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July 30, 2020

James D. LaPierre
 Regional Director
 Federal Deposit Insurance Corporation
 1100 Walnut Street, Suite 2100
 Kansas City, MO 64106

Applications@fdic.gov

RE: Application by Jones Financial Companies L.L.P. for prior approval to establish Edward Jones Bank, an industrial bank to be chartered in the State of Utah, for Deposit Insurance

Dear Mr. LaPierre:

The St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) would like to comment on the pending application for deposit insurance from the Jones Financial Company (“JFC”). The Jones Financial Companies is seeking to charter Edward Jones Bank (“Bank”), an industrial bank to be chartered in the State of Utah.

SLEHCRA is a coalition working to increase investment in low-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. SLEHCRA and our member organizations are members and work closely with the National Community Reinvestment Coalition (NCRC).

SLEHCRA is concerned with how Edward Jones Bank plans to meet the convenience and needs of the community and specifically the bank’s CRA plan. As Jones Financial Company is headquartered in the St. Louis region, we have significant concerns that the newly chartered Edward Jones Bank’s Community Reinvestment Act (CRA) assessment area does not include any part of the St. Louis area. We ask the FDIC to condition approval for deposit insurance on the requirement that the applicant must establish an assessment area that includes the St. Louis MSA.

For the purposes of the CRA, the bank is proposing to designate Salt Lake County as their Assessment Area. The bank will have one bank location there, and yet is not using that office to serve customers. Instead, based on the bank’s business plan, the bank will rely on the affiliate broker-dealer Edward Jones to obtain and service clients across the United States, with no particular



concentration in the Salt Lake City area and otherwise little or no relationship with Utah. Designating an additional Assessment Area in the St. Louis area would not impact the bank's ability to serve customers. Instead, it would provide further opportunities to serve the needs of the community, keeping with both the spirit and letter of the CRA.

As a limited purpose bank, the bank is proposing to be examined under the Community Development test for CRA. The bank will be originating and/or purchasing community development loans, utilizing innovative or complex qualified investments, and participating in community development service opportunities.

There is a critical need for community development activities in the St. Louis region and ample opportunities for financial institutions to participate with loans, services and investments. In comparison, the bank's own CRA Plan acknowledges the difficulty in providing services to their proposed Assessment Area in Salt Lake County. The bank states:

“Although, as noted above, recent events may have an impact, we understand that the Bank's location in Salt Lake City and its associated assessment area of Salt Lake County historical have been widely recognized as "CRA Hot Spots," given the combination of the assessment area's relatively small population and the large number of banks competing for the same community development loans and investments. This has resulted in significantly higher pricing and "CRA premiums" on community development investment such as low-income housing tax credits and mortgage-backed securities.”
(page 6, CRA Plan)

With such great need for investment in the St. Louis region's many underserved and disinvested neighborhoods, the newly chartered bank would have a far easier time identifying potential CRA loans and investments. Seeing this disparity in need, it is apparent to SLEHCRA members that this is exactly the kind of diversion of investment from communities that the CRA was intended to remedy.

Additionally, we have concerns about the sudden reemergence of the industrial loan charter (“ILC”), as there is evidence that these institutions are held to a lower standard for community reinvestment. St. Louis is also slated to be the corporate home for Square, and the local government has approved millions in various tax incentives, etc. to secure their move to their headquarters into the historic Post-Dispatch building, on top of additional incentives that have been previously granted to Square for their pre-existing St. Louis operations. Their ILC is also chartered in Utah and designated the Salt Lake City area as their Assessment Area, meaning that they have no CRA obligation to St. Louis, despite significant public investment in the company. The St. Louis MSA faces far higher rates of poverty, compared to Salt Lake County, and there is far greater need for investments in many parts of the St. Louis region, relative to the proposed Salt Lake County assessment area. This is a highly concerning trend.

As our metropolitan area is invested in these companies, we feel that it is only right for them to invest in St. Louis. As the CRA advocacy coalition for the St. Louis area, we recognize the



significance of this growing trend, especially as “fintech” continues to take up an ever-growing share of financial activities. It is important that companies not skirt their CRA obligations to the communities in which they are actually based and doing business, even if the ILC is chartered in Utah.

We strongly feel that the FDIC should require Jones Financial Companies and Edward Jones Bank to include the St. Louis MSA as an Assessment Area. We ask for a meeting with executives from Jones Financial Companies and Edwards Jones Bank to further discuss amending their application to include St. Louis as a proposed assessment area.

Thank you for the opportunity to provide comments.

Sincerely,

A handwritten signature in black ink that reads 'Elisabeth Risch'.

Elisabeth Risch, Co-Chair SLEHCRA
Metropolitan St. Louis Equal Housing and Opportunity Council (EHOC)

A handwritten signature in black ink that reads 'Jacqueline A. Hutchinson'.

Jackie Hutchinson, Co-Chair, SLEHCRA
Consumers Council of Missouri

Sign On Organizations:

International Institute Community Development Corporation
Justine PETERSEN
Man of Valor, Inc
Moorish Science Temple of America #5
North County Churches United for Racial Harmony and Justice
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R.A.A.! -Ready, Aim, Advocate! Committee
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