
**Texas
Community
Reinvestment
Coalition**

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**THE EFFECT OF THE PROPOSED MERGER OF NATIONSBANK AND BANK
OF AMERICA ON UNDERSERVED TEXAS COMMUNITIES**

by
Angelyque P. Campbell
Coordinator
Texas Community Reinvestment Coalition
Austin, Texas

Federal Reserve Bank of San Francisco
Public Hearing on the NationsBank and Bank of America Merger Application
San Francisco, California
July 9, 1998

Testimony of
ANGELYQUE P. CAMPBELL
COORDINATOR
TEXAS COMMUNITY REINVESTMENT COALITION

before the
FEDERAL RESERVE BANK OF SAN FRANCISCO

July 9, 1998

Comments of Angelyque P. Campbell, Texas Community Reinvestment Coalition¹, presented at the Federal Reserve Bank of San Francisco, Public Hearing on the NationsBank and Bank of America Merger Application, San Francisco, California, July 9, 1998.

INTRODUCTION

Thank you for the opportunity to appear today. I am Angelyque P. Campbell. I am from Texas and I represent the Texas Community Reinvestment Coalition. I come today on behalf of TCRC to discuss our concerns about the merger's impact on low income consumers and persons of color in Texas.

We believe our position in this merger is unique since NationsBank and Bank of America are two of our state's largest financial institutions—NationsBank being the largest bank in Texas. If the merger is approved, the new bank will control an even larger share of the Texas market.

As the only statewide community reinvestment group in Texas, TCRC's interest is ensuring the credit needs of local communities in Texas are not ignored. Unfortunately, our most recent HMDA study, "*Access to the Dream: Home Mortgage Lending in Texas*," shows NationsBank and Bank of America have problems lending to low income consumers and persons of color in Texas. If the merged bank is to lead the financial industry in community lending and investment as it asserts it will, then the Board should delay this merger for two reasons:

- to address unresolved questions about the banks' current performance, and
- to require conditions prior to approval to assure that all communities' credit needs are met.

¹ TCRC receives administrative support from the Southwest Regional Office of Consumers Union. Consumers Union, publisher of *Consumer Reports*, is a nonprofit organization established in 1936 to provide consumers with information and advice on goods, services, health, and personal finance. Consumers Union accepts no outside advertising nor is beholden to any commercial interest.

The new mega-bank needs to make firm, geographic- and income-specific commitments, and the regulators need to monitor and enforce those commitments in the following areas:

No Branch Closings in Low Income Communities and Communities of Color.

When Texas suffered from 40 percent of the nation's bank failures in the 1980s, it was our low income neighborhoods who were affected most by bank closures. As banks moved out of the neighborhoods, higher-cost non-bank institutions moved in. It concerns our coalition that of the total number of NationsBank branch openings and closings that occurred in 1996, upper and middle income areas received 40 new branches, while low and moderate income areas only received 10.

Improved Lending Performance to Persons of Color

In Texas, African-American and Latino borrowers are two to three times as likely to be denied for a home loan by NationsBank than a White borrower. HMDA data also shows NationsBank loaned 86% of their dollars for home loans to white borrowers. In some Texas cities, the disparity is worse:

In the Beaumont-Port Arthur MSA—two majority African-American cities—NationsBank made only four loans to black families, and only one of them in a black census tract. Yet, NationsBank holds 9 percent of the deposits in the Beaumont-Port Arthur MSA.

In San Antonio, NationsBank holds 14.5 percent of all deposits in the city, while Bank of America controls another 5.5 percent. Yet, NationsBank made only 1.7 percent of San Antonio's home loans.

In the Fort Worth-Arlington MSA—another majority African-American city—NationsBank made only two loans in a black census tract area, yet its depository share in the city is 15.1 percent.

Development of Desirable, Affordable Housing Products

The most recent HMDA data shows Bank of America disproportionately targets Texas low income consumers and persons of color with manufactured housing loans. The interest rates on these home loans ranged from 11.25 - 13.25 percent, substantially higher than the average 7 percent rate for 30-year conventional loans. Since Bank of America's recent decision to sell its manufactured housing unit to Greenpoint this spring, Bank of America has not offered an alternative affordable housing plan which meets their community reinvestment obligation..

We watch these changes in the banking industry with deep anxiety for the effects the mergers will have on our communities. Loss of competition, higher fees, and the erosion of CRA come to mind. Regulators cannot remain passive observers as the financial services landscape changes. The single most important step that must be taken in the wake of bank mergers is to increase accountability of lenders to our communities' unmet banking and credit needs. We trust the Board will do what is necessary to ensure banks remain in compliance with our fair housing and lending laws and accountable to our credit needs.

\$350,000,000,000.00

Without Dedicated Partners, It's Just A Number.

