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Testimony to the Federal Reserve Board regarding proposed Banc One Corporation and First Chicago NBD Corporation merger
Jerome Odom, Organization of the NorthEast
August 12, 1998

DRAFT

Thank you for the opportunity to testify. My name is Jerome Odom and I am a member of the Organization of the NorthEast. I am also the President of the LakeView Towers Residents Association, which is working to purchase our 500 unit HUD-subsidized building in Uptown.

The Organization of the NorthEast (ONE), founded in 1974, is an organization of sixty dues-paying member institutions in the Uptown and Edgewater communities in Chicago. The mission of ONE is to "build and sustain a successful multi-ethnic, mixed-economic community in Uptown and Edgewater." To this end, ONE has enjoyed a close working relationship with First Chicago NBD.

(STUFF ABOUT THE NEIGHBORHOOD)

First Chicago has been a member organization of the Organization of the NorthEast for the past nine years. Currently First Chicago invests greatly in these two communities -both financially and by fostering close working relationships with many local organizations to support housing development, small business development, and industrial retention. Several years ago First Chicago NBD and three other banks created a commercial loan program to provide below market financing to commercial credit borrowers as a way to enhance small business development and job creation in the area.

O.N.E. First Chicago NBD and Banc One recently committed to a new CRA agreement with ONE and six other community organizations through the National Training and Information Center. The agreement, which constitutes a nearly \$4 billion ten-year investment for all of Chicago with targets for investments in specific communities. This commitment is for single family housing, multifamily housing, small business development, marketing and services. It provides for a

bank representative to work closely with each of the six community areas to target this agreement to neighborhood needs. This agreement builds on First Chicago's history of being a strong presence in this community.

The Organization of the NorthEast has no prior experience working with Banc One, but view their commitment to this CRA agreement and their willingness to continue the great work that First Chicago has done here in Chicago a positive sign. We look forward to working with Banc One/ First Chicago to fully utilize the opportunities created by the agreement. We support this merger with the confidence that there is genuine commitment to this agreement and the hope that similar commitments will be made for the rest of Banc One and First Chicago's market.

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MORRIS POTTERY HOUSE COMPANY

6 EAST COLUMBIA AVENUE • CHAMPAIGN, ILLINOIS • 61824-0555 • P.O. BOX 555
(217) 359-4311

August 13, 1998

To: Federal Reserve Bank of Chicago
230 S. LaSalle
Chicago, IL

From: Cora Morris

I am Cora Morris, the owner of Greek Grandeur in Champaign, Illinois. Greek Grandeur, established in December of 1991, is a retail and embroidery business that specializes in paraphernalia for fraternal organizations and logos for businesses. I am here today on behalf of African American small business owners for which Bank One has assisted with business loans.

I am only one of many African American business owners who have experienced great difficulty with not only starting a business, but staying in business. It was very difficult to obtain financial assistance in order to stay in business. I went to four different financial institutions within my community in order to obtain a small business loan and was denied. Finally, I met with a loan officer at Bank One who reviewed my business plan and discussed criteria for meeting qualifications for small business loans. Through this process I gained valuable information.

Bank One helped me when no one else would. They were flexible and understanding with payment arrangements. Thus, due to their willingness to give me a chance, the Greek Grandeur was able to expand and now has a web page on the World Wide Web.

I would also like to add, that there are other African Americans within our community that was able to go to Bank One for help. In 1996, my mother relocated to Champaign - Urbana. Bank One assisted her and my sister with their home mortgage loan. They too had visited other financial institutions prior to Bank One and was denied.

In closing, Bank One has been an asset to my community through their relationship and assistance to the African Americans. My experience with this organization has been beneficial, valuable, and a great pleasure.

Cora Morris, Owner

See our Showroom

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FAX (217) 359-4366

Testimony Submitted to the Federal Reserve Bank of Chicago

Public Meeting Regarding the Proposed Merger of
Banc One Corporation and First Chicago NBD Corporation

August 13, 1998

Liz Ryan
National Training and Information Center

I would like to thank the board for this opportunity to testify. The National Training and Information Center is a resource center that has been working with grassroots community based organizations for over 25 years. Throughout our history we have assisted literally hundreds of community groups enter into partnerships with banks to better their neighborhoods. Billions of dollars have gone for single family housing, small business, and multi-family lending through these agreements.

