

Proposal: 1723 (AF94) Reg BB - Community Reinvestment Act

Description:

Comment ID: 137639

From: North Side Bank and Trust Co, Martha K Goldbeck

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Subject: R-1723 Community Reinvestment Act

Comments:

NONCONFIDENTIAL // EXTERNAL

Good afternoon-

I want to start by saying that my colleague, Grace Penn, and I took away a lot of great information at the 2-5-2021 Fed Cleveland discussion of the ANPR, lead in part by Susan Schaaf. It was more of a roundtable discussion since there were 12-15 of us in the Zoom meeting. This was a nice surprise for us, so thank you for making yourselves available to us, as you always do.

There are a few areas of the ANPR on which I would like to make a comment:

* Assessment Area (AA) - North Side Bank and Trust Co's (NSB&T) AA is defined in one MSA and definitely Facility Based. We have nine branches, including the Main Office, eight of which are located in Hamilton County, Ohio. The ninth branch is located in the far southeast corner of Butler County, which borders Hamilton County to the north. During our last examination in February of 2020, the examiners did a deeper dive test for redlining regarding Fair Lending, because we only take a portion of Butler County in our AA.. Though our asset size will bump us to a 'large' bank, especially if FRB only has two categories instead of the current three, we are still a regional community bank, and will most likely continue as one even as our asset size increases. All this to say, I am encouraged that you are considering allowing partial counties to be included in banking institutions' AAs.

* Peer Groups - As noted above, NSB&T is a regional community bank. We have a unique situation as our loan portfolio is largely (75%) made up commercial loans. This makes it very difficult to find a true Peer Group, in our area, to which we can compare our CRA Performance to each year. The Fifth Thirds and US Banks are no match for us as our footprint is so much smaller than theirs. However, we also shouldn't be compared to the former S&Ls that are so prevalent in our area because while we may have the same footprint regionally, we can't compete with their retail lending volume, that's not who we are. I am hoping you can shed some light on this issue, as we certainly can't be the only bank with this 'problem'. How do you come up with our peer for your comparisons? We'd love for you to share.

Thank you and stay well!

Martha K Goldbeck

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