In recognition of the role America's financial institutions must take in improving the quality of life for all Americans, Bank of America and NationsBank together have made a \$350-billion commitment to community development over the next decade. As befits the first truly national

We recognize these and our many local partners who are helping us do more for our communities than ever before.

ACORN Housing Corporation	NAACP
Enterprise Foundation	National Council of La Raza
Hispanic Association on Corporate Responsibility	National Urban League
Local Initiatives Support Corporation	Neighborhood Assistance Corporation of America
Low Income Housing Fund	SER - Jobs for Progress, Inc.

bank, this commitment not only builds on the previous efforts of our respective companies, but is more than the amount we could have provided had we continued to work separately.

While we are proud of our ability to provide more funding for affordable housing, minority business and economic development than any other financial institution, there is one more thing required to meet our goals of improving the economic strength and quality of life in our nation's communities - the joint participation of America's community organizations. NationsBank is proud of our association with the organizations listed, and we look forward to creating more partnerships well into the next century. Together, we can make each of our communities a better place to work and live.

NationsBank



Panel 4

The National Economic Development & Law Center

2201 Broadway Suite 815 Oakland, California 94612-3024

**REMARKS FOR
FEDERAL RESERVE HEARING
ON APPLICATION OF NATIONSBANK
AND BANK OF AMERICA TO MERGE**

**JULY 9, 1998
SAN FRANCISCO, CALIFORNIA**

**JAMES W. HEAD
PRESIDENT
NATIONAL ECONOMIC DEVELOPMENT
AND LAW CENTER**

Good Morning, my name is James W. Head, and I am President of the National Economic Development and Law Center, based in Oakland California. The Center is a national nonprofit, public interest community and economic development technical assistance provider. Our mission is to contribute to the abilities of low-income persons and communities to realize their full potentials. We do this by assisting them in acquiring the tools to build their economic self-sufficiency – by accessing jobs, work skills, and vital support services like child care and family support. I am also the Chairman of the Economic Development Sub-Committee of the California Reinvestment Committee, and a Board member of the California Economic Development Lending Initiative, as well as a former member and Chairman of the Consumer Advisory Council of the Federal Reserve.

This week I received a call from a reporter with the American Banker newspaper in Washington, DC. He wanted to know why I was going to testify before you at this hearing. I found his question a little odd and so informed him. He explained that in light of the fact that opportunities to present written comments was available, and many had done so, what was to be accomplished by appearing and testifying in person. I responded to him that it is important for those making decisions in matters like these to attach faces and descriptive facts and antidotes to the issues to be decided. This gives context, and hopefully some grounding, to the issues to be decided. It is important for you to understand the unique issues facing California and other states that will be impacted by this merger. Your understanding should be influenced and shaped by the

information you here from myself and others who are working in communities that can be directly impacted, positively and negatively, by your decision regarding the merger.

My remarks will not focus on whether this merger should or shouldn't be approved. My remarks will focus on some key issues you should consider in coming to a decision about the merger.

Because my time is limited, let me make three quick points.

I. Loans to Minorities

There is a continuing perception that minorities, especially blacks, are not able to get loans at banks in the same way as their white counterparts. While it has been very difficult to verify or dismiss this perception, anecdotal and survey information continue to support it. In a Wall Street Journal survey commissioned about four years ago, a public-opinion poll of several hundred black business owners found that being snubbed by banks is pretty much the norm. An overwhelming 92% of black business owners said they had been turned down by banks while trying to finance their firms. Lack of collateral, a paucity of black lenders and loan officers, and a public perception that blacks lack business acumen are among the major drags on capital flow to black-owned firms, according to the great majority of those surveyed. For all the complaints however, banks are where 73% of black-owned firms ultimately obtain capital, according

to the survey. When asked what would be their preferred source or sources of capital, 63% of the respondents indicated Banks.

Does this mean that NationsBank and Bank of America are not lending equitably to all? While I cannot speak for NationsBank's record of lending to minorities, my experience with Bank of America is that they have made great efforts, with success, to expand their lending to minorities. But if you here from others that this is an issue of concern, and you accept the fact that the general perception continues to exist, you should closely examine the records of these two institutions regarding minority lending, and should determine whether merger increases their capacity to be responsive to minorities.