NTIC itself has been directly involved in several Community Reinvestment partnerships in the city of Chicago, one of the most successful with 1st Chicago, NBD. Through three renewals and fourteen years, NTIC, with other non-profits in the city, has forged innovative programs and lending products to better serve the credit needs of the city. A critical component to this agreement have been the quarterly review board meetings, a process engaged in by the bank and the participating non-profits. The open lines of communication have enabled the members to establish a real level of accountability and has paved the way for true problem solving. The firm commitment of First Chicago and Banc One to continue on with the review board process after the proposed merger is a major reason for NTIC's support of the proposed merger.

Recently, in the context of the merger, NTIC and six neighborhood organizations have entered into a new, ten year reinvestment agreement with Banc One and First Chicago. This nearly \$4 billion commitment is for the city of Chicago as a whole but also contains a specifically targeted program dedicated to getting loans out the doors of the bank and into communities. The bank has committed to working closely with NTIC and the initial six grassroots organizations to get this \$4 billion out into the neighborhoods. Specifically, the bank will dedicate liaisons and loan officers who will be meeting regularly with the neighborhood residents. The bank has committed to having loan officers and/or interpreters that reflect the communities and has agreed to an oversight committee of all of the partners in the agreement. The initial six groups are Blocks Together, Brighton Park Neighborhood Council, Organization of the NorthEast, Nobel Neighbors, Northwest Neighborhood Federation, and South Austin Coalition Community Council.

As a basis for comparison, the recent nation wide pledge of \$350 billion made by NationsBank and Bank of America would, in addition to falling short of their current levels of lending, comprise only 23% of their residential lending. Conversely, the Chicago commitment made by Banc One and First Chicago will

comprise a full 46% of their residential lending. Instead of an empty promise and sound bites, First Chicago and BancOne have made a commitment of substance. We will, of course, keep the Board apprised of the progress on this commitment and will lodge a protest if the commitments made by First Chicago and BancOne are not fulfilled.

With the assumption that the banks will be faithful in fulfilling the commitments they have made, NTIC supports the merger of these institutions. We are hopeful that the good experiences we have had with First Chicago in the past and renewed the commitments to serve Chicago will extend to the entire Banc One and First Chicago's market.



ORGANIZATION OF THE NORTHEAST

5121 North Clark Street Chicago, Illinois 60640 773-769-3232 Fax: 773-769-0729

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Jerome Odom, Organization of the NorthEast

August 12, 1998

Thank you for the opportunity to testify. My name is Jerome Odom and I am a member of the Organization of the NorthEast. I am also the President of the LakeView Towers Residents Association, which is working to purchase our 500 unit HUD-subsidized building in Uptown.

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One, but view their commitment to this CRA agreement and their willingness to continue the great work that First Chicago has done here in Chicago a positive sign. We look forward to working with Banc One/ First Chicago to fully utilize the opportunities created by the agreement. We support this merger with the confidence that there is genuine commitment to this agreement and the hope that similar commitments will be made for the rest of Banc One and First Chicago's market.

My name is Raymond Schmidt. I am the Executive Director of a nonprofit corporation in Milwaukee, WI, called Select Milwaukee. The organization was formed in 1991 and is dedicated to promoting, supporting and facilitating affordable homeownership in city of Milwaukee neighborhoods through collaboration with the nonprofit, private and public sectors. Select Milwaukee provides direct services to prospective home buyers, urban market training and other services to mortgage lenders and real estate professionals, produces neighborhood marketing events and has developed and administers for several Milwaukee employers their employer assisted homeownership and walk to work programs.

My brief comments today reflect our organization's valued and long-standing relationship with Bank One WI. And it is based on that relationship that I extend Select Milwaukee's support of Banc One Corporation's proposed acquisition of First Chicago NBD.

As noted, collaboration is a major piece of just about all of our efforts at Select Milwaukee. Most of us in this line of work have the chance to meet with and enlist the support of many different businesses, institutions and organizations. Over the past several years, Select Milwaukee has developed relationships on a number of levels with several mortgage lenders. During that time, we have had numerous opportunities to work directly with Bank One, Wisconsin and to observe its affordable lending and other community development efforts. Our experiences with the bank compel me to unequivocally state that Bank One is among Milwaukee's most thoughtful, savvy, and committed affordable housing financial institutions and an important corporate partner in many other endeavors.

Bank One, Wisconsin is clearly distinguished among most lenders in Milwaukee by its thoughtful, serious approach to collaboration with our organization and our colleagues in

Milwaukee in a variety of ventures. I am being quite candid when I suggest that unlike some institutions, the bank does not embarrass itself or offend organizations like ours by merely "talking a good game," glad-handing, or with product or service gimmickry. For us, Bank One is the respected and valued corporate citizen it is because of a corporate philosophy. It is a philosophy that is no doubt also responsible for the highly competent and diverse staff with which we have had the pleasure to work over the years.

