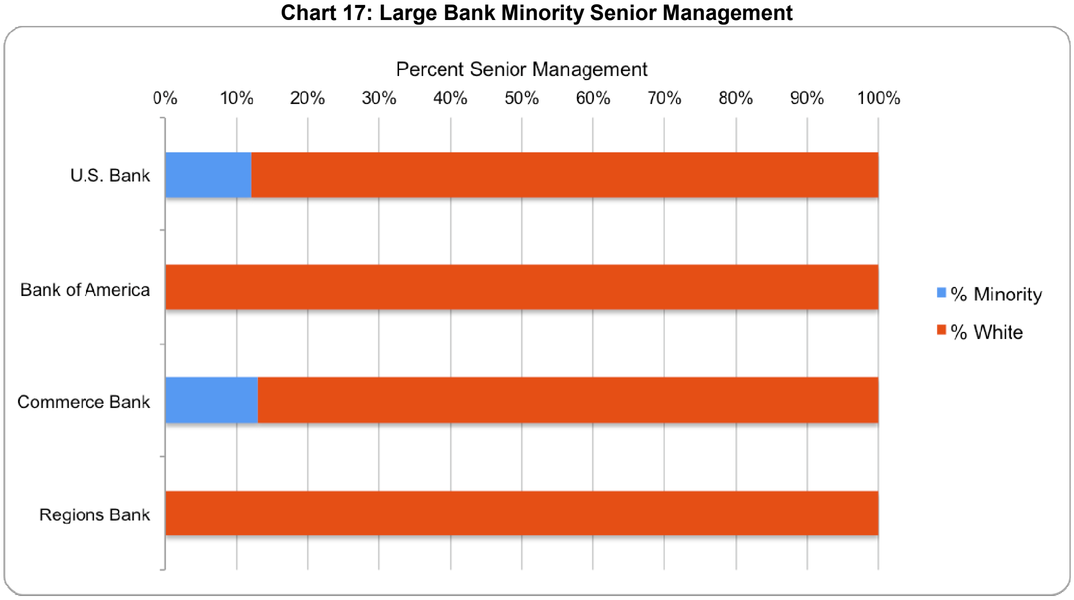


Chart 17: Large Bank Minority Senior Management



There are six banks in the *Mid* category, with a total number of employees between 200 and 500. **Table 26** and **Charts 18 and 19** display *Mid* bank employment diversity.

UMB Bank ranks the highest in highest percentage of minority employees at 15.2 percent. UMB Bank also has the highest in percentage of minorities in senior management positions, also at 15 percent. The Bank of Edwardsville reported zero minorities out of 48 senior management officials.

Table 26: Mid Banks by Employee Diversity

Banks	Employees				Senior Management		
	Total	# Minority	% Minority		Total	# Minority	% Minority
UMB Bank	244	37	15.2%		60	9	15.0%
Enterprise Bank & Trust	294	41	13.9%		85	2	2.4%
BMO Harris Bank	231	32	13.9%		58	6	10.3%
Pulaski Bank	350	40	11.4%		76	4	5.3%
Heartland Bank	250	24	9.6%		105	5	4.8%
The Bank of Edwardsville	379	19	5.0%		48	0	0.0%

Chart 18: Mid Bank Minority Employees

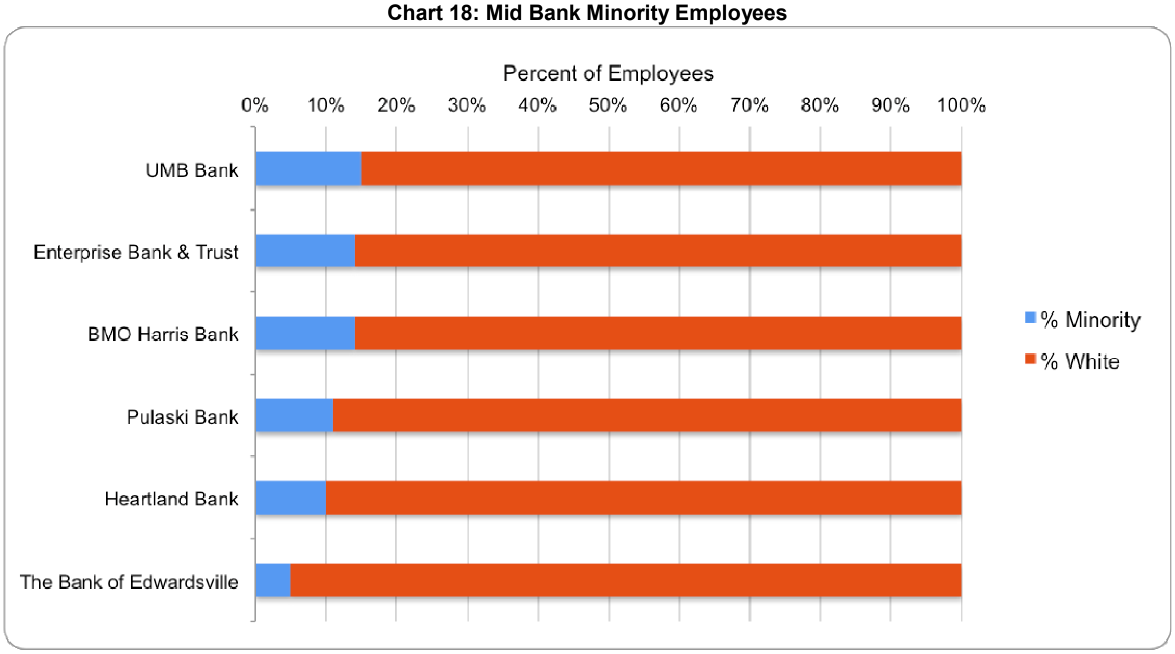
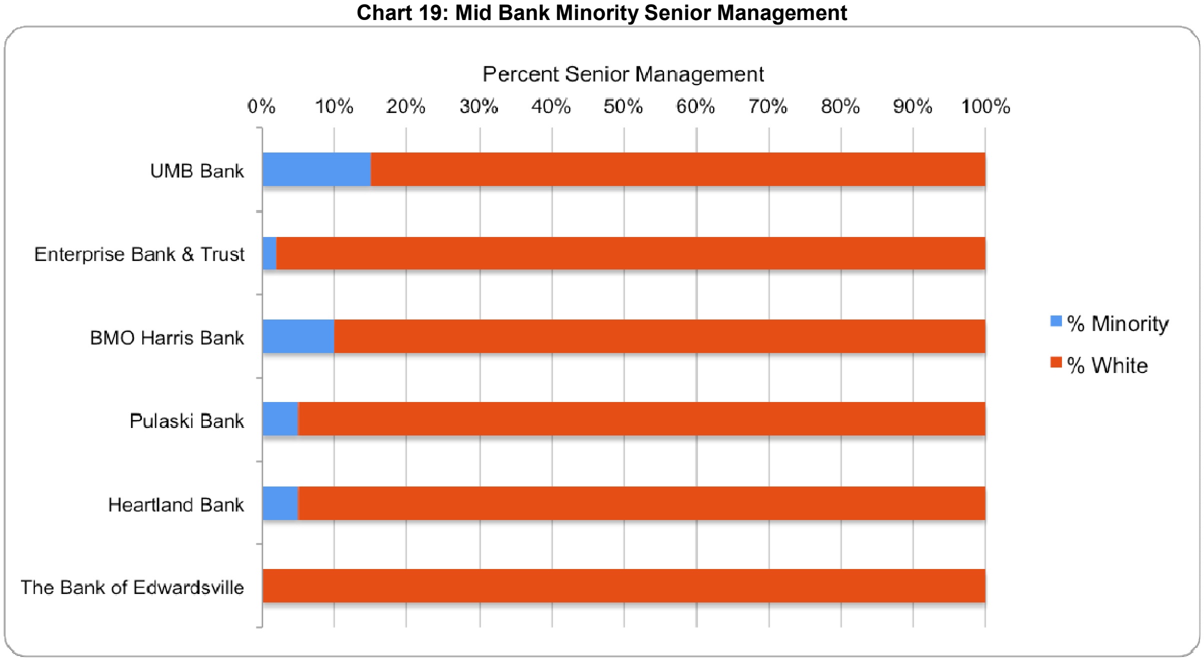