II. Equity Capital For Start Up And Expansion Businesses

In a presentation at a Community Reinvestment and Access to Credit meeting in Los Angeles in January, 1998, Chairman Alan Greenspan suggested that additional debt through loans might not be the most effective solution to meeting the needs of communities like South Central. He suggested that equity investments might prove more effective and key to immediate and long-term economic revival. For a number of years now, California advocates have been discussing and educating Bank of America staff on the need for loan products that provide equity or patient capital for new and expanding businesses. This need can serve the emerging nonprofit organizations that are developing successful for-profit businesses to bring jobs and goods to low income communities; the emerging entrepreneurs, like welfare recipients, youth, and skilled

unemployed or underemployed workers that are identifying small business niches that can help them become economically self-sufficient; and emerging and expanding small businesses that are trying to continue the creation of employment and economic stability in low-income communities. Our discussions with Bank of America have been around strategies and mechanisms for developing loan products that will address the credit needs of these constituents, and will allow the Bank to make money. We hope that you will question NationsBank and Bank of America on their willingness and commitment to continue to work towards addressing this critical need. At the very least, we believe that the merged Bank should commit to being a leader in the development of loan products that provide the kind of patient capital needed, and that they will work with us and others to experiment and test these products in California and other states. This is cutting edge work, and it should not be abandoned or delayed because of the application for merger.

III. Community Economic Development Initiative

During the first quarter of 1998, Community economic development leaders and Bank of America staff collaborated to develop an innovative community economic development philanthropic initiative, titled "Readiness for the 21st Century", to promote economic readiness for individuals, communities, and community based organizations. Targeting community-based organizations and groups in all of the states where the Bank has a retail presence, this initiative was designed to help organizations assist their constituents in qualifying for the loans covered by the Bank's 1997-98 \$140 billion community lending goals, and addressing ways to help those constituents become

profitable customers for the Bank. This initiative was partly based on a realization that many individuals and communities are not yet in a position to access and benefit from the community lending goals set by Bank of America. Providing needed technical assistance, grant funding, and loan capital in the states and communities served by the Bank through a philanthropic initiative was seen as an effective way to move toward greater access. Doing so would also reinforce the Bank's position as a leader in the area of Community Development and enhance its image in the communities it serves. Recently, NationsBank and Bank of America announced a new \$350 billion, 10 year commitment to community development lending and investment in rural and urban markets. The question you should ask is should the new merged Bank honor the commitment of Bank of America to this initiative as a way to insure full access to this new commitment. If the answer is yes, you should strongly recommend, if not require, the merged Bank to commit to implementation of this previously agreed upon economic development initiative, as well as BofA's Rural 2000 initiative, and in a manner and amount of funding equal to the new strength of the Bank and its new \$350 billion community development commitment.

As I conclude, let me return to where I began regarding the question of the American Banker reporter. I am convinced that it is important to communicate in person to you these issues of importance as you review what is before you. Some feel it will not have an impact. Others feel it is risky because I may offend the Banks and that may be remembered later. In business, as in life, you gain more by direct dialogue and debate than by indirect prose and avoidance. Imagine if we only had Dr. King's "I have a

in Washington, or if President Kennedy's promise of a man on the moon had been only an editorial in the Washington Post, rather than the inspired delivery we all have seen. Lastly, even in the face of advancing technology like the internet, some of us are still more comfortable making our points in a face to face discussion with those responsible for making the final decision. That is why I am here today to speak to you, and why I hope you will create opportunities for us to have continued face to face discussions with NationsBank and Bank of America.

Thank you for this opportunity.

Panel 4

FEDERAL RESERVE BANK OF SAN FRANCISCO

PUBLIC HEARING ~~RELATIVE TO~~ THE BANK OF AMERICA/ NATIONS BANK
MERGER -- THURSDAY, JULY 9, 1998

TESTIMONY OF: CLARENCE WILLIAMS, PRESIDENT
CALIFORNIA CAPITAL SMALL BUSINESS DEVELOPMENT CORP.
SACRAMENTO BLACK CHAMBER OF COMMERCE

GOOD MORNING, MY NAME IS CLARENCE WILLIAMS. I AM HERE ON BEHALF OF THE SACRAMENTO BLACK CHAMBER OF COMMERCE AND CALIFORNIA CAPITAL SMALL BUSINESS DEVELOPMENT CORPORATION, IN AS MUCH AS I SERVE IN THE CAPACITY OF PRESIDENT OF BOTH ORGANIZATIONS. IN ADDITION, FOR THE RECORD, I AM A FOUNDING AND CURRENT MEMBER OF THE BANK OF AMERICA COMMUNITY DEVELOPMENT BANK COMMUNITY ADVISORY BOARD.

THE SACRAMENTO BLACK CHAMBER OF COMMERCE IS A 501(C)(6) MEMBERSHIP ORGANIZATION ESTABLISHED MORE THAN TWELVE YEARS AGO FOR THE PURPOSE OF MITIGATING AND ELIMINATING ARBITRARY AND DISCRIMINATORY BARRIERS WHICH PRECLUDE AFRICAN AMERICAN OWNED BUSINESSES FROM FULLY PARTICIPATING IN THE MARKETPLACE.

