COUNTY OF SAN DIEGO

CHIEF ADMINISTRATIVE OFFICE

AGENDA ITEM

RECEIVED
OCT - 2 1990
Ans'd.....

Supervisor Williams (Asod) Vikki L Robertson

BOARD OF SUPERVISORS
BRIAN P. BILBRAY FIRST DISTRICT
GEORGE F. BAILEY SECOND DISTRICT
SUSAN GOLDING THIRD DISTRICT
LEON L. WILLIAMS FOURTH DISTRICT
JOHN MACDONALD FIFTH DISTRICT

[100-010-030-010-001]

SUBJECT: WELLS FARGO GREAT AMERICAN BANK MERGER

SUPV DIST: ALL Requested by Chairman Leon L. Williams

ELECTED OFFICIAL'S SUMMARY OF REQUEST:

This is a request to authorize the Chairman of the Board to communicate to the Comptroller of the Currency concerns of the Reinvestment Task Force, regarding the Wells Fargo - Great American Bank acquisition.

ELECTED OFFICIAL'S RECOMMENDATION:

1. Endorse the City-County Reinvestment Task Force Community Reinvestment Program and goals in San Diego County for Wells Fargo Bank.

2. Direct the Chairman of the Board to send a letter on behalf of the Board of Supervisors to the Comptroller of the Currency in support of the the above San Diego Community Reinvestment Program.

CHIEF ADMINISTRATIVE OFFICER'S RECOMMENDATION/REPORT:

FISCAL IMPACT:

The funding source is n/a. If approved, this request will result in $0 current year cost, $0 annual cost and will require the addition of 0 staff years.

BOARD POLICY(IES) APPLICABLE: n/a

PREVIOUS RELEVANT BOARD ACTION: n/a ()

ORIGINATING DEPARTMENT: Board Chairman

ON MOTION of Supervisor Bailey, seconded by Supervisor Golding, the Board of Supervisors finds the need to take action arose subsequent to the Agenda being posted; and takes action as recommended,
by following vote:
AYES: Bilbray, Bailey, Golding, Williams and MacDonald

KATHRYN A. NELSON
Clerk of the Board of Supervisors

SEPT 25, 1990 NO. 45 **By** Lawanda L Bond **Deputy**

SUBJECT: WELLS FARGO GREAT AMERICAN BANK MERGER

BACKGROUND INFORMATION CONTINUED:

Ranking of lender performance has been conducted in San Diego by the Reinvestment Task Force since 1985. Two basic standards have been utilized; percent of residential portfolio loaned in low-income areas and percent of portfolio loaned in minority areas. The following is a comparison of Wells Fargo and Great American between 1986-1988.

	% in low income areas			% in minority areas		
	1986	1987	1988	1986	1987	1988
Great American Bank	10.54	10.50	13.46	1.93	3.34	3.40
Wells Fargo Bank	5.99	2.53	5.55	.53	.68	0

There is variation between the two lenders in their lending practices in San Diego County. This variance may represent a potential lack of access to credit for San Diego residents and businesses. Therefore, communication to the Comptroller of the Currency, voicing concern, is appropriate. I'm recommending that we endorse the City-County Reinvestment Task Force SAn Diego CRA program.

I am requesting your support of the recommended Community Reinvestment program and goals for San Diego Wells Fargo Bank. A letter will be submitted to the Comptroller of the Currency for the Agencies' review while considering the applicant's merger approval request.

Public testimony began August 31 upon receipt of Wells Fargo's application. It will end September 29, 1990.

The proposed program is highlighted in (attachment B).

Attachments

BOARD OF SUPERVISOR INFORMATION DEVELOPMENT FORM

SUBJECT: WELLS FARGO GREAT AMERICAN BANK MERGER

BACKGROUND INFORMATION:

As you are aware, Wells Fargo Bank has expressed its intent to acquire Great American Bank. The transaction will be monitored by the Comptroller of the Currency. The application to purchase Great American was received by the Comptroller August 31.