Chart 19: Mid Bank Minority Senior Management



There are five banks with under 200 employees. **Table 27** and **Charts 20 and 21** display *Small* banks employment diversity. Fifth Third Bank has the highest percentage of minority employees at 19.6 percent of all employees. The other banks report less than 10 percent minority employees. Carrollton Bank reports that highest percentage of minorities in senior management positions with 10 percent. Fifth Third Bank is slightly behind with 9.6 percent of minorities in senior management.

Reliance Bank and First Collinsville Bank do not have any minorities in senior management positions.

Table 27: Small Banks by Employee Diversity							
Banks	Employees				Senior Management		
	Total	# Minority	% Minority		Total	# Minority	% Minority
Fifth Third Bank	138	27	19.6%		73	7	9.6%
Reliance Bank	179	17	9.5%		9	0	0.0%
First Collinsville Bank	125	10	8.0%		24	0	0.0%
Midwest BankCentre	190	11	5.8%		12	1	8.3%
Carrollton Bank	72	3	4.2%		20	2	10.0%

Chart 20: Small Bank Minority Employees

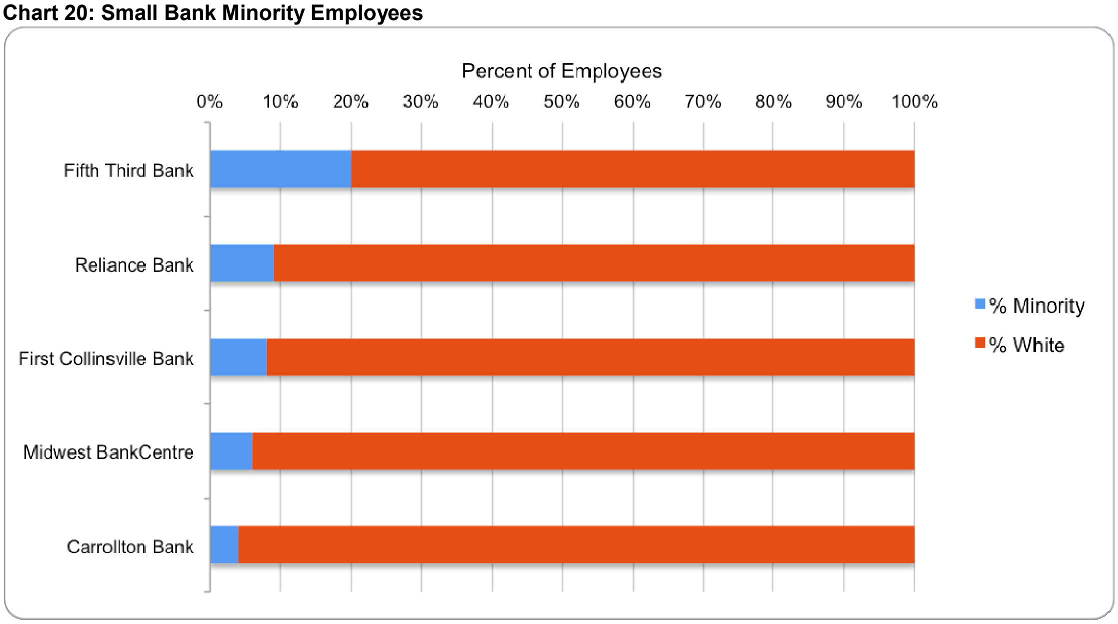
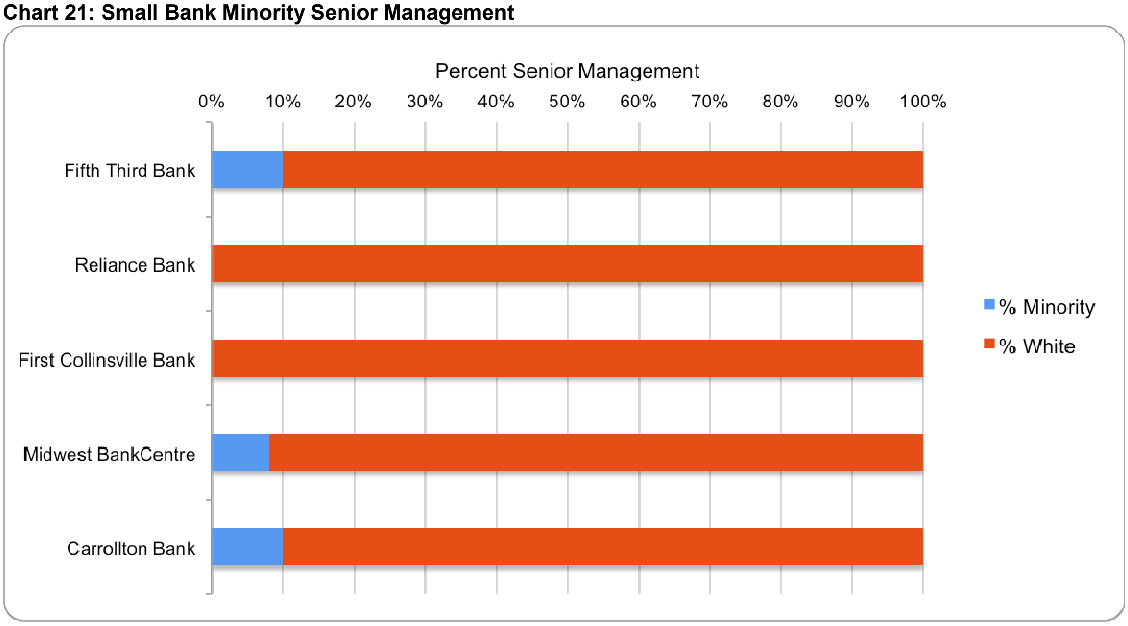


Chart 21: Small Bank Minority Senior Management



Diversity in Board of Directors

The composition of banks' Board of Directors evaluates the minority representation of members of the board of directors. Banks provided this data for the institution's entire board of directors, not limited to St. Louis market. The number of members of board of directors ranges from 5 members to 31 members of the banks that provided their information. Because the range of members is small, this section does not divide banks by size, but compares all banks' board of directors.

