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VIA ELECTRONIC FILING

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Federal Reserve Bank of Richmond
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Richmond, VA 23261

Mr. Michael J. Dean
Regional Director
Federal Deposit Insurance Corporation
10 10th Street NW, Suite 800
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Dear Colleagues:

On behalf of the members of the Community Development Bankers Association (CDBA), we respectfully submit the enclosed comments in response to the Federal Reserve Bank of Richmond's review of the pending merger between SunTrust Banks, Inc. and BB&T Corporation.

The merger of SunTrust Banks, Inc. and BB&T Corporation is significant on a national and a local level. Following the merger, this proposed new entity will be among the largest financial institutions in the United States, with the potential to be placed among the Global Systemically Important Financial Institutions (G-SIFI).¹ As a major participant in the global financial markets, the proposed entity should be held to a high standard with respect to meeting the credit and financial service needs of Low- and Moderate-Income communities within its new, combined larger footprint.

Under the Bank Holding Company Act, the Bank Merger Act, and the Home Owners Loan Act, the Board is required to review the competitive effects of bank mergers and acquisitions.² Without proper oversight, any merger of this size could have significant and negative impact on economically disadvantaged areas. Specifically, such a merger could "affect the competitive environment in retail banking markets and that in some cases may raise competitive concerns."

¹ <http://www.fsb.org/work-of-the-fsb/policy-development/systematically-important-financial-institutions-sifis/global-systemically-important-financial-institutions-g-sifis/>

² <https://www.federalreserve.gov/bankinforeg/competitive-effects-mergers-acquisitions-faqs.htm>

To mitigate potential negative impacts, we strongly encourage the merged institution to develop a robust community development program to ensure that Low- and Moderate-Income communities are well served. A key component of such a program should include initiatives that support Community Development Financial Institutions (CDFIs), including CDFI banks. With an estimated asset size of \$442 billion, the new bank should develop CDFI initiatives that are at least comparable in size and scope as those of its new large bank peer group. Bank of America, J.P. Morgan Chase, and Citi are comparable in asset size to that of the proposed merged bank and their CDFI initiatives can serve as models:

- Wells Fargo has had a program in place since 2015 titled Wells Fargo Works for Small Business: Diverse Community Capital (DCC) program. Through this program, Wells has awarded \$94.8 million to 92 CDFIs, sustaining more than 45,000 local jobs in the areas they serve.³
- Bank of America's Innovative Partnerships Program has channeled more than \$200 million into CDFIs in 2018, and maintains a \$1.5 billion CDFI portfolio. In addition to its lending activities, Bank of America Charitable Foundation is providing \$1.3 million in grants in over two years to help CDFIs manage their operating costs.⁴
- Citi began the Communities at Work Fund in 2010, initially capitalized with \$200 million. It also launched Community Progress Makers Fund to support CDFIs, with a \$20 million, two-year initiative to support high-impact community organizations driving economic opportunities in their communities.⁵

We strongly encourage the new bank to revamp and strengthen its community development programs. In their merger application, the entities stated that “the combined bank will not diminish the CRA activity levels of Branch Bank and SunTrust Bank aggregated together,” citing both banks' current CRA ratings, of “Outstanding,” and “Satisfactory,” respectively.⁶ This statement suggests a continuance of existing strategies that were designed separately -- each for a much smaller bank -- than that of the new bank that will be created in this merger. A continuance of existing CRA practices and activity levels is insufficient within the context of a larger bank and compared to its new peer group.

In summary, we strongly encourage the Federal Reserve to ensure that the new bank created by the merger of SunTrust Banks, Inc. and BB&T Corporation has robust community development performance appropriate for its size, scope and complexity. As part of such an effort, we

³ <https://newsroom.wf.com/press-release/community-banking-and-small-business/wells-fargo-invests-185-million-grants-ease>

⁴ <https://about.bankofamerica.com/en-us/partnering-locally/cdfi.html#fbid=QSIcVX8nbSP>

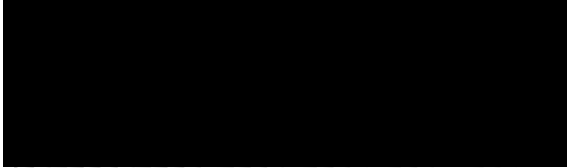
⁵ <https://www.citigroup.com/citi/foundation/programs/community-progress-makers-fund.htm>

⁶ Application to the Board of Governors of the Federal Reserve System by BB&T Corporation for prior approval to acquire by merger Suntrust Banks, Inc. and Suntrust Holding Company, pursuant to Sections 3(a)(3) and 3(a)(5) of the Bank Holding Company Act and Section 225.15 of Regulation Y.

recommend that the new bank embrace the opportunity to work with and support CDFIs within their markets.

Thank you for the opportunity to comment on this important issue.

Sincerely,



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