The Community Reinvestment Act places responsibility on lenders chartered by the Federal Reserve Bank, Federal Comptroller of the Currency, Home Loan Bank Board, National Credit Union Administration, to implement responsible community oriented credit practices. Recent legislation, connected to the formation of the Resolution Trust Corporation, will result in the regular monitoring and ranking of lender performance in their respective communities by federal regulators. Guidelines on the types of activities lenders should be involved in have been defined (see attachment A).

The Community Reinvestment Act provides for public comment when an application is made to the comptroller. Primary consideration is given to the community lending record of both institutions.

CITIZENS COMMITTEE STATEMENT ()YES ()NO
COUNTY COUNSEL APPROVAL - AS TO LEGALITY ()YES ()N/A
()STANDARD FORM ()ORDINANCE ()RESOLUTION AUDITOR
APPROVAL NEEDED ()YES ()NO
4 VOTES REQUIRED ()YES ()NO
FINANCIAL MANAGEMENT APPROVAL NEEDED ()YES ()NO
CONTRACT REVIEW PANEL ()APPROVED ()NOT APPLICABLE
CONTRACT NUMBER:

CONCURRENCES

VIKKI L. ROBINSON 730/531-6018 A500
CONTACT PERSON LC/PHONE AND MAILSTOP

Leon L. Williams
ELECTED OFFICIAL SIGNATURE

September 25, 1990

CHIEF ADMINISTRATIVE OFFICER MEETING DATE

(ATTACHMENT A)

Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act

Introduction

In light of the significant developments that have occurred in the financial institutions industry since enactment of the Community Reinvestment Act of 1977 ("CRA"), the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Federal Home Loan Bank Board ("the Agencies") have revised the 1980 Community Reinvestment Act Information Statement. The revisions in this Joint Statement are intended to take advantage of the experience the Agencies, financial institutions, and community members have gained over the years in developing approaches to ensure that the requirements and purposes of the CRA are met. This revised Statement provides guidance regarding the types of policies and procedures that the Agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis and the procedures the Agencies will use during the application process to review an institution's CRA compliance and performance.

Under the CRA, the Agencies are required, when considering certain applications involving a federally insured financial institution ("financial institution"), to take into account the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods. Given this responsibility, the Agencies want to assure that potential applicants, and those who may wish to comment on an applicant's CRA record, know what is expected of a financial institution under the CRA and of participants during the application process.

The Agencies believe the clarification provided in this Statement will help applicants and others who wish to comment on applications to provide promptly the information necessary to permit the Agencies to address CRA issues in a timely fashion in accordance with the schedules required under relevant federal statutes and regulations. The Agencies wish to emphasize their belief that the goals of the CRA are best accomplished when financial institutions make meeting their responsibilities under the statute a part of their routine management and operational structure. Thus, the Agencies expect applicants to have addressed their responsibilities under the CRA well before they submit an application.

Background

The CRA was enacted in 1977 against a backdrop of concern over unfair treatment of prospective borrowers by financial institutions and over unwarranted geographic differences in their lending patterns. In the CRA, Congress reaffirmed that every financial institution has a continuing and affirmative obligation consistent with its safe and sound operation to help meet the credit needs of its entire community, including low- and moderate-income neighborhoods.

The CRA states that its purpose is to require each federal financial supervisory agency to use its authority when conducting examinations to encourage the financial institutions it supervises to help meet those needs. To this end, the Community Reinvestment Act provides:

In connection with its examination of a financial institution, the appropriate . . . agency shall:

(1) assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of [the] institution; and

(2) take such record into account in its evaluation of an application . . . by such institution.
12 U.S.C. Section 2903.

Simply stated, the CRA and the implementing regulations place upon all financial institutions, whether wholesale or retail, urban or rural, an affirmative responsibility to treat the credit needs of low- and moderate-income members of their communities as they would any other market for services that the institution has decided to serve. As with any other targeted market, financial institutions are expected to ascertain credit needs and demonstrate their response to those needs.