Of the twenty banks included in this report, five banks declined to disclose the demographics of their employees and board of directors. Those banks are PNC Bank, First National Bank of St. Louis, First Bank, First Clover Leaf Bank and Jefferson Bank and Trust.

Table 28 and **Chart 22** display the minority composition on bank's board of directors.

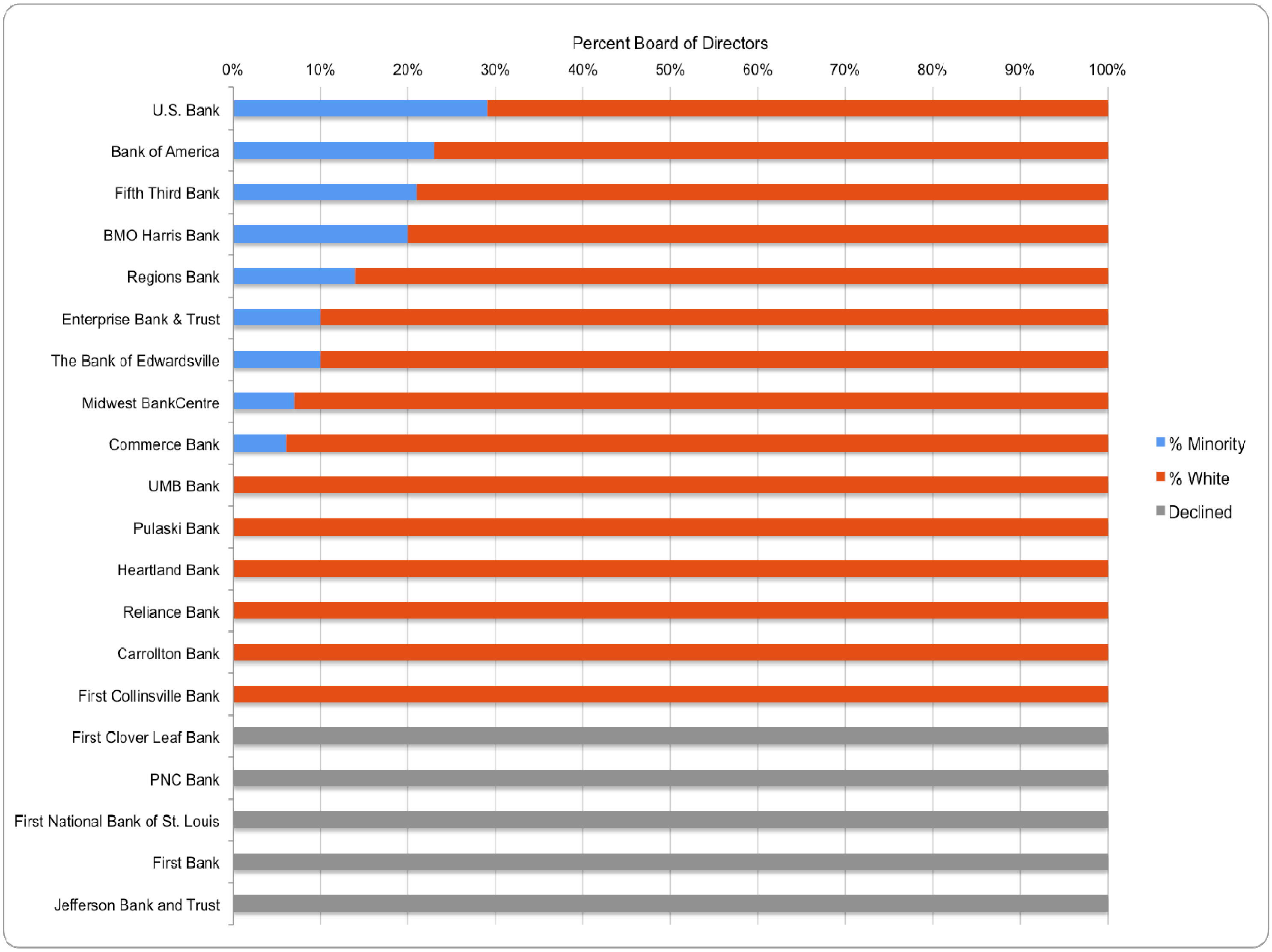
Table 28: Minority Composition of Board of Directors			
Banks	Board of Directors		
	Total	# Minority	% Minority
U.S. Bank	14	4	28.6%
Bank of America	13	3	23.1%
Fifth Third Bank	14	3	21.4%
BMO Harris Bank	5	1	20.0%
Regions Bank	14	2	14.3%
Enterprise Bank & Trust	10	1	10.0%
The Bank of Edwardsville	10	1	10.0%
Midwest BankCentre	14	1	7.1%
Commerce Bank	18	1	5.6%
UMB Bank	31	0	0.0%
Pulaski Bank	8	0	0.0%
Heartland Bank	12	0	0.0%
Reliance Bank	6	0	0.0%
Carrollton Bank	6	0	0.0%
First Collinsville Bank	5	0	0.0%

U.S. Bank has the highest percentage of minorities on their Board of Directors with 28.6 percent of members. Bank of America ranks second with 23.1 percent minorities as members of their Board of Directors.

Interestingly, the local banks that are based in St. Louis all have 10 percent or less minority board representation. There are 8 local St. Louis banks included in this report. The Bank of Edwardsville and Enterprise Bank and Trust both have 10 percent minority Board of Directors, with one individual. Midwest BankCentre also has one minority Board of Director member, representing 7.1 percent of their entire Board.

Six banks do not have any minorities serving on their board of directors. These banks are UMB Bank, Heartland Bank, Pulaski Bank, Reliance Bank, Carrollton Bank, and First Collinsville Bank.

Chart 22: Minority Composition of Board of Directors



Conclusions: Employment Diversity

Bank performance in employment diversity is evaluated by considering the percentage of minorities represented among all employees, senior management, and members of the board of directors. The rankings show that the bigger national banks have higher levels of diversity in staff and leaders than compared to smaller local banks. **Appendix B** displays all rankings and scores. There is an overwhelming lack of minorities in bank leadership for more than half the banks that reported data.