From my vantage point, there is perhaps no more significant example of Bank One's commitment to affordable lending here than the leadership, dedication and financial support extended to the launch of New Opportunities for Homeownership in Milwaukee (NOHIM). A nationally recognized affordable homeownership coalition, NOHIM's 55 members represent Milwaukee area banks, thrifts, credit unions, mortgage insurance firms, community-based home buyer counseling organizations, the City of Milwaukee and the Wisconsin Housing and Economic Development Authority. NOHIM has dramatically increased homeownership opportunities for modest income Milwaukee families, with nearly 2,000 new homeowners and over \$85 million in mortgage loans since its creation in 1991. NOHIM annually generates from mortgage lenders over \$100,000 support for home buyer counseling and loan packaging services, offers exclusive proprietary participation for lender members in a variety of lending initiatives and provides affordable homeownership training for the membership. This year NOHIM received from HUD a Gunther Award and was recognized in 1996 as one of the first local partnerships in the National Partners in Homeownership Campaign. I am convinced that Bank One's leadership and significant financial and staff support that nurtured NOHIM in its early days is largely responsible for Milwaukee's national renown and successes in affordable lending.

Select Milwaukee has garnered the frequent support of Bank One for neighborhood marketing and homeownership promotion activities. Among these activities are neighborhood tours and home buyer expositions. These events are invaluable as introductions of first-time prospective buyers to the home buying process and opportunities in Milwaukee and serve to expand the range of housing and neighborhood options for buyers. Now, of course there is a financial component of support for such activities, but in the case of Bank One, its involvement has always gone beyond just dollars. It is easy to write a check. But reflecting the seriousness with which the bank takes its community involvement and Bank One's trademark professionalism in these endeavors, significant dedication of staff, and not just community affairs or CRA staff, has always been part of the bank's support. Corporate community affairs and marketing staff lend their time and expertise to insure that these *city* events are as successful and well-produced as *any new suburban subdivision promotion*.

Finally, Select Milwaukee has benefitted a great deal from and values its professional comradery with Bank One community and government relations staff persons. On many occasions, covering a gamut of topics, including legislative and regulatory issues, bank staff have served as a sounding board, provided advice, and offered valuable insights. That doesn't mean we've always agreed, but we have consistently gained from the impressive level of interest, accessibility and thoughtfulness.

In conclusion, I wish to reiterate Select Milwaukee's solid support of Banc One's acquisition of First Chicago. Our organization believes that the merger can only enhance the bank's commitment and capacity to invest in affordable homeownership for modest income Milwaukee families and in other community development initiatives in our community and elsewhere.

Eve Elder-Mayes
1133 Cheyenne Drive
Cincinnati, Ohio 45216

August 13, 1998

Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60604-1413
ATT: Alecia Williams

Dear Ms. Williams,

I am opposed to the Banc One merger for the following reasons:

1. Banc Ones use of "Disparate Guidelines" as it pertains to the sellers as well as buyers for residential mortgage loans.
2. Banc Ones blatant misuse of CDBG dollars in the Cincinnati "College Hill Downpayment Assistance Program".
3. Banc Ones systematic blockbusting as it pertains to allowing Caucasian Investors to sell their residential properties and disallowing African-American homeowners to sell their properties. (Specifically by the misuse of downpayment assistance dollars(CDGB).

In conclusion, I would like to state that in my 3 year relationship with Banc One, I have been discriminated against due to my ethnic background which is African-American and of Jewish heritage. And I have been asked to literally do "WHATEVER IT TAKES" to get a mortgage loan, line of credit, and even a credit card. I believe that if this merger is allowed, it will let Banc One monopolize the Midwest and to what they have been doing "WHATEVER IT TAKES", even if it means destroying the financial prosperity of the African-American as well as Jewish Communities.

Banc One does not have my best interest at heart and to them I only represent one more African-American in their HUMDA data that they helped. I repeat that I am against the merger of Banc One and believe a full scale investigation needs to be done into their activities in the Greater Cincinnati Area. (Specifically the "College Hill Downpayment Assistance Program". Also Banc Ones entire CRA department (Cincinnati) needs to be investigated as it pertains to the above.

Sincerely,

Eve Elder-Mayes

CC: Dr. Milton Hinton President Cincinnati Chapter NAACP

News Media