



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

January 22, 1997

Ms. Pearlene J. Hamler  
Acting Coordinator for Programs  
Central Piedmont Economic Association Inc.  
P.O. Box 181  
Concord, Virginia 245380-0181

Dear Ms. Hamler:

This is in response to your request that the Board reconsider its approval of the applications of NationsBank Corporation and NB Holdings Corporation, both of Charlotte, North Carolina (collectively, "NationsBank"), to acquire Boatmen's Bancshares, Inc., St. Louis, Missouri ("Boatmen's").<sup>1/</sup> Your request for reconsideration raises the following matters: (1) NationsBank's subsidiary bank in Virginia has engaged in improper conduct in connection with a community development block grant program administered by the City of Lynchburg, and NationsBank has misled federal regulators and the public regarding its involvement with the program; and (2) NationsBank improperly controls nonprofit organizations in Virginia to inflate the results of its community reinvestment activities.<sup>2/</sup>

The Board's Rules of Procedure provide that a request for reconsideration must present "relevant facts that, for good cause shown, were not previously presented to the Board." 12 C.F.R. 262.3(k).

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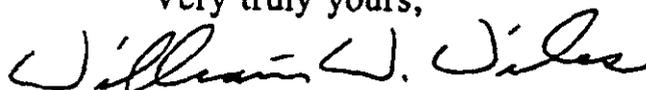
<sup>1/</sup> See NationsBank Corporation, 83 Federal Reserve Bulletin \_\_ (1997) (Order dated December 16, 1996) ("NationsBank Order").

<sup>2/</sup> You also request that the Board deny the NationsBank/Boatmen's proposal until you can bring a civil action or receive a settlement from NationsBank to redress your allegations that NationsBank violated your civil rights and caused economic harm to your development company and to Central Piedmont Economic Association Inc. The courts have the authority to provide a remedy if your allegations can be substantiated.

Your allegations regarding the community development block grant program in Lynchburg have been considered by the Board in connection with several applications by NationsBank, including the NationsBank/Boatmen's proposal.<sup>3/</sup> For the reasons previously stated in these orders, the facts of record do not support your allegations, and you present no new facts in support of your allegations. In addition, your request presents no facts to show that NationsBank inflates its community reinvestment record by improperly controlling Virginia nonprofit organizations. The NationsBank Order reviewed in detail the record of performance of NationsBank under the Community Reinvestment Act ("CRA"), including the record of its lead subsidiary bank, NationsBank, N.A., Charlotte, North Carolina, which serves Virginia and other Atlantic Coast states. The Board's review considered the bank's record of affordable mortgage and small business lending in Virginia and NationsBank's community reinvestment activities. Based on all the facts of record, and for the reasons discussed in the NationsBank Order, the Board concluded that NationsBank's record of performance under the CRA was consistent with approving the acquisition of Boatmen's.

Your request has been presented to the members of the Board to give them an opportunity to determine whether your request warrants reconsideration of the NationsBank Order or a different finding under the statutory factors that the Board is required to consider under the Bank Holding Company Act (12 U.S.C. §1842). Based on all the facts of record in these matters, including the considerations discussed in this letter, no member of the Board has requested such reconsideration, or determined that the Board's decision should be modified in any manner. Accordingly, your request is hereby denied.

Very truly yours,



William W. Wiles  
Secretary of the Board

cc: Paul J. Polking, NationsBank Corporation  
Federal Reserve Bank of Richmond

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<sup>3/</sup> See NationsBank Corporation, 82 Federal Reserve Bulletin 154 (1996) (application by NationsBank to acquire North Florida Bank Corporation, and its wholly owned subsidiary, Bank of Madison County, N.A., both of Madison, Florida).