U.S. Bank has the highest performance in employment diversity, with top performance in diversity of all employees and members of Board of Directors. This bank is ranked second in diversity of senior management positions. U.S. Bank has the highest total number of employees, with over 4,000 in the St. Louis region. Over 35 percent of employees are minorities, and 12.2 percent are minorities in senior management positions. Of the bank's Board of Directors, 28.6 percent of members are minority.

Fifth Third Bank has the second highest performance in employment diversity. Although this bank has a small number of employees located in St. Louis, nearly 20 percent are minority and 10 percent are minorities in senior management positions. Additionally, 21 percent of Fifth Third Bank's Board of Directors are minority.

Bank of America is also in top performance for employment diversity with second place rankings for diversity of employees and board of directors. This bank has the second largest number of employees in the region, and 27.3 percent are minorities. Of the bank's board of directors, 23.1 percent are minority. One concern is that Bank of America reported zero percentage of minorities in senior management positions in St. Louis area.

Table 29: Rankings for Employment Diversity
Top Performance
U.S. Bank
Second Performance
Fifth Third Bank
Third Performance
Bank of America
Zero Performance
First Collinsville Bank
Reliance Bank

Nine banks had zero performance in either diversity among senior management or diversity on members of board of directors. That means that 60 percent of banks included in this report do not have minorities in senior management positions or on their board of directors. Five banks report that they do not have any minorities in senior management positions and six banks do not have any minorities on their board of directors. Two of those banks have zero performance on both senior management diversity and board of director diversity. First Collinsville Bank and Reliance Bank, both small banks, reported no minorities in senior management positions and no minorities on their Board of Directors. The lack of minority representation in bank leadership is a serious concern for financial institutions in the St. Louis region.

The context of employment diversity provided by the EEOC Job Patterns for the St. Louis metropolitan area and the national aggregate also makes the case for more minority hiring among banks at all employment levels. Nationally, 31.7 percent of employees in depository institutions are minorities. In the St. Louis area, 22 percent of employees in the credit industry are minorities. Only a few of the banks have comparable representation among their employees in St. Louis, and all of those are large banks. U.S. Bank, Bank of America, and Commerce Bank are the only banks that have employment diversity among total employees at a level that is comparable within the industry in St. Louis and in the national field.

The low levels of diversity at the mid and small size banks demonstrates the need for banks to prioritize hiring and training for diverse employees.

V. Recommendations

Based on the findings of this report, the following are recommendations that can help improve bank performance in low- and moderate-income communities and communities of color. Of course, the long history of divestment cannot be fixed by banks alone. There are many additional players and factors in community reinvestment that affect a bank's ability to provide services and investment in the community. These recommendations focus on attainable strategies that are specific for community members and organizations, banks, and public policies.

1. Community Members and Organizations

Hold Your Bank Accountable:

Community members should hold their own bank accountable to high performance in the community. Individuals can evaluate their bank's performance based on the data provided in this report or SLEHCRA's evaluations posted online. Individuals can also ask their bank about its CRA performance and request to see their CRA public file, which includes the most recent performance evaluation, branch locations, community development activities, and other data. If you have concerns with your bank's performance, file a grievance or a public comment letter with the bank directly or through SLEHCRA. Consider moving your money from banks with poor performance into banks with strong performance of meeting the needs of the community.

Partner with Banks to Increase Community Activities:

Community members and organizations can partner with banks to increase services in the community. Partnerships could involve providing financial education programming, developing referrals and access to specific banking products and loans, community development investments, or other financial support. Community members and organizations should approach banks with proposals for activities and services that address community needs and will increase a bank's community reinvestment performance.

Join SLEHCRA:

SLEHCRA is a coalition working in the St. Louis metropolitan area to increase investment in low- and moderate-income communities, regardless of race, and in minority communities, regardless of income, by ensuring that banks are meeting their obligations under the Community Reinvestment Act and fair lending laws. Membership is open to non-profit and community organizations. There are also opportunities for community members to get involved in the work of the coalition.

2. Banks

Develop CRA Commitments:

Banks should seek to increase community reinvestment performance by developing specific commitments that will provide greater services and products to low- and moderate-income communities and communities of color. CRA commitments should include short- and long-term goals for how a bank is going to meet the needs of the community. Banks can work in partnership with SLEHCRA to develop these commitments.

A CRA commitment should include goals for community reinvestment indicators, including but not limited to, branch locations, home mortgage lending, small business lending, community development activities, and diversity in employees and board of directors. The following are recommendations under those categories that should be included in a comprehensive CRA commitment.

Branch Locations:

- **Expand Physical Access in Underserved Communities**
  Banks should commit to opening new branches in low- and moderate-income communities and communities of color, specifically in the City of St. Louis and north St. Louis County. Bank branches could open in or around existing infrastructure like retail developments, education

centers, or non-profit organizations in order to lower costs and build a customer base. SLEHCRA encourages banks to be innovative in identifying new ways to increase their physical presence in underserved communities.

Products and Services:

- **Offer Free Checking and Savings Accounts**

  Banks should provide free checking and savings accounts that are designed to meet the needs of unbanked and underbanked individuals. These accounts should require minimum amounts to open new accounts, and have no monthly fees. The checking account should have mobile or online account access, free debit cards, one free box of checks per year, optional overdraft protection, and no fees for ATM use. Similarly, banks should provide second-chance options for individuals that have negative Chexsystems history.

- **Provide Financial Education**

  In offering products specifically designed for lower income individuals and those that may be unbanked or underbanked, banks should have financial education resources provided for new customers. Banks can offer in-house financial education and/or partner with community organizations that are already providing financial education in the community.

Mortgage Lending:

- **Offer Quality Affordable Home Mortgage Products**

  Financial institutions can develop quality mortgage products that increase opportunities for qualified low- and moderate-income borrowers and minority borrowers. Mortgage products should be specifically designed to meet the credit needs of these borrowers, including terms like affordable rates, home-buying education, and considerations for alternative sources of credit.

- **Affirmative Marketing to LMI and Minority Communities**

  Banks need to be affirmatively marketing their mortgage products and other bank services to low- and moderate-income communities and minority communities. Print and broadcast marketing needs to include media outlets that have African-American, Hispanic, and other minority target audiences. Marketing also should include outreach strategies that build and develop relationships with target populations.

- **Increase Internal Fair Lending Evaluations**

  Banks should evaluate their fair lending procedures at regular intervals to ensure that all borrowers have the same opportunities during banking transactions. Banks should implement policies to ensure that all borrowers have access to the same products.

Small Business Lending:

- **Support Small Businesses in LMI areas and Minority-Owned Businesses.**

  Small business lending programs should focus on increasing access to credit for low- and moderate-income communities and for minority-owned small businesses. Banks should affirmatively market small business loans in LMI areas and to minority-owned businesses.