CALIFORNIA CAPITAL IS A NORTHERN CALIFORNIA BASED 501(C)(3) CORPORATION, UNDER CONTRACTS WITH THE STATE OF CALIFORNIA, AND THE SACRAMENTO MUNICIPAL UTILITY DISTRICT TO PROVIDE GUARANTEES ON BANK LOANS TO SMALL BUSINESSES. IN ADDITION, WE ARE CONTRACTED WITH THE SOLANO COUNTY ORGANIZING COMMITTEE TO ADMINISTER A MICRO LOAN FUND, AND THE U.S. DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT TO ADMINISTER A RURAL INTERMEDIARY RELENDING PROGRAM IN SEVERAL SPARSELY POPULATED NORTHERN COUNTIES.

TESTIMONY OF CLARENCE WILLIAMS
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THE PURPOSE OF MY TESTIMONY IS TO SUPPORT THE CAUSE OF THE FEDERAL RESERVE BANK IN ITS CONTINUING OBLIGATIONS TO COMMUNITY DEVELOPMENT AND REVITALIZATION, AND TO EMPHASIZE; AS A CONDITION OF THE MERGER OF THESE TWO INSTITUTIONS, A SPECIFIC OVERALL WRITTEN COMMITMENT OF DOLLARS, PRODUCTS AND SERVICES MUST BE MADE FOR CALIFORNIA AND ITS RESPECTIVE REGIONS, WITH MY CONCERN FOCUSING ON THE SACRAMENTO VALLEY.

TO DATE, THESE INSTITUTIONS HAVE BEEN UNWILLING TO MAKE A SPECIFIC, WRITTEN COMMITMENT TO CALIFORNIA. WITHOUT SUCH A COMMITMENT, INNER CITY AND RURAL COMMUNITIES MUST RELY ON A "TRUST US COMMITMENT."

CONSEQUENTLY, WE ARE BEING ASKED TO ACQUIESCE TO THIS MERGER ON THE BASIS OF BLIND FAITH, WHILE THESE INSTITUTIONS ARE PROFIT MOTIVATED AND THEIR PRIMARY CONCERN IS RETURN ON INVESTMENT FOR SHAREHOLDERS. CREATING JOBS AND COMMUNITY REINVESTMENT IS NOT NECESSARILY PERCEIVED AS BEING IN THEIR ECONOMIC INTEREST. HOWEVER, OUR COMMUNITIES CANNOT REMAIN SILENT AND INERT AS THE NUMBER OF FINANCIAL INSTITUTIONS CONTINUE TO CONTRACT FROM AS MANY AS TWENTY FIVE THOUSAND TO A PROJECTED EIGHT, SIX OR FOUR THOUSAND.

TESTIMONY OF CLARENCE WILLIAMS
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THIS CONTRACTION AND THE DEBATE, THEREOF, SHOULD NOT BE RESTRICTED TO AN ANALYSIS THAT ONLY PURSUES SUCH GOALS AS INCREASED EFFICIENCY AND GLOBAL COMPETITIVENESS IF THEY ARE AT THE EXPENSE OF INNER CITY AND RURAL COMMUNITIES. WE CANNOT ACCEPT COSTS SUCH AS INCREASED UNEMPLOYMENT AND DISINVESTMENT BEING SHIFTED FROM THE BALANCE SHEETS OF THE BANKS TO THE BACKS OF OUR COMMUNITIES. IF FINANCIAL INSTITUTIONS AND THEIR SHAREHOLDERS ARE THE BENEFICIARIES OF CONSOLIDATION, THEN, OUR COMMUNITIES SHOULD ALSO REALIZE SUBSTANTIVE BENEFITS AND NOT ONLY BE REQUIRED TO ABSORB THE COSTS OF THIS PROPOSED CONSOLIDATION.

FURTHERMORE, IT IS OBVIOUS THAT THESE FINANCIAL INSTITUTIONS VIEW "NEGOTIATED WRITTEN COMMITMENTS" AS MITIGATION TO TRANSFERRED NEGATIVE COST IMPACTS RESULTING FROM CONSOLIDATION. IF ACCEPTED AS MITIGATION BY THE COMMUNITY, WE MUST ASSURE THAT THESE SCARCE DOLLARS AND RESOURCES ARE FIRMLY COMMITTED IN WRITING AND REINVESTED FOR THE PURPOSE OF COMMUNITY GROWTH, AND ITS SUSTAINABILITY.