The Agencies believe that the CRA intends financial institutions to help meet the credit needs of their communities in a positive, ongoing way that recognizes the institution's assessment of its relevant market and is consistent with the safe and sound operation of the institution. This responsibility under the CRA may be met in a variety of ways, including lending for business, agriculture, education, consumer, home purchase, and home improvement purposes, and to finance state and local governments. The CRA was not intended to limit an institution's discretion to develop the types of products and services that it believes are best suited to its expertise and business objectives and to the needs of its particular community, as long as the institution's program is consistent with the objectives of the CRA. Nor is it the purpose of this Statement to establish specific lending requirements or programs for financial institutions subject to the CRA.

This Statement provides guidance, in part, by describing the types of activities that the Agencies have found fulfill a financial institution's responsibilities under the CRA. Because the needs of communities vary, the Agencies recognize that the examples outlined in this Statement will not be appropriate for every institution or for every community.

Guidelines for Developing an Effective CRA Process

Because the credit needs of individual communities differ, the Agencies will consider the process by which a financial institution defines the community it serves, determines its credit needs, including its low- and moderate-income areas, and takes steps to help meet those needs through appropriate and prudent lending. The Agencies believe that appropriate consideration should be given to an institution that makes ongoing efforts to ascertain the needs of its entire community, develops products and services that are responsive to those needs, and markets those products and services throughout the community. An active program of management involvement, policy oversight, and regular review is most likely to assure that the products and services the institution chooses to offer will meet community credit needs, be adjusted when those needs change, and be available to all segments of the community.

The experience of the Agencies indicates that an effective CRA process must include methods to ascertain community needs on an ongoing basis through outreach efforts to local governments, businesses, and community members and organizations. This ascertainment effort should include a system that both facilitates dialogue with these individuals and groups and enables them to communicate their concerns to an officer of the financial institution with CRA responsibilities. To be effective, the process must include methods to incorporate findings regarding community credit needs into the development of products and services that the institution decides to offer to help meet these needs.

The CRA plan should include marketing and advertising programs for lending products and services that are responsive to the needs of the community and that will inform and stimulate awareness of those products and services throughout the community, including low- and moderate-income areas. The plan should also include periodic analysis of the disposition of loan applications to ensure that potential borrowers are treated in a fair and nondiscriminatory manner.

The duty to coordinate and monitor the CRA process should be assigned to a senior officer or a committee charged with the responsibility to report periodically to the board of directors about the institution's CRA efforts, performance, and areas for improvement, where appropriate. An employee training program should be established. This program should contain information about those policies of the institution designed to help meet community credit needs, including the needs of low- and moderate-income areas and small businesses. Procedures should be implemented to assure that files are maintained, as required by agency regulations, for purposes of receiving public comments and for reviewing and responding to these comments.

Regardless of how an institution organizes itself to implement such a plan, seeing that the institution has taken the steps necessary to help meet its community's credit needs is the responsibility of the entire organization, beginning with its board of directors and continuing through its line management.

Once a financial institution has established an effective CRA process, it must assure that its CRA statement accurately reflects the types of lending and other services that it will offer to the community. This statement must be reviewed at least annually to ensure its accuracy. The services that the institution chooses to offer should be clearly articulated, reasonably related to community needs, and distributed in a fair and nondiscriminatory manner in keeping with an institution's general approach to its business. A financial institution need not offer every financial service in order to meet its CRA responsibilities; however, the Agencies expect that institutions will offer the types of credit listed in their CRA statement throughout their delineated communities.

Specific Elements of an Effective CRA Process

Within the general framework discussed above, institutions have substantial leeway in developing specific policies and programs to meet their CRA responsibilities. The actual steps taken by an institution will of necessity depend upon a number of factors, including the size of the institution, its business strategy and objectives, and the size, nature, and needs of the community involved. For example, the specific steps taken by a small rural institution to meet its CRA responsibilities may be quite different from those required of a major metropolitan institution.

