

ERRATUM

Is the SBA Losing its Mission? Lending to Minorities: Not Fortune 1000 Corporations An Analysis of 2006 SBA Lending to Minorities

A senior representative from Wachovia Corp. has called to our attention that the bank's SBA lending numbers as reported in our 2006 SBA report card did not include the SBA loans originated by the bank's main SBA lending subsidiary, Wachovia SBC.

The creation of Wachovia SBC came about as a result of the 2001 merger between First Union Corp. and Wachovia Corp., which took the latter's name. First Union had acquired The Money Store, a Union, NJ based lender in 1998. The Money Store portion of First Union became Wachovia SBC after the merger, and this is Wachovia's main SBA lending subsidiary.

The Small Business Administration (SBA), however, had not registered a name change, and our 2006 Freedom of Information Act (FOIA) request still had a listing for The Money Store. SBA FOIA officials acknowledged their tabulation error, thereby confirming Wachovia's claim that the SBA loans originated by The Money Store can be added to Wachovia Corporation totals.

When these additional numbers are taken into account, Wachovia made 177 loans to all minorities, compared to the 5,842 loans to all minorities made by the top-ranking bank, Bank of America. This change raises Wachovia's cumulative rank from 13th out of 20 to 11th out of 20, and its individual ranks in number of loans to minorities from dead last in nearly all categories to the middle of the bottom half of the banks studied.

The following chart describes the changes in Wachovia's aggregate data, as well as for the three listings in the SBA FOIA data that we have confirmed to be attributable to Wachovia Corp. It also lists the changes in ranks and grades, and compares Wachovia to the top ranking bank.

Questions? Comments? Contact:
Christian González-Rivera, SBA Research Fellow
The Greenlining Institute
christiang@greenlining.org
T: 510-926-4020
F: 510-926-4010

FY 2006 SBA Lending Performance for Wachovia Corp. and its Subsidiaries, Corrected Data Incorporating Wachovia SBC Numbers

Bank	Total Assets (on 30.VI.2006 according to American Banker)	# Loans / \$5b in			# Loans / \$5b in %			
		# Loans	assets	Dollar Amount	# Loans	assets	Loans	Dollar Amount
		TOTAL			ALL MINORITIES			
Wachovia Corp. (aggregate)	\$553,614,000,000	594	5.36	\$382,228,800	177	1.60	29.8%	\$105,786,400
THE MONEY STORE, INC		445		\$354,456,000	128			\$98,641,200
WACHOVIA CORPORATION		142		\$20,414,300	49			\$7,145,200
WACHOVIA BANK, NATIONAL ASSOCI		7		\$7,358,500	0			\$0
					AFRICAN AMERICANS			
Wachovia Corp. (aggregate)	\$553,614,000,000				35	0.32	5.9%	\$18,200,900
THE MONEY STORE, INC					23			\$17,003,900
WACHOVIA CORPORATION					12			\$1,197,000
WACHOVIA BANK, NATIONAL ASSOCI					0			\$0
					LATINOS			
Wachovia Corp. (aggregate)	\$553,614,000,000				109	0.98	18.4%	\$44,354,400
THE MONEY STORE, INC					44			\$40,426,200
WACHOVIA CORPORATION					65			\$3,928,200
WACHOVIA BANK, NATIONAL ASSOCI					0			\$0
					ASIAN / PACIFIC ISLANDERS			
Wachovia Corp. (aggregate)	\$553,614,000,000				75	0.68	12.6%	\$42,202,300
THE MONEY STORE, INC					59			\$40,182,300
WACHOVIA CORPORATION					16			\$2,020,000
WACHOVIA BANK, NATIONAL ASSOCI					0			\$0

Change in Rank and Grade, Given Incorporation of Wachovia SBC Data

Wachovia vs. Bank of America

		Previous Rank/Grade	Corrected Rank/Grade	Wachovia	Bank of America
Rank and Grade in NUMBER of Loans to...	All Minorities	20/F	14/D+	14/D+	1/A-
	African Americans	19/F	15/D-	15/D-	1/A-
	Latinos	19/F	10/C-	10/C-	1/A-
	Asian Americans	20/F	14/D	14/D	1/A-
Rank in and Grade in PERCENTAGE of Loans to...	All Minorities	10/C-	10/C-	10/C-	3/B-
	African Americans	4/C	9/C-	9/C-	3/C+
	Latinos	5/B-	4/B+	4/B+	4/B+
	Asian Americans	9/C+	8/C+	8/C+	5/B+
CUMULATIVE RANK		13	11	11	1