The Greenlining Institute
360 14th Street, 2nd Floor
Oakland, CA 94612
www.greenlining.org

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Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E–218
Washington, DC 20219
Submitted electronically

RE: OCC Business Combinations under the Bank Merger Act - Docket ID OCC–2023–0017

To whom it may concern:

The Greenlining Institute appreciates the opportunity to comment on the notice of proposed rulemaking for the Business Combinations under Bank Merger Act. We commend the continued efforts by the federal regulators to improve the bank merger review process by increasing clarity and transparency to the public. We encourage the adoption of the proposed changes to the policy statement with the addition of the recommendations we make in this letter to strengthen the review process for the benefit of the communities of color we serve.

Founded in 1993, The Greenlining Institute works toward a future when communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change. We proactively drive investments and opportunities into communities of color alongside a coalition of over 40 grassroots, community-based organizations, including minority business associations, community development corporations, and civil rights organizations. Our multifaceted advocacy efforts address the root causes of racial, economic, and environmental inequities to meaningfully transform the material conditions of communities of color in California and across the nation.

As the financial landscape continues to evolve, where digitalization and mergers redefine the banking sector, it is imperative to ensure that progress does not come at the expense of low-income communities and communities of color. The recent surge in bank mergers, compounded by the closures of over 4,000 branches since the onset of the pandemic[1], has highlighted a critical need for a reevaluation of priorities within the banking sector that centers the convenience and needs of communities, particularly those who have been historically underserved. Communities of color, who are disproportionately impacted, are concerned that bank mergers will lead to more branch closures and job losses particularly in areas where the merging banks have overlapping operations. This could have a negative impact on local

[1] Jad Edlebi, Bruce C. Mitchell, & Jason Richardson. (2022). The Great Consolidation of Banks and Acceleration of Branch Closures Across America. *National Community Reinvestment Coalition*. https://ncrc.org/the-great-consolidation-of-banks-and-acceleration-of-branch-closures-across-america/

economies, reducing access to financial services and potentially leading to a decline in property values, repeating the cycle of disinvestment. As race continues to be a barrier to economic mobility and opportunity, it is imperative that regulators continue to update bank merger review processes, ensuring that low-income communities, communities of color, and local economies become a central component of applications to guarantee that the convenience and needs of communities are met.

Over the last few years, Greenlining has responded to requests for comments from the FDIC and the Federal Reserve in support of greater scrutiny of bank merger applications to help promote community reinvestment, ensure regulatory oversight of the public benefit factor in bank merger reviews, and help maintain access to affordable products and services that ensure financial inclusion of low-income and communities of color. Greenlining continues to raise concerns on the harmful effects of increased consolidation that have attenuated the convenience and needs factor of the bank merger review process, limiting access to critical banking services and community reinvestment practices needed to repair the economic effects of redlining. Because of this, we have mobilized our partners and community based organizations to intervene in mergers and acquisitions that impact the various regions that our partners serve throughout California. For example, the merger of US Bank and MUFG Union Bank resulted in a community benefit agreement (CBA) between community organizations and US Bank to increase mortgage and small business lending and critical community development investments for low-income and communities of color. However, the lack of enforceability or even mandatory consideration of existing and past CBAs puts a strain on the public benefit factor of bank mergers, raising ongoing concerns as drastic cuts to bank branches in low-income and minority-majority communities rise, increasing banking deserts in rural communities, impacting small businesses, and the overall financial wellness and economic stability of underserved communities.

