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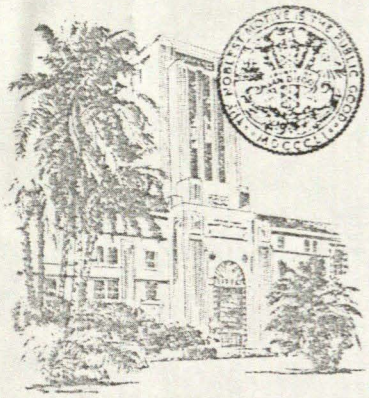

SAN DIEGO COUNTY BOARD OF SUPERVISORS

LEON L. WILLIAMS, CHAIRMAN

FAX COVER SHEET

NATIONAL & STATE BOARDS:

NATIONAL ASSOCIATION OF COUNTIES

COUNTY SUPERVISORS ASSOCIATION OF CALIFORNIA

SOUTHERN CALIFORNIA HAZARDOUS WASTE MANAGEMENT AUTHORITY

REGIONAL BOARDS:

METROPOLITAN TRANSIT DEVELOPMENT BOARD

SAN DIEGO WATER AUTHORITY WATER RECLAMATION ADVISORY COMMITTEE

REGIONAL TASK FORCE ON THE HOMELESS

CITY/COUNTY REINVESTMENT TASK FORCE

PRIVATE INDUSTRY COUNCIL REGIONAL EMPLOYMENT TRAINING CONSORTIUM POLICY BOARD

SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

Date OCTOBER 13, 1990

To MR. RICHARD ERB

Fax No. 1-202-447-1840

From VIKKI ROBINSON

Fax 557-4025

No. of pages following Cover Sheet 5

Comments

PLEASE CONFIRM RECEIPT BY CALLING:

1-(619) 531-6018 or 531-5544

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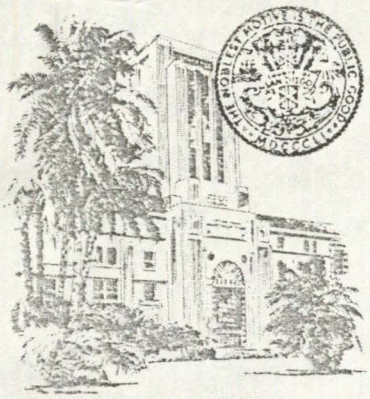

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SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

October 9, 1990

Mr. Richard Erb
National Examiner
Multi National Banking 611-1-N
Comptroller of the Currency
490 Le Font Place SW
Washington, D.C. 20219

Dear Mr. Erb:

On behalf of the Board of Supervisors of San Diego County, I am conveying to you our concerns regarding the acquisition of Great American Bank's assets by Wells Fargo Bank.

As you may be aware, Great American Bank has been a San Diego based lending institution for over 100 years. Its officers and directors are residents and have a personal familiarity with the local lending market. As such they have a good record of lending in low-income and minority neighborhoods in San Diego. In addition, because of their personal familiarity with the local market, they maintain a fairly sizeable lending portfolio separate from products saleable on the secondary mortgage market. These portfolios often include non-standard products which require personal familiarity with the local market and local borrowers.

It is our desire that Wells Fargo Bank become a good corporate citizen in San Diego county.

The residential lending records of Wells Fargo Bank versus that of Great American Bank in low income and minority areas is illustrated below.

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	% in low income areas			% in minority areas		
	1986	1987	1988	1986	1987	1988
Great American	10.50	10.50	13.46	1.93	3.34	3.40
Wells Fargo	5.99	2.53	5.55	.53	.68	0

This data was extracted from Home Mortgage Disclosure Data generated by the respective institutions. As you can see there is significant disparity between the two banks. The record of Wells Fargo Bank in lending to minority and low income areas for residential properties appears to be very limited.

It is our understanding that Wells Fargo Bank has a limited record of lending to small businesses through the Small Business Association programs, as well. We are also informed that while Wells Fargo Bank's lending patterns is limited in low income and minority areas, it is nearly non-existent in the unincorporated or rural areas of the County.

It is clear to us that Wells Fargo should make a specific effort to address San Diego credit needs through the formation of a San Diego Community Reinvestment Program. Such a program is necessitated by virtue of the role formerly defined by Great American in the local credit market. It is further necessitated by the rapid dissolution of an indigenous banking industry in this region.

In 1977 the City and County of San Diego jointly established the City-County Reinvestment Task Force to monitor lending policies and practices and develop strategies for reinvestment. The City-County Task Force, consisting of representatives from banking institutions, private businesses, City Councilman Bob Filner and myself has been instrumental in assisting the revitalization of local neighborhoods, producing low-income housing and enhancing positive relationships between the lending community and the citizens of San Diego County.

The Task Force takes its charter very seriously and basis its decisions on careful analysis of available data. Besides its scrutiny of Home Mortgage Disclosure Act data, the Task Force drafted and achieved passage of Senate Bill 1556 which generates data similar to Home Mortgage Disclosure Act

As a result of a fairly extensive needs assessment process which included a public hearing held before the San Diego City Council's Public Services and Safety Committee, the Task Force has recommended that Wells Fargo Bank establish a Community Reinvestment Act Program in San Diego County.

The Board of Supervisors unanimously endorsed this program at our meeting of September 25, 1990 and urged that it be established by Wells Fargo Bank. A copy of the Program is enclosed for your review.

Thank you for taking the time to consider our aforementioned concerns as you review Wells Fargo Bank's application. We urge that you make the establishment of a focussed San Diego reinvestment effort by Wells Fargo, a condition of your approval.

Sincerely,

Leon L. Williams
Chairman

LLW:VLR

attachment

CITY-COUNTY REINVESTMENT TASK FORCE

Jim Bliesner • Reinvestment Director

(ATTACHMENT B)

RECOMMENDED COMMUNITY REINVESTMENT PROGRAM AND GOALS FOR WELLS FARGO BANK IN SAN DIEGO COUNTY

ECONOMIC DEVELOPMENT

* Establish small business lending pool for loan under $50,000 in conjunction with public and non-profit organizations to serve economically depressed areas of the City and County. Examples of this would include geographically targeted programs to be developed by the Southeast Development Corp. and the California Southern Small Business Development Corp.

* Implement two phase economic development plan in conjunction with East County Economic Development Council for economically depressed communities in East County.

* Participate in City and County defined bonding programs directed at small business development.

HOUSING

* Implement "capacity building" program for community based non-profit organizations for low-income housing development through participation in the L.I.S.C. (Local Initiative Support Corp.), San Diego Program ($250,000)

* Continuation of San Diego Housing Commission leveraging agreement for single family and multi-unit housing rehabilitation.

* Development of leveraging agreement with San Diego Housing Commission for implementation of Housing Trust Fund with specific focus on low-income housing construction.

* Construction and long-term financing of low-income housing projects to non-profit and private developers.

* Lending for mobile home park conversions in conjunction with County Housing and Community Development.

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CORPORATE GIVING

* Honor existing commitments of Great American Bank

* Establish community and economic development giving program focussed on organizations in economically depressed areas

ORGANIZATIONS

* Establish CRA staff position in San Diego to implement San Diego Program.

* Hold quarterly progress meetings on Wells Fargo CRA activity in San Diego with public, community and private organizations.

* Implement comprehensive credit needs assessment effort in conjunction with community organizations.

BANKING SERVICES

* Establish specialized banking deposit services for North County farm workers which incorporate bi-lingual personnel and targeted marketing.

* Develop reduced fee check-cashing or direct deposit checking accounts for welfare recipients.

* Continue banking services of existing Southeast San Diego Great American branch.