Based upon the experience of the Agencies, institutions with the most effective programs for meeting their CRA responsibilities and for assuring that their services reach low- and moderate-income segments of the community will have taken many of the following steps:

- implemented policies, including the use of more flexible lending criteria, consistent with safe and sound practices, to provide the types of loans and services described in the institution's CRA statement on a more widespread basis;

- increased efforts to make loans to help meet identified credit needs within the community, such as those for home mortgages, home improvement, and small business. This may include participation in various government-insured lending programs, such as FHA-insured or VA-guaranteed mortgage loans and SBA loans, and participation in other types of lending programs, such as high-loan-to-value-ratio conventional mortgage loans with private mortgage insurance;

- implemented and advertised the availability of services of benefit to low- and moderate-income persons, such as cashing government checks or offering low-cost checking accounts;

- created and implemented advertising and marketing efforts through, for example, newspapers, radio, television, and brochures designed to inform low- and moderate-income groups (in languages other than English, where appropriate) of available loan and deposit services;

- expanded officer call programs to include targeted groups, such as small business owners and real estate agents in low- and moderate-income neighborhoods, in order to inform them of available credit services;

- established a process involving all levels of management in efforts to contact governmental leaders, economic development practitioners, businesses and business associations, and community organizations to discuss the financial services that are needed by the community;

- developed systems to provide assistance to customers or potential customers regarding federal, state, or local assistance programs to small businesses, or for housing or other similar community needs;

- adopted a written corporate policy concerning branch closings which contains provisions for appropriate notice, analysis of the impact of the closing on the local community, and efforts that may be made to minimize any adverse effects;

- participated in or provided assistance to community development programs or projects, such as Neighborhood Housing Services programs, small business programs encouraged by the Small Business Administration or Economic Development Administration, or Community Development Block Grant programs;

- established a community development corporation;

- funded a small business investment corporation or created a minority small business investment corporation;

- made lines of credit and other financing available, within prudent lending principles, to nonprofit developers of low-income housing and small business developments, for low-income multifamily rehabilitation and new construction projects, and/or provided a secondary market for nonprofit developer paper;

- underwritten or invested in state and municipal bonds; or

- in the case of members of the Federal Home Loan Bank System, participated actively in the FHLBB Community Investment Fund program.

Finally, to enhance CRA performance, some financial institutions have chosen to establish special or pilot lending programs earmarked for low- and moderate-income neighborhoods, consistent with safe and sound lending practices. While the Agencies support such activity, the scope of any such program is properly addressed by the financial institution itself, taking into accounts its own expertise and financial capabilities. This is particularly true of any targeted goals established for such a program, which may represent a statement of the institution's expectations of services to be provided based upon actual loan demand, market conditions, and other similar factors. The Agencies will continue to consider favorably financial-institution leadership in concerted efforts to improve low- and moderate-income areas in the community and participation by financial institutions in public and private partnerships to promote economic and community development efforts.

The examples described above illustrate specific steps that have been taken, in particular by larger financial organizations operating in urban communities, to help meet the credit needs of all segments of those communities. Smaller financial organizations operating in primarily rural communities may nonetheless find some of these examples helpful in designing CRA policies that would meet the needs of their communities.

Expanded CRA Statement

Financial institutions are currently required by agency regulations to prepare a CRA statement describing the community served by the institution and listing the types of credit offered by the institution to the community, and are encouraged to describe their CRA efforts in this statement. This statement must be reviewed by the board of directors of the institution at least on an annual basis. As noted above, an effective CRA process should also include management review and oversight of the institution's policies and performance on a regular basis.

The Agencies believe that it would be especially useful for a financial institution, in connection with the preparation and periodic review of its CRA statement, to expand the CRA statement to include a description of the institution's CRA performance. The CRA regulations of the Agencies currently encourage financial institutions to incorporate this type of description in their CRA statements. This description includes the institution's efforts to ascertain the credit needs of its community and to communicate with members of the community regarding those needs, and the steps taken by the institution, including through special credit-related programs, to help meet the community's credit needs. The CRA statement also provides a readily available vehicle for financial institutions to describe the marketing and advertising programs used by the institution to inform the community of the institution's services, and any other steps, such as those outlined in this Statement, that have been taken by the institution to implement its CRA policies. The institution may also find it useful to include a summary of the results of its internal CRA review and a summary of the documentation collected by the institution regarding its CRA performance.