Bank Mergers and Racial Equity Impacts

Transparency and clarity around the Bank Merger process is sorely needed, particularly around the material benefits that it brings to communities. Processes need to explicitly illustrate the ways that procedural and distributional equity[2] are prioritized to mitigate adverse impacts on low-income communities and communities of color. The increased consolidation of banks has led to various racial equity impacts, showing that branch closures and bank deserts disproportionately impact low-income and communities of color. These impacts can only be reversed through race-conscious solutions that aim at repairing economic conditions in these communities. Through increased transparency, increased scrutiny of bank merger applications, and enforcement of community benefit agreements at the regulatory level, regulators can mitigate additional impacts that widen the racial wealth gap. Without a thorough review and clear criteria that underscore the public benefits of a merger as described in the following

[2] Balu, Reka, et al. (2023). Pathways to Equity at Scale. *Urban Institute*. www.urban.org/research/publication/pathways-equity.

comments, these transactions will continue to deprive communities of the financial resources critical to wealth building and economic stability.

Recommendations to Policy Statement: Appendix A

Section III, Financial Stability

The dominance of the largest 25 banks in the financial market has profound implications for underserved communities, particularly in terms of the rise of bank deserts and limited access to essential financial services. As these banking giants consolidate power, they often prioritize profitability over serving underrepresented communities, leading to the abandonment of branches in low-income neighborhoods.

Reliable access to banking is an engine for economic mobility and wealth accumulation. However, these opportunities are stifled when entire populations are excluded from participating. When these communities are unable to access traditional banking services, credit, and investment opportunities, they become disproportionately vulnerable to predatory lending[3] (e.g. payday lenders and check-cashing services), financial exploitation, and economic downturns. This exclusion exacerbates existing wealth disparities and hampers overall economic growth. Moreover, it undermines the resilience of the financial system by concentrating risk in specific pockets in the market. Concentrating power and wealth in some areas, while various communities with limited access to financial services and credit are steered into higher risk financial services perpetuating a two tiered financial system. This stark imbalance is a manifestation of low wages, generational poverty, and a lack of traditional financial services that funnel people to predatory lenders.

Furthermore, since 2009, one in five branches have closed[4], bringing the total number of US bank branches under 80,000 in 2023 from 100,000 branches, a decrease of 21%. According to the Federal Reserve Bank of Philadelphia[5], low- to moderate-income and racially diverse communities have drastically fewer branches compared to their middle-upper class and white counterparts, contributing to the rapid increase in bank deserts in majority-Black tracts and American Indian and Alaska Native tract populations – 46.4 percent of the latter population were living in banking deserts in 2023, over 12 times the national average of 3.8 percent. Lack of access to financial services and physical branch locations are exacerbated when communities live in rural areas and or have limited or no access to broadband.

[3] Cyrus, Ramenda. (2023). Predatory Lending's Prey of Color. *The American Prospect*. https://prospect.org/economy/2023-06-05-predatory-lendings-prey-of-color/
[4] Blakey, Douglas. (2023). US Bank Branch Numbers Fall to 40 Year Low. *Retail Banker International*. www.retailbankerinternational.com/features/us-bank-branch-numbers-fall-to-40-year-low/?cf-view
[5] Federal Reserve Bank of Philadelphia. (2024). *U.S Bank Branch Closures and Banking Deserts.* https://www.philadelphiafed.org/-/media/frbp/assets/community-development/reports/banking-deserts-report-feb-2024.pdf

Due to the aforementioned realities experienced by low-income communities and communities of color, Greenlining recommends that a race-conscious approach become a central component in the balance test conducted by the OCC, where merger approval is contingent on mitigating disparate impacts on low-income and communities of color. One of the factors considered in the balance test is, “any potential reduction in the availability of substitute providers for their services offered by the combining institutions.” The trends and data underscored above suggest that the reduction of banking products and services has had a disproportionate impact on vulnerable communities. Disparate impact data should be assessed and integrated into the merger review process and shared with community members and the public. This is an opportunity for acquiring banks to submit strategic plans similar to the Community Reinvestment Act (CRA) strategic plans[6] indicating how they will mitigate disparate impact and work with the community in order to meet those goals.

