Re: Application by U.S. Bancorp to Acquire MUFG Union Bank, N.A.

Chris Wangen                      Jason Almonte
Assistant Vice President, Supervision, Regulation, and Credit
Federal Reserve Bank of Minneapolis
90 Hennepin Avenue
Minneapolis, MN 55401

Dear Ms. Wangen and Mr. Almonte:

This letter provides the response of U.S. Bancorp and U.S. Bank N.A. to (i) the comment letter, dated November 6, 2021, submitted by Ms. Paulina Gonzalez-Brito and Mr. Kevin Stein of the California Reinvestment Coalition (“CRC”), (ii) the comment letters submitted by other community organizations listed as “endorsers” of the November 6th CRC letter and certain other community organizations submitting substantially similar comments (“CRC member organizations”) as of the date of this response letter,¹ (iii) the comment letter, dated November 16, 2021, submitted by Mr. Michael Ocasio of the Association of Financial Development Corporations (“AFDC”), and (iv) the comment letters, dated November 12 and November 17, 2021, submitted by Mr. Al Pina of the National Minority Community Reinvestment Cooperative, Mr. John Gamboa of California Community Builders and Ms. Marcia Griffin of HomeFree-USA (together, the “Alliance”), each in connection with the applications to acquire all of the issued and outstanding shares of common stock of MUFG Union Bank, National Association (“Union Bank”) and subsequently merge Union Bank with and into the U.S. Bancorp’s wholly-owned national bank subsidiary, U.S. Bank National Association (together with U.S. Bancorp, “USB”).

USB appreciates the acknowledgement by CRC and certain CRC member organizations that U.S. Bank has engaged in “constructive dialogue” with community groups,

¹ As of the date of this response letter, such comment letters received from CRC member organizations include the comment letters listed on Annex A to this response letter. USB requests that the Federal Reserve and OCC consider this response letter as the Applicant’s response to any other comment letters submitted by CRC member organizations that are substantively similar to those submitted as of the date of this response.
including by “making its CEO and key staff available to listen to over 40 California nonprofit organizations” regarding community credit needs and concerns, as well as the Alliance’s recognition (in its November 10th letter to USB, appended to the Alliance’s comment letters to the Federal Reserve) of the “very positive discussion” between the Alliance and USB’s CEO, Mr. Andrew Cecere in their November 8th meeting. USB shares the sentiments of CRC and CRC member organizations in looking forward to continued, productive dialogue regarding the ways in which USB has historically served—and the combined organization will continue to serve—the convenience and needs of its communities (including the important California communities that it serves), as well as the sentiments of the Alliance in looking forward to continuing to hear the many diverse voices of USB’s communities through its ‘listening tour.’ To date USB’s CEO and senior leadership have met with nearly 200 community group representatives and look forward to meeting with many more groups in the coming weeks.

As referenced in the comment letters by CRC and certain CRC member organizations and in the Alliance’s November 10th letter, USB’s community engagement efforts remain ongoing, with USB continuing to work with a number of community organizations to conduct additional meetings and listening sessions with senior executives of USB and to continue building an understanding of how USB can support its communities. The OCC’s and Federal Reserve’s respective comment periods on USB’s applications under the Bank Merger Act and Bank Holding Company Act have been appropriate and have facilitated constructive dialogue between community groups and USB. The banking statutes and regulations set clear parameters for comments to be solicited and obtained from interested parties, so that their views can be reviewed and considered by regulatory authorities in the context of a normal processing schedule for an application. USB’s engagement with the community will not stop at the end of the comment periods. USB prides itself on its active engagement with community organizations and the members of the communities which it serves and USB intends to continue engaging in constructive dialogue with community organizations following the end of the respective comment periods.

With respect to the requests by CRC, CRC member organizations and the Alliance that U.S. Bank enter into a community benefits plan, USB is continuing to evaluate the ways in which the combined organization will serve the convenience and needs of its communities, including in California and including in racially diverse communities, and USB appreciates the constructive input from the CRC, CRC member organizations, the Alliance and other community groups as USB plans for future community development activities.