An expanded CRA statement along the lines suggested in existing agency regulations can be a particularly effective part of the institution's outreach efforts to the community. This type of statement would also focus, on an ongoing basis, the attention of both the institution's management and the public on the financial institution's efforts to meet its responsibilities under the CRA and on any areas identified by the institution for improvement.

The Agencies also believe that an expanded CRA statement would present a suitable framework outside the applications process for public comment regarding an institution's CRA record. Under existing rules, public comments received by an institution regarding its CRA performance must be maintained in a public file with the institution's CRA statement. These public comments provide the institution with an opportunity to identify areas of public concern regarding its CRA performance and to consider any steps that the institution may find appropriate to address these concerns. The Agencies may then review these comments and the steps taken by the institution to address the comments during the CRA examination of the institution rather than through the applications process.

The Agencies strongly encourage financial institutions to expand their CRA statement to include a description of the institution's CRA performance in connection with the institution's review of its CRA record. The Federal Reserve Board and the FHLBB also strongly encourage holding companies, as part of the systemwide review and oversight by the holding company of the CRA performance of its subsidiary financial institutions, to ensure that their CRA statements are expanded in this way. The Agencies recognize that the CRA statement would vary in complexity and scope depending on the size, resources, and location of the institution.

Communication in Advance of the Applications Process

Just as financial institutions are expected to communicate with their local communities on an ongoing basis regarding credit needs, community organizations and other members of the public are strongly encouraged to bring comments regarding an institution's CRA performance to the attention of the institution and the appropriate supervisory agency at the earliest possible time. Interested persons are encouraged not to wait to present their comments through a protest to an application.

Prompt submission of comments regarding an institution's CRA record provides the institution and examiners with a timely opportunity to evaluate the matter and permits the institution to correct any deficiencies—an opportunity that may not be as effectively utilized under the time constraints of the applications process. The CRA regulations of the Agencies establish a comment procedure at the financial institution for this purpose, and the Agencies strongly encourage use of this process. The Agencies expect that financial institutions will investigate promptly all complaints and place a high priority on correcting any deficiencies.

The Agencies will consider any comments submitted to the institution through this comment procedure, as well as any action or response that the institution deems appropriate, in the evaluation of the institution's CRA performance. In this regard, when considering public comments received during the applications process concerning the CRA record of a particular institution, the Agencies will take into account whether the institution has provided to the public an expanded CRA statement that, as discussed above, describes the efforts made by the institution to help meet the credit needs of its community. The Agencies may also consider whether the commenter has submitted comments to the institution in response to the institution's CRA statement outside of the applications process. However, comments will be carefully weighed regardless of their timing, as long as submitted within the periods specified in the rules of the appropriate reviewing Agency.

Role of CRA Examinations

In acting upon applications covered by the CRA, the appropriate reviewing Agency will consider the CRA record of the relevant financial institutions as reflected in examination reports (from the relevant federal or state supervisory agencies), the information presented by any commenters, the response by the applicant, and the Agency's own analysis.

As indicated earlier, the CRA requires the Agencies to assess the CRA record of institutions under their supervision during the examination process and to take that record into account in evaluating certain applications. Therefore, the CRA record of the institution, as reflected in its examination reports, will be given great weight in the applications process. In some cases, however, the institution's CRA record as reflected in the examination report may need to be supplemented.

The CRA requires the Agencies to consider the institution's entire CRA record as an integral component of the analysis of the convenience and needs of the community that must be conducted when processing certain types of applications under federal statutes governing financial institutions. The documentation of that record must be sufficient to support the conclusions of the reviewing Agency. A favorable CRA examination from a supervisory agency is an important, and often controlling, factor in the consideration of an institution's CRA record. It is not conclusive evidence, however, in the face of significant and supported allegations from a commenter. This is especially the case when the examination is not recent or the particular issue raised in the application proceeding was not addressed in the examination. In these instances, applicants should submit sufficient data upon which the reviewing Agency may base a decision regarding the institution's record of serving the convenience and needs of its community, and should also respond to specific substantive issues raised by the commenters or the reviewing Agency.