In addition, financial stability factors that result in a decision to approve a proposed transaction subject to specific conditions, such as asset divestitures or higher minimum capital requirements should also include racial equity impacts that address disparities listed above. Greenlining recommends adding conditions to enforce minimal to no closures of branches in low- to moderate-income and majority-minority neighborhoods post-merger. This is an opportunity to align with the FDIC’s proposed policy statement[7] that states “The FDIC will evaluate all projected or anticipated branch expansion, closings, or consolidations for the first three years following consummation of the merger…applications that project material reductions in service to low- and moderate-income communities or consumers will generally result in unfavorable findings.”

Section IV, Financial and Managerial Resources and Future Prospects

The Bank Merger Act requires that the OCC and Federal Reserve consider the managerial resources, financial resources, and future prospects of any proposed transaction. Historically, reviews have been siloed and lack coordination between federal agencies, including the Consumer Financial Protection Bureau (CFPB). Coordination with the CFPB is an important component to holistically capturing data and records that may expose governance and supervisory issues such as non-compliance with consumer protection and fair lending laws. Community members are concerned about consumer protection in the event of bank mergers. They worry that larger, merged banks may not prioritize the needs of individual consumers, leading to higher fees, less personalized service, and potentially predatory lending practices. Violations of consumer protection laws should be defined as a failure to implement managerial controls and need to be addressed appropriately. Minor violations can speak to larger systemic issues that necessitate additional review and investigation, including delay to a merger application until remediation plans are in place.,

[6] https://www.federalreserve.gov/consumerscommunities/cra_strategic.htm
[7] https://www.fdic.gov/sites/default/files/2024-04/2024-03-21-notice-dis-b-fr.pdf

In addition, management should demonstrate the prioritization of Diversity, Equity, and Inclusion (DEI) in their practices, products and services. Financial Institutions that prioritize DEI have a competitive advantage[8] over their peers – better positioned to address racial inequity, increased customer and employee satisfaction, and improve overall performance and business growth. However, lack of integration of DEI within corporate strategy continues to be a challenge for financial institutions, limiting their ability to address critical aspects of racial inequality that result in disparities in access to financial services. Despite the efforts to eliminate discrimination in the financial services sector, structural racism persists, evident in exclusionary practices and biases exercised by both large national banks and smaller community banks. Research shows[9] that the minimum opening deposit is substantially higher in communities with majority Black populations ($80.60) and in communities that are more racially diverse without a White, Black, or Latinx majority ($97.00) when compared to majority White communities ($68.50). Lack of access to basic financial services that are affordable, like checking and savings accounts, are contributing factors to the increased racial wealth divide.

Greenlining has advocated for race-conscious solutions in the financial services sector to address the increasing racial wealth gap. Through our banking partnerships, we have elevated products and services, such as people-based Special Purpose Credit Programs that help increase small business and mortgage lending in BIPOC communities and advocate for affordable checking and savings accounts. In addition, Greenlining has reported on the importance of bank board diversity data for over a decade (2023 report)[10], elevating its importance in bank meetings between community-based organizations and bank representatives/leadership, through the process of developing community benefit agreements. However, amidst these efforts, trends indicate that bank boards continue to be predominately white and male, even though data shows that more diverse financial institutions are more competitive and financially stable[11]. And more importantly, in the context of the Community Reinvestment Act, diversity in decision-makers is core to increasing access to capital[12] for low-income communities in order to address the widening racial wealth gap.

Greenlining recommends that the OCC include findings from Equal Employment Opportunity Reports in its policy statement and review of merger applications, including a requirement that banks describe their efforts to promote gender, racial, and ethnic diversity in their boards, senior management, and branch personnel. These reports are available to regulating agencies and can

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[8] Glover Blackwell, Angela et al. (2017). The Competitive Advantage of Racial Equity. *FSG and Policy Link.* https://www.policylink.org/resources-tools/competitive-advantage-racial-equity
[9] Faber, Jacob & Friedline, Terri. (2018). The Racialized Cost of Banking. *New America*. https://www.newamerica.org/family-centered-social-policy/reports/racialized-costs-banking/
[10] Plasencia, Erica. (2022). The Benefits of Bank Board Diversity. *The Greenlining Institute.* https://greenlining.org/2023/2022-bank-board-diversity-analysis/
[11] U.S House Committee on Financial Services. *Diversity and Inclusion: Holding America's Large Banks Accountable. (H. Rpt. 116).* Washington: Government Printing Office, 2020.
[12] Dolan, Kevin, et al. (2020). Diversity Still Matters. *Mckinsey & Company.* https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-still-matters

help demonstrate prioritization of diversity, equity, and inclusion in the workplace for a more financially stable and sustainable management and workforce.