Community Development Lending and Investments

Banks should develop goals for community development lending and investments. The CRA regulations specify what is defined as community development. Goals for community development lending and investments should reflect a substantial percentage of a bank’s assets.

Employment Diversity:

- **Increase Minority Representation on Board of Directors**

  Banks need to ensure that their decision-makers are diverse and represent the demographics of the community. Specifically, all banks should have at least one minority on their board of directors. When recruiting new board members, banks should ensure that affirmative steps are taken to recruit diverse applicants.

○ **Hiring Diverse Employees**
Financial institutions need to ensure that their employees represent the demographics of the community. Customer service representatives and bank tellers are often the first point of contact at banks, so it is essential that there is a diverse representation in all branch locations. Additionally, banks should have diverse loan officers that have cultural competency, expertise, and contacts in minority communities. Banks need to have bilingual staff that are capable of handling all financial transactions for Hispanic customers. Banks should take affirmative steps to recruit diverse applicants for all positions by marketing employment opportunities to groups and organizations that represent populations least likely to apply.

3. Public Policies

Pass Local Responsible Banking Ordinances

Local governments can pass Responsible Banking Ordinances that hold municipal depositories accountable for their community reinvestment performance. An ordinance would require depository institutions currently doing business or seeking business with the municipality to be evaluated on how they are serving the needs of the community. City officials, community organizations, and members of the public would have opportunities to review comprehensive data and information on the bank's efforts in the community. Local governments can then award city business to financial institutions that have a high level of investment in the community. Many cities across the nation have recently passed Responsible Banking ordinances, including New York City, Pittsburgh and San Diego. Cleveland and Philadelphia have had similar ordinances since 1991 and 2002, respectively.[78]

The City of St. Louis currently has a similar type of ordinance on the books, but it is narrow in scope. The evaluation of community reinvestment performance currently is limited to analysis of HMDA data and small business lending. There is no public opportunity for comment on bank performance and the process of awarding banks city business is unclear. SLEHCRA encourages the City of St. Louis to expand the ordinance into a thorough Responsible Banking process that includes examination of more community reinvestment practices, evaluation of services to minority borrowers and communities, greater public transparency and input, and a strong enforcement mechanism.

Other municipalities and counties in the St. Louis metro area should work to pass a local responsible bank ordinance. The National Community Reinvestment Coalition developed a model ordinance for local governments.[79] SLEHCRA can help develop and implement an ordinance for a local municipality

Expand the Community Reinvestment Act

Federal regulators need to update the CRA regulations in order to improve reinvestment in our communities. The CRA regulation has not substantially changed since it was first enacted in 1977, despite dramatic changes to the way banks conduct business. The federal regulators need to modernize the Community Reinvestment Act in order to make it more effective and relevant to the needs of the community. Specifically, the CRA needs to be expanded to include consideration of race and ethnicity of the borrower and neighborhood composition. The service test needs to include examination of all of bank's deposit products, including alternative financial services that could be detrimental to low- and moderate-income communities. Additionally, the designation of assessment areas needs to be revised so that banks are being evaluated in geographic areas where they conduct business.[80]

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[78] Association for Neighborhood and Housing Development, Inc, "Keeping Banks Accountable to Our Communities: Report from a National Convening on Local Responsible Banking Ordinances," New York City, November 2011. http://www.anhd.org/wp-content/uploads/2011/07/Keeping-Banks-Accountable-final1.pdf
[79] National Community Reinvestment Coalition, "How Cities Can Pursue Responsible Banking: Model Local Responsible Banking Ordinance Creates community Reinvestment Requirements for Financial Institutions" July 2012, http://www.ncrc.org/images/stories/pdf/research/ncrc%20model%20city%20ordinance%20update_0712%20final.pdf
[80] SLEHCRA's comments on expansion of the CRA can be found with more detail online, http://www.slehcra.org/banks-lending/bank-reports-public-comments/

Keep Affordable Housing Opportunities for All Borrowers

Federal housing policy needs to include priorities for equitable access to safe and affordable credit for all qualified borrowers. The current proposals on government-sponsored enterprises (GSE) reform do not include an affirmative obligation to provide conventional mortgages to qualified low- and moderate-income borrowers.[81] Similarly, the proposals for defining qualified residential mortgages are at risk of excluding opportunities for low- and moderate-income borrowers and borrowers of color to obtain quality and affordable mortgages. The proposed legislation and regulations need to be revised to include specific priorities that will ensure equal access to quality mortgages for all borrowers and allow lower income families the same opportunities for homeownership.

[81] National Community Reinvestment Coalition, “An Analysis of the Corker-Warner GSE Reform Bill and Its Implications for Affordable Housing Finance,” Issue Brief, June 2013. http://www.ncrc.org/images/PDFs/ncrc-analysis-of-corker-warner-gse-reform-bill.pdf

VI. Appendices

Appendix A: Index of Tables and Charts

Appendix B: Rankings and Scores

Appendix C: Sample Employment Diversity Request

Appendix D: Insert of Full Data by Bank

Appendix A: Index of Tables and Charts

Tables

Charts

Maps

Appendix B: Rankings and Scores

Branches

Banks	**Total #**	**Category**	**Branches in LMI Tracts**			**Branches in Minority Tracts**				
				%	RANK		%	RANK	**Score**	**Zero**
Pulaski Bank	13	Mid	4	30.8%	1	3	23.1%	1	2	
U.S. Bank	98	Large	24	24.5%	2	19	19.4%	1	3	
Enterprise Bank & Trust	6	Small	2	33.3%	1	1	16.7%	2	3	
Regions Bank	65	Large	17	26.2%	1	8	12.3%	3	4	
Jefferson Bank and Trust	5	Small	1	20.0%	3	1	20.0%	1	4	
UMB Bank	20	Mid	4	20.0%	2	3	15.0%	3	5	
Midwest BankCentre	7	Small	2	28.6%	2	1	14.3%	3	5	
Bank of America	51	Large	9	17.6%	4	7	13.7%	2	6	
Fifth Third Bank	16	Mid	3	18.8%	4	3	18.8%	2	6	
BMO Harris Bank	15	Mid	3	20.0%	2	2	13.3%	4	6	
PNC Bank	43	Large	8	18.6%	3	5	11.6%	5	8	
First Collinsville Bank	10	Small	1	10.0%	4	0	0.0%	4	8	
Carrollton Bank	6	Small	0	0.0%	5	0	0.0%	4	9	0
First Clover Leaf Bank	5	Small	0	0.0%	5	0	0.0%	4	9	0
First Bank	41	Large	5	12.2%	6	5	12.2%	4	10	
First National Bank of St. Louis	14	Mid	2	14.3%	5	1	7.1%	5	10	
Commerce Bank	47	Large	8	17.0%	5	5	10.6%	6	11	
Reliance Bank	19	Mid	1	5.3%	7	1	5.3%	6	13	
The Bank of Edwardsville	18	Mid	1	5.6%	6	0	0.0%	7	13	
Heartland Bank	11	Mid	0	0.0%	8	0	0.0%	8	16	0