With respect to the concerns expressed by CRC and certain CRC member organizations regarding the application, USB notes (as discussed at length in USB’s applications to the OCC and Federal Reserve) that USB and Union Bank each place a high priority on corporate citizenship and continue to strengthen the communities each serves through engagement in community development and outreach activities. Each of U.S. Bank and Union Bank has received an overall rating of “Outstanding” in their most recent CRA performance evaluations, and each has continued to build upon its community engagement program since their most recent CRA performance evaluations. USB respectfully submits that when acting on the application, the agencies should consider the OCC’s own findings—as prudential regulator of each of U.S. Bank and Union Bank with a comprehensive
understanding of the community development and reinvestment activities of its regulated banks—that the CRA performance of each bank has been “outstanding” on an overall basis (as well as “outstanding” in the state of California).

USB appreciates that CRC, CRC member organizations, AFDC and the Alliance each shares an interest in the communities that USB serves, and is aligned with CRC, CRC member organizations, AFDC and the Alliance in the goals of providing financial access and serving the needs of LMI and racially diverse communities, helping customers achieve the dream of homeownership through accessible mortgage financing, supporting women- and BIPOC-owned small businesses, retaining Union Bank front-line branch employees, and offering affordable banking products without excessive fees. USB also appreciates the recognition by CRC and certain CRC member organizations that “both banks have been active in meeting the state’s critical affordable housing challenges,” and of many strong relationships with community groups, as well as the Alliance’s goal of “working with U.S. Bank in building an economically stronger and more racially inclusive America.”

USB would like to emphasize, however, that the concerns expressed by CRC, certain CRC member organizations and AFDC that the combined organization would have reduced appetite for such community development financing or lose such community group relationships are unfounded. Rather, USB remains, and following the Proposed Transaction will remain, committed to strengthening the communities it serves through its ongoing engagement in community development and outreach activities, and looks forward to the combined organization leveraging the CRA strengths and legacy relationships of both banks to create a strong and comprehensive combined community development program.

USB appreciates the opportunity to respond to the comment letters submitted on the applications. If you have any questions regarding this response, please do not hesitate to contact me or Spencer Sloan.

Very truly yours,

Adam J. Cohen

Enclosures

cc: Ms. Alison M. Thro
    Board – Legal

Ms. Linda Anderson
    Reserve Bank
Ms. Erin Grace  
Ms. Shannon Mulligan  
U.S. Department of Justice, Antitrust Division

Ms. Patricia Roberts  
OCC

Mr. James LaPierre  
FDIC

Ms. Paulina Gonzalez-Brito  
California Reinvestment Coalition

Mr. Kevin Stein  
California Reinvestment Coalition

Ms. Nancy Halpern Ibrahim  
Esperanza Community Housing Corporation

Ms. Evelyn Stivers  
Housing Leadership Council

Mr. Richard Girling  
San Francisco Public Bank Coalition

Ms. Gloria Bruce  
East Bay Housing Organizations

Ms. Elba Schildcrout  
East LA Community Corporation

Ms. Chelsea Kirk  
SAJE – Strategic Actions for a Just Economy

Ms. Hyepin Im  
FACE – Faith and Community Empowerment

Ms. Heidi Pickman  
CAMEO – California Association for Micro Enterprise Opportunity

Mr. Robert Herrell  
Consumer Federation of California

Ms. Erika Toriz-Kurkjian  
Haven Neighborhood Services
Ms. Sherri Jackson  
MultiCultural Real Estate Alliance for Urban Change

Mr. Stephen Russell  
San Diego Housing Federation

Mr. Andrew Matsas  
Community Economics, Inc.