Documentation of CRA Performance

The Agencies expect financial institutions to maintain reasonable documentation of the activities, such as those outlined in this Statement, that have been undertaken by the institution to implement the institution's CRA policies. The appropriate scope and detail of this documentation must be determined by each financial institution and should accurately reflect the institution's CRA policies and performance.

If a substantive CRA issue is raised in the applications process that has not been addressed in the institution's examination reports, the applicant should be prepared to provide the reviewing Agency with information necessary to evaluate the issue. This information may include such items as a description of the CRA policies that have been established, any procedures for ongoing review of these policies, and the types of services offered by the institution to help meet community credit needs. In addition, a description of the resources devoted to such services and the extent to which they are distributed throughout the community has proven to be helpful to the consideration of the issues.

An applicant that has established the type of CRA policies outlined in the applicable CRA regulations and this Statement, and that is able to document that it is performing in accordance with these policies, can expect a favorable finding on the CRA component of the convenience and needs factor under the applicable federal statute governing the transaction. The applicant can also expect timely action on the application within the reviewing Agency's processing guidelines (assuming that financial and other factors are favorable).

Where the examination or application record fails to show that the institution has instituted these types of policies, however, it will be necessary for the reviewing Agency to develop the information required to evaluate the institution's record of helping to meet community credit needs. A poorly documented record may prolong the application process in order for the reviewing Agency to collect the information needed for its decision.

Where the record shows disparities in lending that do not appear to be attributable to safety and soundness considerations or to factors beyond an institution's control, the reviewing Agency will inquire into the institution's efforts to ascertain the community's needs, to communicate with all areas of its community, and to advertise and market its services throughout its delineated community. The reviewing Agency will also consider all available information to determine whether any policies and practices of the institution may discourage credit applications from, or unlawfully discriminate against, individuals or segments of the community. Where the institution's record under the CRA is found not to be consistent with its obligations under the CRA, the reviewing Agency, after weighing all other factors, may deny the application.

Role of Commitments for Future Action

The Agencies believe that applicants should address their CRA responsibilities and have the necessary policies in place and working well before they file an application. In fulfilling their responsibilities under the CRA, however, financial institutions may decide to initiate programs for future action as a means of assuring a strong CRA record or resolving CRA issues. Commitments for future action are not viewed as part of the CRA record of performance of the financial institution, but may be given weight as an indicator of potential for improvement in the institution's performance. Commitments for such improvement can be used to address specific problems in an otherwise satisfactory record. Commitments may also be appropriate in addressing CRA performance in the context of the acquisition of a troubled financial institution. In some cases, these commitments are important to the conclusion that convenience and needs considerations are consistent with approval of the application. In general, commitments made in the applications process cannot be used to overcome a seriously deficient record of CRA performance. The Agencies may, where appropriate, require financial institutions to take specific actions designed to improve CRA performance by granting conditional approval of an application. In such cases approval granted by an agency generally becomes effective or final only after confirming that the financial institution has satisfied the appropriate conditions.

In line with the long-standing view of the Agencies that the CRA was not intended to establish a regulatory allocation of credit, the Agencies have neither requested commitments from applicants to make particular types or amounts of loans nor specified the terms or conditions for such loans. The Agencies will review whether the policies that an applicant commits to adopt are reasonably directed at the type of deficiencies, if any, found in the applicant's record, and whether those policies are consistent with the safe and sound operations of the financial institution.

Role of Meetings

While not required under the CRA or the regulations of the Agencies, the Agencies have in many instances found private meetings between an applicant and a protestant to be helpful. Such meetings may clarify the matters at issue, assist the Agencies in determining whether additional information is required, help to plan the direction of the necessary analysis, and, in some instances, resolve differences based on misunderstandings between the parties. These meetings often provide the protestant and applicant an opportunity to submit information to clarify or to support points made in their written submissions.