I AM CERTAIN THAT THE TESTIMONY AT THESE HEARINGS WILL IDENTIFY NUMEROUS AND SPECIFIC INSTANCES WHERE THE PRINCIPALS OF THIS MERGER HAVE BEEN UNWILLING TO SPECIFY, IN WRITING, THE COMMITMENTS NECESSARY FOR THE APPROVAL OF THIS APPLICATION. HOWEVER, I SHALL NOTE, FOR THE RECORD, THEIR FAILURE TO:

TESTIMONY OF CLARENCE WILLIAMS
PAGE THREE

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TESTIMONY OF CLARENCE WILLIAMS

PAGE FOUR

- o INCREASE BANK OF AMERICA'S 1997 \$70 BILLION ALLOCATION TO CALIFORNIA;
- o SUPPORT NON PROFIT TECHNICAL ASSISTANCE PROVIDERS WHO ASSIST SMALL BUSINESS;
- o MAKE EQUITY INVESTMENT IN CDCs AND SBICs;
- o PROVIDE VENTURE CAPITAL TO MINORITY AND WOMEN OWNED BUSINESSES LOCATED IN DISTRESSED AREAS;
- o PURCHASE AT LEAST 25% OF ITS GOODS AND SERVICES FROM MINORITY AND DISABLED OWNED BUSINESSES; AND
- o MAKE A WRITTEN COMMITMENT MAINTAINING BANK OF AMERICA COMMUNITY DEVELOPMENT BANK AND ITS INSTITUTIONAL EXPERTISE WITH REGARD TO COMMUNITY REINVESTMENT.

IN CLOSING, I AM AWARE OF THE FEDERAL RESERVE'S SPECIFIED AUTHORITY TO ENFORCE NEGOTIATED COMMITMENTS, NOTHING PRECLUDES THIS PANEL FROM VERIFYING WHETHER "AGREEMENTS" MADE BY THE PARTICIPANTS OF THIS MERGER REPRESENT EITHER BILLIONS OF DOLLARS OF SMOKE AND MIRRORS OR A SUBSTANTIVE COVENANT OF COMMITMENTS INVOLVING LONG TERM PARTNERSHIPS AND RELATIONSHIPS TO REVITALIZE AND SUSTAIN INNER CITY AND RURAL COMMUNITIES.

THANK YOU FOR YOUR PATIENCE.

TESTIMONY OF
CARLOS RICHARDSON
NEIGHBORHOODS FIRST ALLIANCE (SAN ANTONIO, TX)

at

PUBLIC MEETING ON NATIONSBANK AND BANKAMERICA
FEDERAL RESERVE BANK OF SAN FRANCISCO
JULY 9, 1998

Contents:

- 1) Written testimony
- 2) Analysis of NationsBank HMDA for 1997
- 3) Map of redlined census tracts
- 4) Letter of support from Mario Marcel Salas, San Antonio City Council, District 2

Based on the 1997 HMDA data it is reflected that has redlined the eastern San Antonio community. There were three loans made in our neighborhood. One loan was made to Hispanic for \$14,000, another to an African American for \$21,000 and an undisclosed ethnic group for \$26,000.

NationsBank began negotiations with Neighborhoods First Alliance with the statement "we do not sign agreements with neighborhood groups." This is a clear demonstration of its lack of will in making a commitment.

NationsBank also refused to agree to any measurable goals or time tables to rectify the problems, thus refusing to be held accountable for its performance.

Due to such institutional policies as redlining, the eastern sector is economically deprived. The neighborhood is populated by the elderly and working poor and has not been a participant in the economical growth of the SMSA. The area is besieged by warehouse encroachment, tank farms, and hazardous waste.

The lack of mortgage lending is destroying the residential nature of the neighborhood and encourages the type of investment that destroys the living environment and ultimately the neighborhood itself.

After Neighborhoods First Alliance requested Nationsbank's HMDA data, an executive of the bank discovered one of the organizations was funded by the United Way. The executive called United way and the leader involved was immediately put on job probation. This attempt to cripple our neighborhood leadership demonstrates this corporation's arrogance and willingness to use its power to step on poor communities.

NationsBank Home Mortgage Data for 1997

For the following Eastside Census Tracts 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309, 1310, and 1311