Section V, Convenience and Needs

Greenlining commends the OCC's comprehensive review of the convenience and needs factor. The additional proposed considerations will help mitigate some of the effects of the dual financial system. As indicated in the policy statement, the OCC requests comments on whether branch availability in other communities besides LMI census tracts should be considered. The potential negative impacts of mergers on the public, especially communities of color, are extensive. Thus, Greenlining recommends that communities of color be considered for any post-merger impacts. Greenlining provides additional context and recommendations below.

Bank branches play a crucial role in serving the unique needs of low-income communities and communities of color, rural areas, and communities who may have minimal to no access to broadband or digital devices. Despite this critical need, banks have continued to close branches, prioritizing profits[13] at the expense of community needs. These branch closures have devastating and harmful impacts in underserved areas, limiting access to critical financial services, such as checking and savings accounts. These realities have created a dual financial system,[14] one that delivers "very different sets of products—and results—for wealthy white people and for people of color." The regulators' approval process for bank mergers was criticized for its perceived lack of thorough review, often being seen as a mere formality rather than a meaningful evaluation of bank mergers and acquisitions. This lack of intentionality has perpetuated this two tiered financial system by failing to meet the convenience and needs of low-income communities and communities of color, creating ripple effects in our financial system that maintain and increase unbanked and underbanked populations.

Bank consolidation through mergers have decimated smaller banks, and created a platform for the largest banks to consistently grow. For example, Capital One's history of mergers and acquisitions since 2005 has allowed it to become one of the top 10 largest banks in the US.[15] Through its various mergers, Capital One has shut down mortgage divisions, eliminating jobs, and critical access to credit in various communities.[16] Similar patterns emerged in its

[13] Dobbs, Jim. (2023). Why the torrid pace of branch closings has cooled. *American Banker*. https://www.americanbanker.com/news/why-banks-are-closing-so-many-branches

[14] Greer, Jeremie. (2022). Wealth Building Won't Work While Wealth Extraction Continues. *Shelter Force*. https://shelterforce.org/2022/02/14/wealth-building-wont-work-while-wealth-extraction-continues/

[15] Horton, Cassidy. (2024). Largest Banks in The U.S. 2024. *Forbes.* https://www.forbes.com/advisor/banking/largest-banks-in-the-us/

[16] Wilchines, Dan. (2007). Capital One slashes jobs, mortgage industry swoons. *Reuters*. https://www.reuters.com/article/us-financial-mortgages-idUSN2027429520070820/

acquisition of ING Direct in 2012, closing [42 branches a year after its acquisition](https://ncrc.org/time-to-change-bank-merger-reviews-ncrc-calls-for-new-rulemaking-process/),[17] in addition to mortgage and home equity lines of credit divisions.

These trends show that post-merger closures will continue to happen, along with drastic cuts in critical CRA investments needed in local communities. Community benefit agreements are one way to mitigate the continued effects of bank mergers on the most vulnerable populations. For example, the National Community Reinvestment Coalition (NCRC) and New York Community Bancorp, Inc (NYCB) negotiated a community benefit agreement[18] when community based organizations expressed lending concerns in the acquisition of Flagstar Bank, particularly its residential mortgage lending, support for community based organizations, community development lending and investments, and branch closures. The CBA provided an avenue for various organizations representing the public to express their needs and provide on-the-ground impacts of the merger. The end result brought targeted commitments to small business and residential mortgages in majority-minority communities and branch commitments with no closures in LMI or majority-minority communities, to name a few.