Although the agencies believe that ongoing discussion between a financial institution and members of the institution's community is the best way to determine a community's needs, any decision to negotiate or to reach a formal agreement, either during or outside of the applications process, is at the discretion of the parties. The Agencies may, in appropriate cases, facilitate private meetings and may attend them. In doing so, however, the Agencies will maintain a neutral role, and attendance and participation by the parties is voluntary. The purpose of such private meetings is not to provide a forum for the negotiation of a formal agreement among the parties, and the Agencies do not require or enforce such agreements. Moreover, the Agencies do not believe that it is appropriate to suspend processing an application to allow the parties to conclude negotiations or to reach a settlement unless requested by the applicant. The Agencies will act on an application once it has obtained a record sufficient to support a determination in the matter.

Each Agency may, under certain circumstances, order a public meeting, hearing, or oral argument. For example, an Agency may find that a public meeting or hearing on an application would be helpful in order to develop a complete record for decision. A public meeting or hearing may be ordered if the written submissions and materials presented at the private meetings do not develop an application record that the reviewing Agency believes is sufficient for decision. In such situations, the decision to call a public meeting or hearing would not be based on the inability of the parties to reconcile their differences in private meetings, but rather on the need for additional information that might be collected through such a process. Each Agency follows its own regulations and procedures with respect to ordering public meetings, hearings, or oral arguments.

Extension of Comment Period

Parties desiring to comment on applications, including those wishing to comment on the CRA record of a particular financial institution, should do so promptly and within the time periods specified in the rules of the appropriate reviewing Agency and the relevant public notices. The Agencies believe that this is important in order for the Agencies to carry out their responsibility to process applications within applicable time limits consistent with the public interest. Timely submission of comments also provides an opportunity for response by applicants and ensures time for any necessary analysis by the reviewing Agency.

In accordance with the rules of the Agencies, extensions of time for public comment will be provided only upon a showing of good cause or as otherwise permitted by agency regulations. For example, a brief extension would be appropriate where the application has not been promptly made available for inspection by the parties or where there has been inadequate public notice of the application. The Agencies do not believe that extensions of time are appropriate solely when the commenter desires more time to conduct discussions with an applicant. An extension of the comment period will be for only a brief period and normally will not be appropriate if it will extend the application-processing period beyond the time limits established in the relevant statute or Agency rules. A commenter that fails to submit comments on an application until after the close of the comment period (or any extension) may be precluded from participation.

Conclusion

The Agencies consider it important that financial institutions act effectively to meet the requirements of the CRA in a positive and ongoing manner. The Agencies believe that this can be done in a way that will not only benefit local communities, but also will be consistent with the safe and sound operation of financial institutions. Doing so, however, requires managerial effort, oversight, and review. An institution's processes for meeting the credit needs of its community must reflect an understanding of those needs and take into account changes that may occur in the community's credit needs. By applying sound management techniques to the challenges presented by the CRA, financial institutions can be agents of positive change for the cities, towns, and rural areas of this country—thereby benefiting themselves as well as the communities that they serve.

No. 88-191
March 21, 1988

Federal Home Loan Bank Board
Policy Statement on Community Investment

IT IS HEREBY RESOLVED, that the Federal Home Loan Bank Board ("Bank Board") adopts the following Community Investment Policy Statement:

The active participation of the thrift industry and of every Federal Home Loan Bank ("Bank") is essential to the provision of affordable housing and to the successful preservation, redevelopment, and revitalization of our nation's urban and rural communities. It has long been and continues to be the policy of the Federal Home Loan Bank System ("Bank System") to utilize fully its resources to encourage and assist its member institutions to help meet local housing and community development needs, including the needs of low- and moderate-income families and economically depressed areas.

The Bank Board wishes to reaffirm the commitment of the Bank Board and the Bank System not only to the fair and vigorous enforcement of the Community Reinvestment Act and related federal statutes, but also to the goal of providing specially-designed credit programs and technical assistance to support the community investment efforts of member institutions.