Home Mortgage Lending

Banks	Total Loans	Loans to LMI Borrowers			Loans to LMI Tracts			Loans to Minority Borrowers			Black	Hispanic	Loans to Minority Tracts				
	#	#	%	Rank	#	%	Rank	#	%	RANK	% loans	% loans	#	%	RANK	**Scores**	**Zero**
UMB Bank	115	41	35.7%	2	16	13.9%	1	9	7.8%	7	4.3%	0.0%	11	9.6%	1	11	
Bank of America	2,761	807	29.2%	7	259	9.4%	5	309	11.2%	2	6.9%	1.3%	159	5.8%	2	16	
Pulaski Bank	3334	1139	34.2%	4	301	9.0%	6	303	9.1%	3	5.7%	1.6%	135	4.0%	6	19	
PNC Bank	577	158	27.4%	9	61	10.6%	2	43	7.5%	8	3.3%	1.4%	24	4.2%	4	23	
Heartland Bank	1355	423	31.2%	6	78	5.8%	10	162	12.0%	1	8.2%	1.5%	54	4.0%	6	23	
U.S. Bank	5,418	1516	28.0%	8	414	7.6%	8	482	8.9%	4	5.6%	1.0%	221	4.1%	5	25	
Fifth Third Bank	41	18	43.9%	1	4	9.8%	3	2	4.9%	11	2.4%	0.0%	1	2.4%	11	26	
Regions Bank	723	237	32.8%	5	70	9.7%	4	58	8.0%	6	4.8%	1.2%	14	1.9%	12	27	
First Bank	658	233	35.4%	3	35	5.3%	12	45	6.8%	9	4.6%	0.9%	26	4.0%	6	30	
Commerce Bank	440	114	25.9%	11	31	7.1%	9	27	6.1%	10	3.4%	0.9%	21	4.8%	3	33	
First National Bank of St. Louis	980	195	19.9%	14	50	5.1%	13	82	8.4%	5	3.7%	1.4%	31	3.2%	10	42	
The Bank of Edwardsville	1194	300	25.1%	12	68	5.7%	11	26	2.2%	14	1.3%	0.3%	5	0.4%	15	52	
Midwest BankCentre	595	66	11.1%	17	23	3.9%	16	27	4.5%	12	2.4%	0.7%	20	3.4%	9	54	
First Collinsville Bank	640	166	25.9%	10	22	3.4%	17	20	3.1%	13	0.8%	1.6%	5	0.8%	14	54	
Carrollton Bank	362	54	14.9%	15	29	8.0%	7	3	0.8%	17	0.0%	0.6%	1	0.3%	16	55	
First Clover Leaf Bank	287	62	21.6%	13	13	4.5%	15	4	1.4%	16	0.7%	0.3%	1	0.3%	16	60	
Enterprise Bank & Trust	172	19	11.0%	18	8	4.7%	14	1	0.6%	18	0.6%	0.0%	2	1.2%	13	63	
Reliance Bank	64	8	12.5%	16	2	3.1%	18	1	1.6%	15	1.6%	0.0%	0	0.0%	18	67	0
BMO Harris Bank	2	0			0			0					0				
Jefferson Bank and Trust	1	1			1			1					1				

Small Business Lending				
Banks	**Total Loans**	**Loans to LMI Tracts**		
	#	%	RANK	Zero
First Bank	364	34.1%	1	
U.S. Bank	1157	29.2%	2	
UMB Bank	315	26.0%	3	
Regions Bank	1039	25.6%	4	
Reliance Bank	94	25.5%	5	
The Bank of Edwardsville	468	23.3%	6	
Commerce Bank	1040	19.8%	7	
Carrollton Bank	261	18.4%	8	
Enterprise Bank & Trust	724	17.3%	9	
Bank of America	372	16.9%	10	
Midwest BankCentre	238	16.8%	11	
First Collinsville Bank	157	16.6%	12	
Pulaski Bank	198	15.7%	13	
PNC Bank	1041	15.3%	14	
Fifth Third Bank	132	13.6%	15	
First National Bank of St. Louis	402	7.7%	16	
BMO Harris Bank	6	0.0%	17	0
Heartland Bank	NA			
First Clover Leaf Bank	NA			
Jefferson Bank and Trust	NA			

Community Development Lending					
Banks	Total Loans		% of assets		
	#	$ (in 000s)	%	Rank	Zero
Reliance Bank	29	65,742	6.7%	1	
Enterprise Bank & Trust	51	165,030	5.3%	2	
Carrollton Bank	17	44,586	4.0%	3	
Commerce Bank	238	831,032	3.8%	4	
First Bank	53	215,806	3.4%	5	
UMB Bank	79	319,181	2.1%	6	
Midwest BankCentre	13	22,686	2.0%	7	
First National Bank of St. Louis	23	29,333	1.9%	8	
First Collinsville Bank	26	10,809	1.6%	9	
Fifth Third Bank	221	854,241	0.7%	10	
Pulaski Bank	4	8,939	0.7%	10	
Regions Bank	425	753,015	0.6%	12	
The Bank of Edwardsville	17	7,974	0.5%	13	
PNC Bank	205	1,140,545	0.4%	14	
U.S. Bank	249	1,267,052	0.4%	14	
Bank of America	324	1,223,165	0.1%	16	
BMO Harris Bank	39	64,641	0.1%	16	
Heartland Bank	NA				
First Clover Leaf Bank	NA				
Jefferson Bank and Trust	NA				

Employment Diversity

Banks	Employees					Senior Management				Board of Directors					
	Total	Category	# Minority	% Minority	RANK	Total	# Minority	% Minority	RANK	Total	# Minority	% Minority	RANK	**Score**	**Zero**
U.S. Bank	4084	Large	1448	35.5%	1	657	80	12.2%	2	14	4	28.6%	1	4	
Fifth Third Bank	138	Small	27	19.6%	1	73	7	9.6%	2	14	3	21.4%	3	6	
Bank of America	2212	Large	603	27.3%	2	20	0	0.0%	3	13	3	23.1%	2	7	0
BMO Harris Bank	231	Mid	32	13.9%	2	58	6	10.3%	2	5	1	20.0%	4	8	
Regions Bank	562	Large	80	14.2%	4	15	0	0.0%	3	14	2	14.3%	5	12	0
UMB Bank	244	Mid	37	15.2%	1	60	9	15.0%	1	31	0	0.0%	10	12	0
Enterprise Bank & Trust	294	Mid	41	13.9%	2	85	2	2.4%	5	10	1	10.0%	6	13	
Commerce Bank	1134	Large	256	22.6%	3	258	34	13.2%	1	18	1	5.6%	9	13	
Midwest BankCentre	190	Small	11	5.8%	4	12	1	8.3%	3	14	1	7.1%	8	15	
Carrollton Bank	72	Small	3	4.2%	5	20	2	10.0%	1	6	0	0.0%	10	16	0
Reliance Bank	179	Small	17	9.5%	2	9	0	0.0%	4	6	0	0.0%	10	16	00
Pulaski Bank	350	Mid	40	11.4%	4	76	4	5.3%	3	8	0	0.0%	10	17	0
First Collinsville Bank	125	Small	10	8.0%	3	24	0	0.0%	4	5	0	0.0%	10	17	00
The Bank of Edwardsville	379	Mid	19	5.0%	6	48	0	0.0%	6	10	1	10.0%	6	18	0
Heartland Bank	250	Mid	24	9.6%	5	105	5	4.8%	4	12	0	0.0%	10	19	0
Jefferson Bank and Trust	Declined to Provide Data														
PNC Bank	Declined to Provide Data														
First Bank	Declined to Provide Data														
First Clover Leaf Bank	Declined to Provide Data														
First National Bank of St. Louis	Declined to Provide Data														

