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To Whom It May Concern:

Thank you for the opportunity to submit comments regarding the proposed merger between BB&T Corporation, Winston-Salem, North Carolina with SunTrust Banks, Inc., Atlanta, Georgia.

The Florida Alliance of Community Development Corporations, Inc. (FLACDC) is the proactive leader of the community-based development field in Florida. It is the statewide membership organization for community-based development organizations (CBDOs), other nonprofits, partners and investors that serve and work in LMI communities. Our mission is to lead Florida's community development field and its partners in shaping strategies that advance community prosperity. We envision a Sunshine State in which every community offers its residents opportunities to create brighter, more prosperous futures.

The purpose of this communication is to share with the banks and their regulatory agencies what we, our members and other interested parties in Florida, have to say about this proposed merger. The first set of comments reflect the experience of FLACDC with these two banks. The second are based on the results of a survey conducted by FLACDC in early April, 2019. The final comments are recommendations for ensuring continued investment in LMI individuals and communities by our financial institutions, no matter their size.

FLACDC Experience with the Banks

FLACDC has had relationships with both banks for a number of years: SunTrust since 2007 and BB&T since 2011. The relationship with SunTrust started out strong but declined over time. Staffing changes made it difficult to know who to contact and it often took some time to get a response. The fact that FLACDC is a statewide organization also appeared to be a challenge – requests had to be approved by 3 or more 'regional' offices to be considered. The value of grants received from the SunTrust Foundation also decreased, ceased completely in 2014 and 2015 and resumed, at the lowest level, in 2016 and 2017. SunTrust did not fund FLACDC in 2018 and our request for 2019 is pending.

The relationship with BB&T has been more consistent and staff have been more accessible and responsive. A community advisor group, composed of CDCs and other community organizations and leaders, convenes at least once per year to provide input on community needs and feedback on bank products and services. BB&T first funded FLACDC in 2011 and has continued to support our work since that time. Their initial level of support has, for the most part, been sustained, dipping a bit in 2012 and 2016, then showing an increase in 2017 and 2018. Our request for 2019 has been approved and is for a slightly larger amount than in the past.

Member and Stakeholder Survey

Since the banks involved have agreed to negotiate a Community Benefits Agreement (CBA), FLACDC decided to create a brief survey to gather our members' thoughts and ideas. We used sample CBAs obtained from the National Community Reinvestment Coalition to develop questions on mortgage, small business and community development lending, philanthropy, new branches and an 'other' catch-all category. Each question listed several ideas from the sample CBAs and respondents had only to check a box to indicate their support for that particular product or service. A comment section was included in each category and about 15% of the respondents used this to voice an opinion and/or make suggestions for additional products or services. We also gave the survey to several partner organizations and asked them to share it with their memberships. The survey was open for 3 days and responses were received from a cross-section of stakeholders: CDCs and other community-based nonprofits; CDFIs; CLTs; Urban Leagues; local governments; and a regional planning council, chamber of commerce, community foundation and United Way. A significant majority of the responses came from South Florida (Palm Beach, Broward and Dade counties) and responses were also recorded from Brevard, Hillsborough, Lee, Pinellas and St. John's counties. One respondent serves multiple rural counties across Florida, two work just in the South Florida region and two have members statewide.

General Comments Regarding Proposed Merger

Although a question regarding the pros and cons of the proposed merger was not included in the survey, FLACDC did gather numerous comments on this, which included the following.

1. People are concerned that the merger will reduce available resources for community and economic development and make their mission of revitalizing LMI communities more difficult.
2. They are also concerned that the new bank will reduce competition in their markets, negatively impacting LMI businesses and residents disproportionately.
3. Satisfaction with the level of engagement by these banks in a community varies from location to location. In some places, BB&T has a good track record but SunTrust does not. In other communities the reverse is true.
4. ***There is consensus that both banks could do a better job of providing bank products and philanthropy to LMI individuals and communities.***

Some Ideas for Products the New Bank Should Offer

Based on the survey results, Florida's stakeholders would like to see the new bank:

1. Develop new, flexible LMI mortgage lending products;
2. Significantly fund partnerships with nonprofit credit, homebuyer and foreclosure counseling agencies;
3. Provide permanent end mortgage products for community land trust home-buyers;
4. Significantly fund partnerships with nonprofits that provide small business services and/or loans to LMI owned businesses and businesses located in LMI areas;
5. Develop new small business lending products for LMI borrowers and businesses located in LMI areas;
6. Develop products for LMI owned businesses using the Opportunity Zone program;
7. Define "investment" to include equity injections in nonprofit sponsored projects and programs that serve LMI individuals and communities;
8. Develop lending products specifically for nonprofit sponsored housing, commercial and mixed use developments in LMI communities and for those serving LMI individuals;
9. Significantly increase the amount of resources dedicated to philanthropy;
10. Develop a revolving line-of-credit product for use by nonprofits working in LMI communities;
11. Provide multi-year funding for nonprofits serving LMI communities seeking operating support and consider this as an investment in community infrastructure;
12. Provide incentives to nonprofits to undertake innovative and creative activities in LMI communities;
13. Ensure that ATMs and physical branches will be located throughout its footprint;
14. Invest in activities by nonprofits and others serving LMI communities that contribute to racial, economic and social equity; and
15. Invest in healthcare, education, the arts and projects that address food deserts in LMI communities.

Survey respondents made over ninety comments and suggestions. FLACDC would be happy to share them if there's interest in seeing them.

Final Comments

FLACDC sees this proposed merger as a great opportunity to create a new template, a 'gold standard' if you will, for bank investments in LMI communities and the nonprofit organizations that support them across the nation. We would like to see the financial services industry, its regulators and community stakeholders come together to create this new standard so that all institutions, no matter their size, will have a structure in place for these investments. That being said, right now we are ready to work with our partners, the banks and the regulatory agencies to ensure that this new entity:

1. Makes a structural, long-term commitment to increase its lending and investments in LMI communities across its footprint by creating products specifically designed for these activities and increasing the amount of lending and investment funds committed to them;

2. Creates a philanthropic foundation committed to investing at least 3% to 5% of corporate earnings in philanthropy that serves LMI individuals and communities across the new bank's footprint;
3. Invests in recruiting, training and sustaining the staff required to effectively operate the programs and banks services designed for LMI individuals and LMI communities; and
4. Embraces a transparent and easy to understand process that evaluates and demonstrates their commitment to developing these new products and serving LMI individuals and communities.

As a final note, this merger, if it goes through, will create the sixth largest bank in the country, with a substantial market share in Florida. Due to these considerations, we recommend that it be regulated by the Federal Reserve Bank rather than the Federal Deposit Insurance Corporation.

Again, we appreciate the opportunity to share our perspective and look forward to working with BB&T, SunTrust, the regulators and our members and partners to help shape a banking system in which LMI people and communities are never left behind.

Sincerely,



Theresa Chelikowsky
Executive Director