



May 3, 2019

Federal Reserve Bank of Richmond,
P.O. Box 27622
Richmond, VA 23261

Federal Deposit Insurance Corporation
Atlanta Regional Office 10 10th Street, NW, Suite 800
Atlanta, GA 30309-3849.

Comments on the proposed merger of BB&T and SunTrust

Via email: comments.applications@rich.frb.org and BankMergerApplication@fdic.gov

Dear Regulators,

My name is Stella Adams CEO of S J Adams Consulting. I have spent my adult life recognizing the importance of the economy in advancing an equal opportunity society and I have sought to address the challenging economic realities faced by the Black community, and other under-served communities. These communities face disproportionately high unemployment, stagnant wages and rising housing costs.

In order for this merger to provide a major public benefit to these communities the resulting institution would have to enhance the capacity of communities of color, and other under-served groups by promoting diversity and inclusion in housing, financial services and related programs and investments; by promoting community economic development and through community and industry engagement.

Investments in Equity, Diversity and Inclusion

The proposed merger will cover 17 states, 25.7 million Black households and 16.7 Hispanic households in other words 70% and 26% of the black and brown populations in the nation. A commitment to racial equity, diversity and inclusion is paramount and a commitment must be explicit. The percentage of Black employees in the financial services industry has DECREASED according to the GAO (see attached report).

The new entity must commit to the recruitment of students from a broad range of schools, particularly from HBCUs and graduates from a broad range of academic disciplines such as liberal arts or science and technology.



The new entity should actively outreach to Black and Hispanic students by offering programs to increase awareness of careers in financial services, paid internships, scholarships and ensuring that existing line level employees have access to internal learning and development programs that allow them to develop and grow in their careers. As an employees gain knowledge and experience it will be important to recognize and support the advancement of line level employees. Opportunities to progress should be communicated to employees regularly, along with the competencies required to do so.

The new entity should commit to providing a minimum wage of at least \$15.00 and ideally offer a minimum wage of \$20.00.

Investments in Minority and Women-owned Companies

While early-stage minority and women-owned companies and small and medium-sized enterprises in low-to moderate income communities have positive environmental, social and economic impacts on their communities and are critical to driving sustainable growth, many of these companies face difficulties in obtaining adequate investment capital.

I urge new entity to partner with CDFIs, SBTCs, SBICs, and other community based organizations providing support to minority /women-owned businesses and business operated in low-to-moderate income communities in funding programs that promote the establishment of incubators/accelerators for sustainable start-ups and the integration of sustainability considerations in existing or general incubators.

I urge the new entity to invest in a robust compliance and second review program to ensure that established minority/women-owned businesses are offered business loan and business lines of credit not HELOCs which if defaulted upon put both their home and business at-risk. Studies I've participated in have shown that minority/women-owned businesses are offered HELOCs more often than white male firms of similar characteristics.

Climate Change and Disaster Recovery and Resiliency

I want to urge the new entity to address climate change and develop resiliencies for its clients and the communities it serves. Many southeastern cities within the proposed footprint are particularly vulnerable to climate change compared to cities in other regions and are increasingly at risk due to heat, flooding, and disease brought on by a changing climate. Socially-vulnerable residents often have less capacity to prepare for, respond to and recover from climate-related hazards and effects. Who are these socially- vulnerable residents?

- •Low-income
- •Women
- •Children



- Elderly
- Disabled persons

Many “risk assessments” are only “hazard assessments;” Most don’t recognize social vulnerability and civil rights; Others lack social dimensions of vulnerability that are standardized, comparable and quantifiable. After Hurricane Harvey nearly 30% of residents in flooded areas had fallen behind on their rent or mortgage. Loss of owned homes or reduced value of owned homes resulted in fewer affordable homes available; the cost of moving and re-establishing homes; costs to repair infrastructure such as roads, bridges, power lines , dams, levees, etc.-
(<http://www.climatehotmap.org/global-warming-effects/economy.html>)

“Disaster experts estimate that climate and weather events displaced more than 1 million Americans from their homes in 2017.”(-Rolling Stone, 2018) which 820,000 homes across the U.S. "discounted" due to coastal flooding;

Eight coastal states have lost \$14.1 billion in home value since 2005 from increased tidal flooding. And 2017 was one of the most costly years for all natural disasters on record. A total of 219 weather and climate events cost \$1.5 trillion in 2017, according to the National Oceanic and Atmospheric Administration.” (-PBS, 11/27/2018).

Rural communities are integral to the Southeast’s cultural heritage and to the strong agricultural and forest products industries across the region. More frequent extreme heat episodes and changing seasonal climates are projected to increase exposure linked health impacts and economic vulnerabilities in the agricultural, timber, and manufacturing sectors

The CRA provides a real opportunity for bankers to help impacted communities recover after natural disasters through lending, investments and services that stabilize and revitalize neighborhoods, repair deteriorating infrastructure and create long-term employment opportunities for all, including LMI individuals.

I urge the new entity to work constructively with borrowers in communities affected by natural disasters within their assessment areas. The new entity must acknowledge the effects of natural disasters on local businesses and individuals are often transitory, and will make efforts to adjust or alter terms on existing loans in affected areas and offer loan products that can assist borrowers with recovery efforts including FHA’s 203(h) and 203 (k) loan products.

I strongly urge the new entity to consider all activities related to disaster recovery that are most responsive to the needs of low-and moderate-income individuals or neighborhoods and underserved communities of color, including changes to policies, business operations,



capital investments, and other steps—yield benefits in excess of their costs in the near term, as well as over the long term. Evaluating adaptation strategies involves consideration of equity, justice, cultural heritage, the environment, and health.

I encourage the new entity to serve the interests of all the communities it serves including low and moderate income families and all the households and businesses within their footprint regardless of race, color, religion, sex, national origin, marital status, familial status or disability.

Thank you for your consideration of these concerns.

Warm regards,

Stella J. Adams

CEO, S J Adams Consulting