METROPOLITAN ST. LOUIS EQUAL HOUSING AND OPPORTUNITY COUNCIL

Working to ensure equal access to housing and places of public accommodation for all people

www.ehocstl.org
1027 S Vandeventer Ave
6th Floor
St. Louis, MO 63110
PH) 314.534.5800
FX) 314.534.2551
Toll Free) 800.555.3951
MO tty) 800.735.2966
IL tty) 800.526.0844

May 9, 2013

Name
Title
Bank
Address
City, State, Zip

Dear Name:

The Metropolitan St. Louis Equal Housing and Opportunity Council (EHOC) and the NAACP St. Louis would like to request data on the diversity of your bank's staff, senior management, and Board of Directors.

EHOC and the NAACP are compiling this information to be used in an upcoming report on the state of bank reinvestment in the St. Louis area. We will be analyzing publicly-available data on bank performance in meeting the needs of the community, including mortgage lending data, branch locations, and Community Reinvestment Act (CRA) evaluations. We would also like to include information on diversity in employment in the St. Louis market, including the number of minorities and women among bank employees and decision-makers.

We request that you fill out the enclosed form using data most recently reported on the Employer Information Report (EEO-1). For the purpose of our report, we are requesting demographics for all employees, senior management (those with decision-making authority) and members of the board of directors. Please only include information on bank staff working in the St. Louis metropolitan area.

Please send the completed form no later than June 10, 2013. Forms can be sent to Elisabeth Risch via email at erisch@ehoc-stl.org, or mailed to Attn: Elisabeth Risch, EHOC, 1027 S. Vandeventer Ave, 6th floor, St. Louis, MO 63110.

Your contribution of information will aid in the understanding of employment opportunities for minorities and women in the financial services industry.

If you have any questions or concerns, please feel free to contact us. Thank you for your consideration.

Sincerely,

Elisabeth Risch
Director of Research and Education
EHOC

Adolphus Pruitt
President
NAACP St. Louis City

[enclosure]

Bank Diversity Request

Institution Name: ____

Address: ____

City, State, Zip: ____

Contact Name: ____

Phone Number: ____

Email: ____

Please fill out the table with the number of individuals working in the St. Louis metropolitan area

	Total Number	**Male**				**Female**			
		White	Black	Hispanic	Other Minority**	White	Black	Hispanic	Other Minority**
All Employees									
Senior Management*									
Board of Directors									

*Senior Management includes executives, officers, and those with decision-making authority.
**Other Minority includes Asian, Native American, Native Hawaiian, and other non-white.

Please return completed form no later than June 10, 2013.

Email: erisch@ehoc-stl.org
Mail: Metropolitan St. Louis Equal Housing and Opportunity Council
Attn: Elisabeth Risch
1027 S. Vandeventer Ave., 6th Floor
St. Louis, MO 63110

Thank you for your participation!

The State of Bank Reinvestment in St. Louis:

An analysis of how banks are meeting the needs of the community.

August 2013

The top twenty depository banks in the St. Louis area hold $45 billion in deposits. How are they reinvesting that back into the community?

This analysis documents the performance of bank reinvestment in low- and moderate-income (LMI) communities and communities of color.

Banks are evaluated on five categories: **Branches**, **Home Mortgage Lending**, **Small Business Lending**, **Community Development Lending**, and **Employment Diversity**. On each indicator, the banks are ranked on a scale of 1 to 20, with 1 representing the highest performance and 20 (or the total number of banks on that indicator) representing the lowest performance.

This chart displays the complete data organized by each bank. The rows display the data on each banks' record and their corresponding rank on each community reinvestment indicator. For a comprehensive description of the methodology and findings, see the full report.