81 Total Loan Applications

1 Loan Made for Owner Occupied Purchase of a House (\$14,000)

0 Black

1 Hispanic (\$14,000)

0 White

2 Loans Made for Non-Owner Occupied Purchase of a House (a total of \$47,000)

1 Black (\$21,000)

0 Hispanic

0 White

1 Undisclosed Ethnic Group (\$26,000)

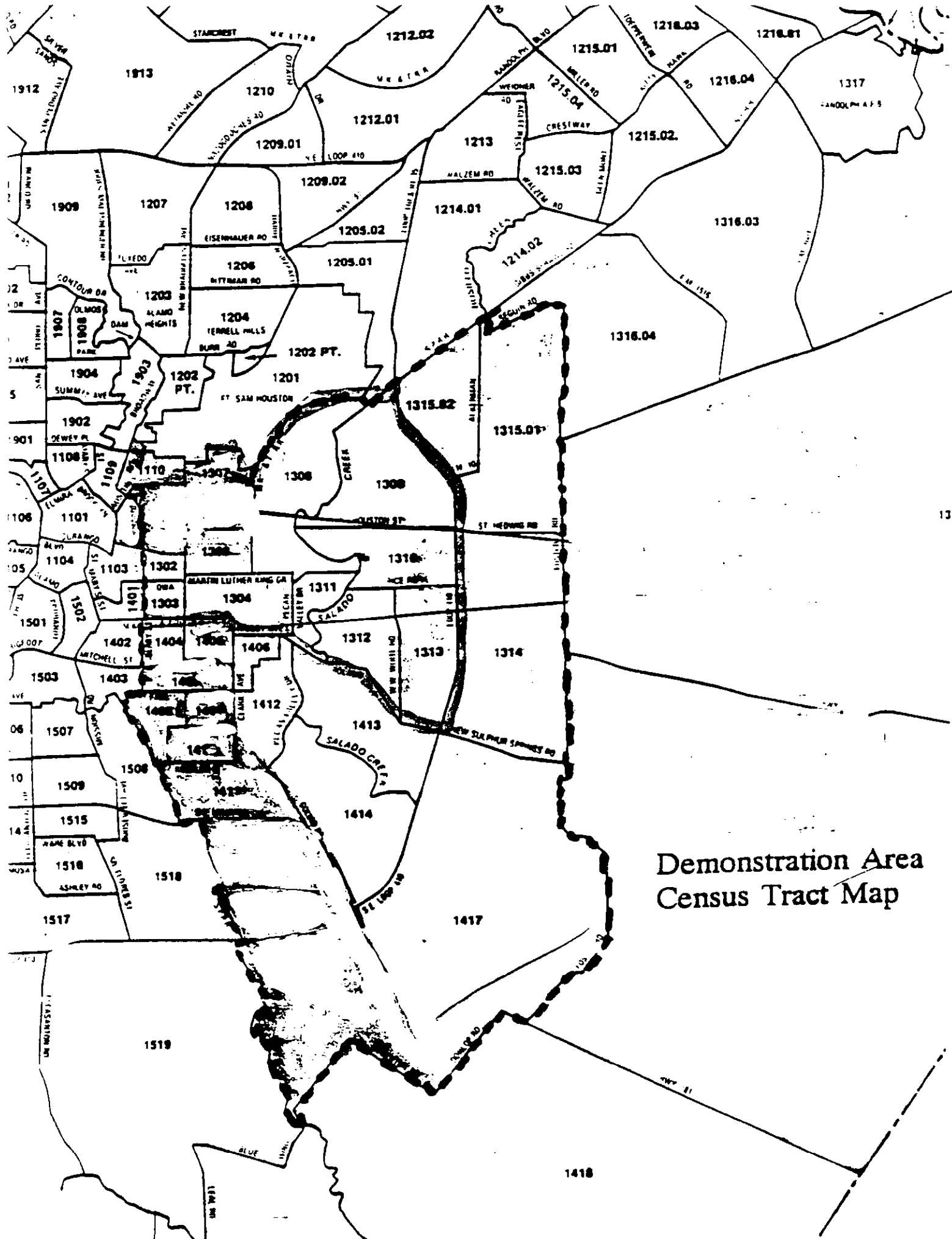
26 Loans to Owners for Repair of Homes

17 Black (a total of \$70,000)

5 Hispanic (a total of \$21,000)

2 White (a total of \$37,000)

1 Undisclosed Ethnic Group (\$3,000)



Demonstration Area
Census Tract Map

CITY OF SAN ANTONIO



MARIO SALAS
COUNCILMAN
DISTRICT 2

July 7, 1998

Ms. Jennifer Johnson
Secretary, Board of Governors
Federal Reserve System
20th Street and Constitution Ave., N.W.

Dear Members of the Board of Governors:

As the Councilperson representing San Antonio's District 2, I submit this letter to protest the application filed by NationsBank Corporation of Charlotte, North Carolina to merge with the Bank of America of San Francisco, California. District 2 is located in East San Antonio and is home for much of San Antonio's African American community.

According to a community group in my District, the Neighborhoods First Alliance, the 1997 Home Mortgage Disclosure Act data for NationsBank's operations in San Antonio shows a very poor record of meeting the credit needs of San Antonio's minority and low-income communities. In all of Bexar County, NationsBank made a total of only three loans for the purchase of an owner-occupied home to African Americans. To put it bluntly, NationsBank's lending record in San Antonio's African American community is shameful.

NationsBank's claim that they are serving the communities in which they are chartered to do business is clearly false. Allowing the proposed merger with Bank of America will make an already bad situation worse by shifting decision making authority and financial resources farther away from the people affected.

This concerns me because access to credit is crucial to restoring the integrity of District 2's neighborhoods. Without credit, homeownership declines. And without homeowners with a stake in its well being, a community suffers encroachment by industries looking for areas lacking the political will to keep them out. For too long my district has been singled out as a toxic dumping ground, a Mecca for environmental outlaws such as Aztec Ceramics. This terrible legacy is but one of the consequences of NationsBank's redlining. East San Antonio cannot heal itself without support for the community-based strategies advocated by groups such as the Neighborhoods First Alliance.