Mr. Michael Banner  
Los Angeles LDC

Mr. Rudy Espinoza  
Inclusive Action for the City

Ms. Amie Fishman  
Non-Profit Housing Association

Ms. Erin McElroy  
Anti-Eviction Mapping Project

Mr. Sanford Livingston  
Northern California Small Business Financial Development Corporation

Ms. Sharon Kinlaw  
Fair Housing Council of the San Fernando Valley

Mr. Roberto Barragan  
California Community Economic Development Association

Mr. Calvin L. Holmes  
Chicago Community Loan Fund

Mr. Walter Harris  
Tenderloin Neighborhood Development Corporation

Ms. Faith Bautista  
National Asian American Coalition

Mr. Leo Goldberg  
CA Community Land Trust Network

Mr. William M. Cunningham  
Creative Investment Research

Mr. Quentin D. Strode  
NEW Community Investments
Ms. Lyda Eddington
Westchester United Methodist Church, Los Angeles

Mr. Michal A. Ocasio
The Association Financial Development Corporations

Ms. Debra Gore-Mann
The Greenlining Institute

Mr. Nick Weiner
Committee for Better Banks

Mr. Frank Altman
Community Reinvestment Fund, USA

Mr. Mark Stivers
California Housing Partnership

Mr. Al Pina
National Minority Community Reinvestment Co-Operative

Ms. Marcia Griffin
HomeFree-USA

Mr. John Gamboa
California Community Builders

Ms. Dina Harris
National Faith Homebuyers Program

Dr. Ruben Guerra, PhD
CA Black & Latino Business CRA Council

Mr. Marcos Morales
Hogar Hispano, Inc.

Ms. Jules Dunham Howie
Director, UPC Westside CDC

Mr. Kelvin W. Perry
Black Chamber of Commerce of Greater Kansas City

Mr. Steve Figueroa
Inland Empire Latino Coalition
Mr. Darrel Sauceda
   LA Latino Chamber

Ms. Bertha Garcia
   Ventura CCDC

Mr. Joey Quinto
   CA Journal for Filipino Americans

Mr. Jose Antonio Ramirez
   Central CA Latino PAC

Mr. Adam Briones
   California Community Builders

Mr. James Chosy
Ms. Cristina Regojo Gedan
Ms. Sarah Flowers
   U.S. Bancorp

Ms. Wendy M. Goldberg
   Sullivan & Cromwell
ANNEX A
CRC Member Organization Comment Letters

1. Comment letter, dated November 15, 2021, submitted by Mr. Mark Stivers of the California Housing Partnership;

2. Comment letter, dated November 16, 2021, submitted by Mr. Nick Weiner of the Committee for Better Banks;


5. Comment letter, dated November 17, 2021, submitted by Mr. Quentin Strode of NEW Community Investments;

6. Comment letter, dated November 17, 2021, submitted by Mr. Walter Harris of the Tenderloin Neighborhood Development Corporation;

7. Comment letter, dated November 17, 2021, submitted by Ms. Sharon Kinlaw of the Fair Housing Council of the San Fernando Valley;


10. Comment Letter, dated November 17, 2021, submitted by Mr. Michael Banner of Los Angeles LDC;

11. Comment letter, dated November 17, 2021, submitted by Ms. Heidi Pickman of California Association for Micro Enterprise Opportunity (CAMEO);

12. Comment letter, dated November 17, 2021, submitted by Ms. Gloria Bruce of East Bay Housing Organizations;


14. Comment letter submitted by Mr. Roberto Barragan of California Community Economic Development Association;

15. Comment letter submitted by Mr. Sanford Livingston of the Northern California Small Business Financial Development Corporation;

16. Comment letter submitted by Mr. Leo Goldberg of CA Community Land Trust Network;

17. Comment letter submitted by Mr. Rudy Espinoza of Inclusive Action;
18. Comment letter submitted by Ms. Amie Fishman of the Non-Profit Housing Association of Northern California;

19. Comment letter submitted by Ms. Sherri Jackson of the Multicultural Real Estate Alliance;

20. Comment letter submitted by Ms. Erika Toriz-Kurkjian of Haven Neighborhood Services;

21. Comment letter submitted by Mr. Robert Herrell of Consumer Federation of California;

22. Comment letter submitted by Ms. Amie Fishman of Faith and Community Empowerment;

23. Comment letter submitted by Ms. Cynthia Strathmann of Strategic Actions for a Just Economy (SAJE);

24. Comment letter submitted by Ms. Monica Mejia of East LA Community Corporation;

25. Comment letter submitted by Mr. Richard Girling of San Francisco Public Bank Coalition;


27. Comment letter submitted by Ms. Lyda Eddington of Westchester United Methodist Church.