The principal responsibility for meeting these community investment objectives rests with the president and the board of directors of each Federal Home Loan Bank. To assure maximum flexibility in meeting local needs and problems, each Bank should design its community investment programs and credit policies in the manner it believes best-suited to accomplishing the Bank Board's goals in this area. Each Bank should insure that its community investment strategies meet both the needs of its members and the Bank Board's community investment goals.

In designing its community investment credit policies and programs, each Bank should strive, to the maximum extent feasible, to provide tangible incentives to encourage member institutions to finance affordable housing and other programs which benefit first-time homebuyers and low- and moderate-income families or areas. The current Community Investment Fund program, with its flexible pricing and administration, is an excellent vehicle for this purpose.

In reaffirming its commitment to a strong community investment program, the Bank Board also wishes to reaffirm the importance of adequate staffing and funding in each Bank to address community investment issues and to provide technical assistance to member institutions, neighborhood and community organizations, state and local governments, and others with community investment interests.

The establishment of Community Investment Fund advance programs and the appointment of Community Investment Officers have been integral parts of successful community investment efforts in the past and the Bank Board strongly recommends their continued use. It is equally imperative that each Federal Home Loan Bank seek new and innovative ways of using available resources to work with our member institutions in meeting our community investment objectives. With your active support and participation, the Bank Board is confident the Bank System and the thrift industry will continue their outstanding record of leadership in this vital area.

By the Federal Home Loan Bank Board

John F. Ghizzoni
Assistant Secretary

No. 89-1036
March 21, 1989

Federal Home Loan Bank Board

Whereas, the Federal Home Loan Bank Board ("Bank Board") desires to reaffirm its commitment to the goals and requirements of the Community Reinvestment Act ("CRA"); and

Whereas, the Bank Board has determined to provide additional guidance to member institutions of the Federal Home Loan Bank System and to community groups regarding the Bank Board's CRA policies; and

Whereas, the Bank Board has participated with the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation in the development of a joint policy statement on the CRA; and

Whereas, the Bank Board has reviewed the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("the Joint CRA Policy Statement") developed by interagency consultations; and

Whereas, the Bank Board finds that the Joint CRA Policy Statement appropriately reaffirms the Bank Board's commitment to the CRA and that adoption of the statement will promote the purposes of the CRA;

It is hereby resolved, that the Federal Home Loan Bank Board hereby affirms and adopts the Joint CRA Policy Statement developed in consultation with the Federal Reserve Board, Comptroller of the Currency, and the Federal Deposit Insurance Corporation (said statement being attached hereto and incorporated by reference); and

It is further resolved, that the Joint CRA Policy Statement be distributed to Bank System members and the public for their guidance.

By the Federal Home Loan Bank Board

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.

O/D #2
9-25-90

COUNTY OF SAN DIEGO

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REQUEST FOR THE BOARD OF SUPERVISORS
TO TAKE ACTION ON A MATTER NOT
ON THE POSTED AGENDA

To: Board of Supervisors

From: Leon L. Williams, Chairman

Summary of item: Wells Fargo Bank and Great American Bank merger.

In accordance with Government Code section 54954.2 and Board Policy A-72 your consent is requested to take action on a matter not on the posted agenda. The reason for this request is as follows: (Check appropriate boxes.)

/_/ a. An emergency situation exist because:

/_/ - work stoppage or other activity which severely impairs public health, safety or both

/_/ - crippling disaster which severely impairs public health, safety, or both

/X/ b. The need to take action arose subsequent to the Agenda being posted.

/_/ c. The item was posted for a prior meeting occuring not more than five calendar days prior to the date action is taken on the item and at the prior meeting, the item was continued to the meeting at which action is being taken.

The facts supporting the reason for off-docket consideration are:

We are facing a September 29, 1990 deadline to provide public testimony to the Comptroller of the Currency regarding the Wells Fargo - Great American Bank merger.

Leon L. Williams
Supervisor, District 4