Given their lack of responsiveness and their history of redlining and discrimination, I ask the Board of Governors to deny NationsBank and Bank of America's application to merge, or at least remove the application from expedited processing so the Board may more fully investigate NationsBank's compliance with the Community Reinvestment Act.

A handwritten signature in cursive script that reads "Mario Marcel Salas".

Mario Marcel Salas
San Antonio City Council, District 2

MAILING:
P.O. BOX 839966
SAN ANTONIO, TEXAS 78283-3966

CITY OF SAN ANTONIO, TEXAS
CITY HALL (210) 207-7040
FAX (210) 207-7027

July 8, 1998

STATEMENT OF LEO AVILA
(AMERICAN G.I. FORUM)

The American G.I. Forum is our nation's most prominent and largest Hispanic veteran's organization.

We oppose any merger that fails to ensure that the Latino community, a community that put America first in every war, fully and specifically benefits from this merger. We want home loans. We want business loans. And we want the banks to move their charitable dollars from the ballet to the barrio.

Until there are specific commitments, we say to Chairmen Coulter, McColl and Greenspan, "No Merger". Remember the Latino community is the future for California and any bank that operates here.

Michael Betz
(Greenlining Institute)

Panel 4

Arguimides Caldera
Grantling Institute

July 8, 1998

STATEMENT OF STEVE SOTO
(PRESIDENT AND CEO, THE MEXICAN AMERICAN GROCERS
ASSOCIATION)

Our association's success (over 7,000 members) is a harbinger of the future of this state. We can once again be a Golden State if banks tap all of California's minority resources, much as Wells Fargo is attempting to do.

The BofA/Nations pledge fails to tap this potential. The result is likely to be a lack of lending and economic development funds. We urge you and the banks to develop specific minority lending and contract goals. Until that is done, our support can not be secured and the new bank will not achieve its profit goals.

Our association also protests the lack of hearings in Southern California.

July 7, 1998

STATEMENT OF CEO AND PRESIDENT OF PHOENIX URBAN LEAGUE
(GEORGE DEAN)

The Phoenix Urban League has had a very good relationship with the BofA. However, we must, no matter what the risk, set forth our concerns.

First, NationsBank may not be as sensitive to the unique minority cultures in Arizona;

Second, all the major banks in the West have recognized the multi-billion dollar potential of minority markets and set specific goals. Nations refuses to do so. We ask why?

Third, although community groups appreciate grants, it should be noted that as a percentage of profits, the record of the new banks is only half that of its competitors, such as Well Fargo.

Fourth, this merger should be modified to require specific minority lending and contract goals and a substantial charitable commitment to underserved communities.

Panel 2

Tunua Thrash, Greenlining Institute

July 8, 1998

STATEMENT OF MARK WHITLOCK
(EXECUTIVE DIRECTOR OF ECONOMIC DEVELOPMENT, FIRST AME
CHURCH)

As the Executive Director of a major inner city African-American church-operated economics development program with 16,000 family constituents, I have grave misgivings about absentee landlords. Our community has suffered from generations of absentee landlord neglect.

Second, when all of a bank's competitors make specific minority pledges, one has to wonder as to the motives of the one who refuses.

Third, many members of our church would like to testify but can not when hearings are held only in San Francisco. Please put on an L.A. hearing as we previously requested.

Fourth, the African American market nationwide is over \$600 billion dollars. Those who ignore us do so at their peril.

We come to the table not with a beg, but with a desire to create a civil and prosperous society.

Haydee Diaz GREENLIVING
COALITION
MEMBER

July 8, 1998

Panel 4

STATEMENT OF WILLIS WHITE
(CALIFORNIA BLACK CHAMBER OF COMMERCE)

I join with the National Black Chamber, the Black Business Association and the National Black Business Council in criticizing a merger that abandons the African American community.

We have never shared in either bank's loan pool or contract program, nor in Golden Parachutes for senior, white males worth over \$200 million dollars. Nor have we equitably shared in their economic development projects. Consider this: BofA alone lent more to South Korea (\$3.1 billion dollars) than the total it has lent to African American-owned businesses over the last 50 years. And remember, BofA has lost \$3.1 billion in Korea and nothing in the inner city.

Until they "show us the money" and "walk the talk" we will criticize this merger.

Trina Villanueva
The Greenlining Just.

Greenlining
Coalition
Member

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July 7, 1998

STATEMENT OF MATEO CAMARILLO
(VICE CHAIR, CHICANO FEDERATION OF SAN DIEGO)

No bank mega-mergers should occur without specific minority and geographical pledges. In San Diego, over 40 percent of our county are minorities and the majority of potential homeowners and small business entrepreneurs are persons of color.