St. Louis Equal Housing and Community Reinvestment Alliance
www.slehcra.org

Top Twenty Depository Banks in St. Louis	U.S. Bank	Bank of America	Commerce Bank	Regions Bank	BMO Harris Bank	Enterprise Bank & Trust	First Bank	PNC Bank	The Bank of Edwardsville	UMB Bank	Pulaski Bank	First National Bank of St. Louis	Fifth Third Bank	Reliance Bank	Midwest BankCentre	Heartland Bank	First Collinsville Bank	Carrollton Bank	First Clover Leaf Bank	Jefferson Bank & Trust
St. Louis Deposits (in 000s)	11,914,401	8,750,316	5,278,820	2,900,484	1,958,350	1,602,112	1,508,555	1,450,507	1,330,514	1,254,296	1,140,127	1,017,729	898,706	780,983	753,624	654,760	560,938	496,671	408,194	398,093
St. Louis Market Share	16.45%	12.08%	7.29%	4.00%	2.70%	2.21%	2.08%	2.00%	1.84%	1.73%	1.57%	1.41%	1.24%	1.08%	1.04%	0.90%	0.77%	0.69%	0.56%	0.55%
Total Assets (in 000s)	345,786,969	1,458,091,000	22,079,408	118,935,276	98,724,706	3,107,300	6,360,763	290,107,628	1,612,887	15,459,121	1,349,269	1,519,384	118,997,722	980,389	1,133,429	811,479	657,851	1,106,339	601,213	480,738
Branches																				
Total Branches	98	51	47	65	15	6	41	43	18	20	13	14	16	19	7	11	10	6	5	5
Category	Large	Large	Large	Large	Mid	Small	Large	Large	Mid	Mid	Mid	Mid	Mid	Mid	Small	Mid	Small	Small	Small	Small
# in LMI Tracts	24	9	8	17	3	2	5	8	1	4	4	2	3	1	2	0	1	0	0	1
% in LMI Tracts	24.5%	17.6%	17.0%	26.2%	20.0%	33.3%	12.2%	18.6%	5.6%	20.0%	30.8%	14.3%	18.8%	5.3%	28.6%	0.0%	10.0%	0.0%	0.0%	20.0%
Rank: LMI Branches	2	4	5	1	2	1	6	3	6	2	1	5	4	7	2	8	4	5	5	3
# in Pred. Minority Tracts	19	7	5	8	2	1	5	5	0	3	3	1	3	1	1	0	0	0	0	1
% in Pred. Minority Tracts	19.4%	13.7%	10.6%	12.3%	13.3%	16.7%	12.2%	11.6%	0.0%	15.0%	23.1%	7.1%	18.8%	5.3%	14.3%	0.0%	0.0%	0.0%	0.0%	20.0%
Rank: Minority Branches	1	2	6	3	4	2	4	5	7	3	1	5	2	6	3	8	4	4	4	1
Total Branch Score	3	6	11	4	6	3	10	8	13	5	2	10	6	13	5	16	8	9	9	4
Home Mortgage Lending (2011)																				
# Loans Originated	5418	2761	440	723	2	172	658	577	1194	115	3334	980	41	64	595	1355	640	362	287	1
# Loans to LMI Borrowers	1516	807	114	237	0	19	233	158	300	41	1139	195	18	8	66	423	166	54	62	1
% Loans to LMI Borrowers	28.0%	29.2%	25.9%	32.8%	0.0%	11.0%	35.4%	27.4%	25.1%	35.7%	34.2%	19.9%	43.9%	12.5%	11.1%	31.2%	25.9%	14.9%	21.6%	100.0%
Rank: Lending to LMI Borrower s	8	7	11	5	NA	18	3	9	12	2	4	14	1	16	17	6	10	15	13	NA
# Loans to LMI Tracts	414	259	31	70	0	8	35	61	68	16	301	50	4	2	23	78	22	29	13	1
% Loans to LMI Tracts	7.6%	9.4%	7.0%	9.7%	0.0%	4.7%	5.3%	10.6%	5.7%	13.9%	9.0%	5.1%	9.8%	3.1%	3.9%	5.8%	3.4%	8.0%	4.5%	100.0%
Rank: Lending to LMI Tracts	8	5	9	4	NA	14	12	2	11	1	6	13	3	18	16	10	17	7	15	NA
# Loans to Minority Borrowers	482	309	27	58	0	1	45	43	26	9	303	82	2	1	27	162	20	3	4	1
% of Loans to Minority Borrowers	8.9%	11.2%	6.1%	8.0%	0.0%	0.6%	6.8%	7.5%	2.2%	7.8%	9.1%	8.4%	4.9%	1.6%	4.5%	12.0%	3.1%	0.8%	1.4%	100.0%
Rank: Lending to Minority Borrower s	4	2	10	6	NA	18	9	8	14	7	3	5	11	15	12	1	13	17	16	NA
# Loans to Minority Tracts	221	159	21	14	0	2	26	24	5	11	135	31	1	0	20	54	5	1	1	1
% Loans to Minority Tracts	4.1%	5.8%	4.8%	1.9%	0.0%	1.2%	4.0%	4.2%	0.4%	9.6%	4.0%	3.2%	2.4%	0.0%	3.4%	4.0%	0.8%	0.3%	0.3%	100.0%
Rank: Lending to Minority Tracts	5	2	3	12	NA	13	6	4	15	1	6	10	11	18	9	6	14	16	16	NA
Total Home Lending Score	25	16	33	27	NA	63	30	23	52	11	19	42	26	67	54	23	54	55	60	NA
Small Business Lending (2011)																				
# Loans Originated	1157	372	1040	1039	6	724	364	1041	468	315	198	402	132	94	238	NA	157	261	NA	NA
# Loans in LMI Tracts	338	63	206	266	0	125	124	159	109	82	31	31	18	24	40	NA	26	48	NA	NA
% Loans in LMI Tracts	29.2%	16.9%	19.8%	25.6%	0.0%	17.3%	34.1%	15.3%	23.3%	26.0%	15.7%	7.7%	13.6%	25.5%	16.8%	NA	16.6%	18.4%	NA	NA
Rank and Score: Lending to LMI Tracts	2	10	7	4	17	9	1	14	6	3	13	16	15	5	11	NA	12	8	NA	NA
Community Development Lending (2011)																				
# Community Development (CD) Loans	249	324	238	425	39	51	53	205	17	79	4	23	221	29	13	NA	26	17	NA	NA
$ of CD Loans (in 000s)	1,267,052	1,223,165	831,032	753,015	64,641	165,030	215,806	1,140,545	7,974	319,181	8,939	29,333	854,241	65,742	22,686	NA	10,809	44,586	NA	NA
% of assets	0.4%	0.1%	3.8%	0.6%	0.1%	5.3%	3.4%	0.4%	0.5%	2.1%	0.7%	1.9%	0.7%	6.7%	2.0%	NA	1.6%	4.0%	NA	NA
Rank and Score: CD Lending	14	16	4	12	16	2	5	14	13	6	10	8	10	1	7	NA	9	3	NA	NA
Employment Diversity																				
# Employees	4084	2212	1134	562	231	294	Declined	Declined	379	244	350	Declined	138	179	190	250	125	72	Declined	Declined
Category	Large	Large	Large	Large	Mid	Mid	To	To	Mid	Mid	Mid	To	Small	Small	Small	Mid	Small	Small	To	To
# Minority Employees	1448	603	256	80	32	41	Provide	Provide	19	37	40	Provide	27	17	11	24	10	3	Provide	Provide
% Minority Employees	35.5%	27.3%	22.6%	14.2%	13.9%	13.9%	Data	Data	5.0%	15.2%	11.4%	Data	19.6%	9.5%	5.8%	9.6%	8.0%	4.2%	Data	Data
Rank: Minority Employees	1	2	3	4	2	2			6	1	4		1	2	4	5	3	5		
# Sr. Management	657	20	258	15	58	85			48	60	76		73	9	12	105	24	20		
# Minority Sr. Management	80	0	34	0	6	2			0	9	4		7	0	1	5	0	2		
% Minority Sr. Management	12.2%	0.0%	13.2%	0.0%	10.3%	2.4%			0.0%	15.0%	5.3%		9.6%	0.0%	8.3%	4.8%	0.0%	10.0%		
Rank: Minority Sr. Management	2	3	1	3	2	5			6	1	3		2	4	3	4	4	1		
# Board of Directors	14	13	18	14	5	10			10	31	8		14	6	14	12	5	6		
# Minority Board of Directors	4	3	1	2	1	1			1	0	0		3	0	1	0	0	0		
% Minority Board of Directors	28.6%	23.1%	5.6%	14.3%	20.0%	10.0%			10.0%	0.0%	0.0%		21.4%	0.0%	7.1%	0.0%	0.0%	0.0%		
Rank: Minority Board of Directors	1	2	9	5	4	6			6	10	10		3	10	8	10	10	10		
Total Employment Diversity Score	4	7	13	12	8	13			18	12	17		6	16	15	19	17	16		