Community benefit agreements can serve as an accountability mechanism to ensure that disparate impacts are reduced by setting intentional targets for increased lending and investments targeted in low-income and majority-minority communities, all informed by and centered on community needs. Merging institutions need to demonstrate either through CBAs or through the OCC's convenience and needs analysis, how the transaction will benefit the public and improve conditions post merger. Lastly, community benefit agreements need to be a binding agreement, signed by the bank's CEO and board, that is a central component of the convenience and needs analysis. Fulfillment of a previous community benefit agreement should also be considered by the OCC in merger applications. Developing such agreements that demonstrate that acquiring banks are in collaboration with the communities that will be impacted by the merger should be a condition of merger applications. Devoid of this accountability mechanism, and as data has shown, disparate impact on these specific communities will continue to rise, widening the racial wealth gap. Due to the aforementioned benefits of a CBA in helping banks to meet the credit needs of low-income and communities of color, Greenlining recommends that the policy statement states that CBA's negotiated with a diverse set of community based organizations that include measurable goals for meeting needs will be considered in needs analysis. Lastly, the agencies should provide additional guidance by defining CBAs in their regulations and application materials, indicating that partnerships with community organizations are key to identifying and responding to diverse sets of community needs.

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[17] Van Tol, Jesse. (2023) Time to Change Bank Merger Reviews: NCRC CAlls for New Rulemaking Process. *National Community Reinvestment Coalition*. https://ncrc.org/time-to-change-bank-merger-reviews-ncrc-calls-for-new-rulemaking-process/

[18] National Community Reinvestment Coaltion. 2022. *NCRC And New York Community Bancord Announce $28 Billion Community Benefit Agreement To Support Communiites Of Color, Small Businesses, And Ongoing Commitment To Responsible Multi-Family Lending.* [Press Release] https://ncrc.org/ncrc-and-new-york-community-bancorp-announce-28-billion-community-pledge-agreement-to-support-communities-of-color-small-businesses-and-ongoing-commitment-to-responsible-multi-family-lending/

Majority Minority-Neighborhoods
Greenlining's coalition of 40 grassroots based organizations have tirelessly advocated for an explicit race-conscious lens in the Community Reinvestment Act and in the Bank Merger Application review. When these considerations are ignored, systemic inequities are exacerbated. Low-income communities and communities of color are not synonymous, therefore any attempt to address the racial wealth gap will come short absent of a race-conscious approach. Calls to eliminate diversity, equity, and inclusion[19] initiatives as well as race-conscious programs following the Supreme Court's affirmative action ruling,[20] ending all race-based admission programs in colleges and universities have demonstrated regressive attempts that will perpetuate systemic inequities caused by years of disinvestments in formerly redlined communities. These attempts ignore fair lending and equal credit opportunity laws that establish legal grounds for lending to communities with protected characteristics. Further, interagency support[21] and guidance have been provided, including the U.S. Department of Housing and Urban Development[22] and the Consumer Financial Protection Bureau[23] affirming lending based on protected characteristics, particularly for Special Credit Purpose Programs.

As such, lending institutions and regulatory agencies can and should implement race conscious programs that address racial and economic disparities, particularly economic conditions impacted by race. Greenlining recommends that the OCC's comprehensive review of the convenience and needs factor in the policy statement should include communities of color, identifying impacts through majority-minority census tracts.