We in San Diego urge CEO McColl to visit us and pledge that the new bank will set specific minority lending and business goals just like WAMU, Well Fargo and Union Bank of California.

Unless this is done, competition may decide the financial fate of this merger. Why should 80 million minorities with a GNP of over one trillion dollars do business with a bank that ignores us, when Wells and WAMU court us?

Vy Nguyen

Greenlining Coalition
Member

Panel 4

July 7, 1998

STATEMENT OF MAI CONG, CEO
(VIETNAMESE COMMUNITY OF ORANGE COUNTY, INC.)

The Vietnamese American community has been inadequately served by BofA's small business lending and fears that an absentee landlord with little knowledge of our culture will do even worse. Frankly, only targeted minority marketing and goals, as recently set by BofA's competitors such as Union Bank, can correct this lack of capital to an emerging U.S. market far greater than many overseas markets.

On behalf of Orange County's 160,000 Vietnamese-Americans, I wish to deliver a personal message to Chairman Greenspan with whom I recently met. Don't forsake us; compel NationsBank to set specific minority goals for small business lending and continuity and to promote people from our community into senior management.

July 7, 1998

Gene Calderon
Greenlining Institute

Page 12

July 8, 1998

STATEMENT OF BERT CORONA
(EXECUTIVE DIRECTOR, HERMANDAD MEXICANA NACIONAL)

I offer this testimony on behalf of the nation's largest immigrant service center and advocacy institution. We have offices in Washington, D.C., New York and Illinois, as well as in California. I have been an active advocate for minority empowerment and economic justice and development since FDR was first elected President.

This merger could be harmful to all communities. It is particularly so for low-income, immigrant and minority communities. Over the last six decades, we have witnessed the dangers of absentee landlords and those that view the poor from afar.

I refuse to testify so that my personal absence is evidence against Chairman Greenspan's decision to prevent low-income persons from voicing their concerns, unless they live in the San Francisco area or have a "rich uncle" bank to fund their trip.

- In summary, we oppose the merger unless the new bank sets specific community and minority lending goals and commits to a low-income philanthropic investment program that rivals that of Wells Fargo or Union Bank. It is not enough for top executives to draw eight figure salaries while doling out crumbs to the community.

I also question the safety and soundness of a bank which lacks the confidence of persons of color. We constitute two-thirds of Los Angeles County's population, a population greater than that of North Carolina.

July 8, 1998

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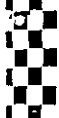
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Panel 4
 Todd Romero
 7-8-98

July 6, 1998

Board of Directors

Rev. James H. Daniel, Jr.
 Chairman & CEO

Deborah Allen
 Community Relations

Cynthia Allen, Esq.
 Legal Affairs

Samuel Lisle
 Chairman,
 21st Century (UBA)

Dr. Harry Good, III
 Educational Development

Wesley Gray, III
 Community &
 Government Affairs

Kenneth Mercer
 21st Century
 Investment Alliance

Community Development:

Verda Harris Olayinka
 Research & Development

Rev. James Washington
 21st Century
 Investment Alliance

James L. Williams
 21st Century Partnership

Devon M. Daniel
 V.P. Operations

James H.D. Daniel
 Sr. CEO

Donald E. Davis
 Community Relations

Daniel Simonnette
 V.P. for Govt & Corporate
 Relations

Eva M. Barnes
 Director of Publications

STATEMENT OF 21st CENTURY PARTNERSHIP
 (Rev. James H. Daniel, Jr., Chairman /CEO)

The 21st Century Partnership is a non-profit community development corporation concerned with many issues pertaining to community development here on the east Coast. Among them is the changing face of the financial services industry. We as ministers and servants to the community believe that mega-mergers must create concrete results for the traditionally underserved.

NationsBank's CRA record is of concern. Its lack of specific commitments to those who led the struggle for economic justice, as represented by Martin Luther King, Jr, is appalling.

We, as African American ministers, call on Hugh McColl to heed a higher call that is consistent with corporate growth: "Let them among you that would be great first be a servant to them all".

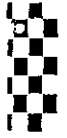
And, we, serving in the interest and voicing the concerns of millions of African Americans, decry the Federal Reserve's Board of Governors refusal to grant us a hearing in each state in which NationsBank and BOFA have failed to render adequate financial services to the un and underbanked among us.

Only lack of funds has prevented us from personally testifying.

Respectfully,

James H. Daniel, Jr.
 Rev. James H. Daniel, Jr.

East Fulton Street Revitalization & Development Corporation



July 6, 1998

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 Chairman & CEO

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 Community Relations

Cynthia Allen, Esq.
 Legal Affairs

Samuel Little
 Chairman,
 21st Century (UBA)

Dr. Harry Gook, III
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 Community &
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 Ministerial Alliance

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