Local Economic Ecosystem
When banks and branches close there is a ripple effect on the local economic ecosystem that impacts not only community members, but small businesses and jobs that help maintain a

[19] Watson, Leah. (2024). Anti-DEI Efforts Are the Latest Attack on Racial Equity and Free Speech. *American Civil Liberties Union.* https://www.aclu.org/news/free-speech/anti-dei-efforts-are-the-latest-attack-on-racial-equity-and-free-speech

[20] Totenberg, Nina. (2023). Supreme Court guts affirmative action, effectively ending race-conscious admissions. *National Public Radio.* https://www.npr.org/2023/06/29/1181138066/affirmative-action-supreme-court-decision

[21] Federal Deposit Insurance Corporation. (2022). *Interagency Statement on Special Purpose Credit Programs Under the Equal Credit Opportunity Act and Regulation B.* https://www.fdic.gov/news/financial-institution-letters/2022/fil22008.html

[22] The U.S. Department of Housing and Urban Development. (2021). *Office of General Counsel Guidance on the Fair Housing Act's Treatment of Certain Special Purpose Credit Programs That Are Designed and Implemented in Compliance with the Equal Credit Opportunity Act and Regulation B.* https://www.hud.gov/sites/dfiles/GC/documents/Special_Purpose_Credit_Program_OGC_guidance_12-6-2021.pdf

[23] The Bureau of Consumer Financial Protection. (2020). *Advisory Opinion on Special Purpose Credit Programs.* https://www.consumerfinance.gov/rules-policy/final-rules/advisory-opinion-on-special-purpose-credit-programs/

strong financial ecosystem. A 2023 report[24] from the Federal Reserve Banks indicated that an overwhelming share of small businesses still rely on banks for financing applications, and many cite their relationship with their lender as the reason they continue to work with them. These banking relationships matter and remain critical for supporting small businesses in their communities.

In addition, changes in lending practices post-merger can decrease small businesses' access to credit. Small businesses, which may already struggle to access credit compared to larger corporations, [25]could find it even more challenging to secure loans or lines of credit following a merger, especially if the merged entity decides to tighten lending standards or focus more on larger, more profitable clients. Moreover, mergers can lead to increased fees and charges due to service consolidation and branch closures, further constraining small businesses' bargaining power. Additionally, changes in product offerings that were beneficial to small businesses may force them to alternative financial institutions that have less favorable and more expensive terms. Lastly, geographical impacts such as branch closures in rural areas exacerbate access issues, pushing businesses to travel farther or rely on less accessible online services. All of these factors affect job growth and economic development, and have disproportionate impacts on historically disadvantaged communities, particularly low-income, people of color, and those living in rural and remote areas.

The Greenlining Institute commends the additional considerations that the OCC is proposing to include in the policy statement, including:

- Proposed changes to branch locations, branching services, banking services or products, or credit availability offered by the target and acquirer, including in low- or moderate-income (LMI) communities,
- Job losses or lost job opportunities from branching changes
- Community investment or development initiatives, including particularly those that support affordable housing and small businesses.

Additionally, Greenlining recommends that the OCC require the consideration of the following criteria to the their policy statement:

- Projected branch losses in majority-minority census tracts
- Projected job losses resulting from branch closures in branch networks of acquiring banks
- Impacts to small businesses of color; loss of small business products and services targeted to small businesses of color
- Detailed threshold of aforementioned data points that clarify the OCC's framework to determine minimal to significant impacts

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[24] 2023 Report on Employer Firms: Findings from the 2022 Small Business Credit Survey." 2023. Small Business Credit Survey. Federal Reserve Banks. https://doi.org/10.55350/sbcs-20230308
[25] Brown, Sherrod. (2022). Brown Urges Fed and OCC to Scrutinize Bank Mergers. https://www.brown.senate.gov/newsroom/press/release/sherrod-brown-fed-occ-scrutinize-bank-mergers. [Press Release].

- Detailed list of public benefits that outweigh any potential negative impacts on underserved communities

In addition, the proposed policy statement should be more expansive when considering impacts to LMI and other communities in the context of branch availability, and should also provide an analysis of the bank's ability to meet needs for credit, deposit and other banking services for LMI and communities of color.

The OCC's analysis of the aforementioned factors should be contingent on approval of the bank merger application.This report will help the public understand the factors that are reviewed prior to approval and its analysis of disparate impact on communities of color and local economies.

Section VI, Public Comments and Meetings

Full engagement and participation from the public is needed to satisfy the public benefit requirement of the Bank Merger Act. Processes that are unclear and inaccessible to the public raise procedural equity concerns, as the public and community are central to the Bank Merger Review.

First, public comments are a critical component of the bank merger process. This process provides the public an opportunity to express local impacts of mergers and acquisitions, allowing regulators and merging banks to zoom in on issues that they are not aware of at a macro level. To enhance public engagement, the OCC must extend comment periods for community members to participate in the process. This allows for individuals and organizations with diverse abilities and needs to obtain the support they need in writing a formal comment letter. By providing this additional time, regulators allow a diverse set of voices to help inform decisions about the merger. Furthermore, clarity around comment letter deadlines, particularly when and if comment letters received after the deadline are used to inform bank merger decisions. In addition, communities affected by the merger necessitate outreach from the acquiring financial regulator in order to reflect the varying public impacts the proposed merger could have on its local communities. For example, after the failure of Silicon Valley Bank and First Citizens acquisition, there was uncertainty as to the validity of Silicon Valley Bank's community benefit agreement that was negotiated with NCRC, Greenlining, and Rise Economy. While this situation was unique, outreach from the regulating agency, as well as the acquiring bank would have resolved pending concerns from the acquisition and its impact on various communities.

Secondly, public hearings provide opportunities to give voice to the concerns and potential impacts expressed in comment letters. In order to increase public participation in hearings, the OCC needs to clarify the process for requesting a public meeting, the appropriate channels, and specific contacts that can be referenced in the process. These channels of communication need to consider the diverse needs of community groups such as language accessibility and broadband access (for remote purposes). In addition, based on our participation in public hearings, we have seen that banks themselves use their social and financial capital to increase participation in the hearing and unfairly influence the outcome of their merger application. In the public hearings that our coalition has participated in, they have found it difficult to meaningfully address their concerns due to the short time available to speak, the undue pressure from banks for community members to make positive statements or be at risk of losing existing funding or jeopardizing ongoing banking relationships, and the inaccessibility of the times that the hearings are held (often in the middle of a work day). It is important to consider whether the type of public hearing structure is conducive to public participation.

Greenlining recommends the following to improve opportunities for public comment:

- Extending public comment period from 30 days to a minimum of 60 days
- Intentional outreach from regulators to include local community organizations potentially impacted by the merger in public comments/hearings
- Provide clarity on comment letters received after deadlines and if letters impact the Bank Merger review process decisions
- Address language and broadband accessibility concerns in public hearings

Conclusion

While promoting a competitive and efficient banking sector is undoubtedly important, it must not come at the expense of low-income communities and communities of color. By incorporating a strong focus on the convenience and needs of these communities into the bank merger review process, and clearly defining and mitigating measures of impact, regulators can help foster a more equitable and inclusive financial system. Transparency and accountability mechanisms like community benefit agreements are essential to mitigate adverse impacts on vulnerable communities and promote inclusive economic growth. Recommendations provided in our comments, including the incorporation of racial equity impacts in majority-minority communities, impacts on local economies, and the inclusion of diversity, equity, and inclusion considerations in merger reviews, are crucial steps toward achieving these goals. We thank the OCC for the opportunity to comment on this process and welcome a more comprehensive review of the bank merger application process in the near future.

Sincerely,

Debra Gore-Mann
President & CEO, The Greenlining Institute

Endorsed by:

Greenlining Coalition

Access+ Capital

AnewAmerica Community Corporation

Asian Business Association of Silicon Valley

Asian Business Association of Los Angeles

Asian Pacific Islander Small Business Collaborative

Black Cultural Zone Community Development Corporation

California Journal for Filipino Americans

Community Development, Inc.

Council of Asian American Business Associations of California

El Concilio of San Mateo County

Faith and Community Empowerment (FACE)

Fresno Metro Black Chamber of Commerce

Precinct Report Group

Southern California Black Chamber of Commerce

The Unity Council

Greenlining Comments to OCC Bank Merger NPR - May 2024

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