



May 14, 2019

Jelena McWilliams
Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Jerome H. Powell
Chairman of the Board of Governors
Federal Reserve System
20th Street and Constitution Ave NW
Washington, DC 20551

Re: Support for Mechanics Bank Acquisition of Rabobank

Dear Chairman McWilliams and Chairman Powell,

The Latino Coalition for Community Leadership is a member of the National Diversity Coalition ("NDC"). Our organization wishes to lend our voice and align ourselves with the comments below explaining our rationale for supporting the Mechanics Bank's definitive agreement to acquire Rabobank, N.A.

We agree that the acquisition as a unique opportunity to transform the banking landscape in California. The combined bank will provide a significant network of banking centers throughout California's major population centers and economic centers, from the Imperial Valley to Southern Oregon, and from the coastal communities to the Sierra Nevada foothills. It means even greater strength, greater capacity, greater stability, and greater convenience.

We join with NDC in affirming our initial alignment strategies through Mechanics Bank's commitment to meeting the financial services, investment and lending needs of low- and moderate- income communities, including individuals and small businesses, Mechanics Bank established CRA Community Impact Goals for the benefit of its assessment area and regional initiatives, effective January 1, 2020 and have been presented to NDC for endorsement, summarized as follows:

1. Mechanics agrees to annual meetings with NDC to develop strategies to achieve the goals set herein.
2. Mechanics will work towards an annual amount of CRA qualified loans, investments and services, provided within its service area.
3. Mechanics will focus on providing lending solutions for businesses with gross annual revenues equal to or less than \$1 million and loan amounts under \$150,000.
4. Mechanics will integrate the Small Business Administration's 7A and 504 Programs, which under CRA may be classified as Innovative and Flexible lending products.
5. Mechanics will integrate the "Home Ready" mortgage product, an affordable, low down-payment mortgage program designed for creditworthy low- to- moderate income borrowers with an expanded eligibility for LMI communities.
6. By December 31, 2020, Mechanics Bank will adopt and implement a formal corporate supplier diversity policy and program to enhance its commitment to this important objective.
7. Beginning in 2020 and continuing for a period of five (5) years, Mechanics Bank will devote .025% of then current deposits, as measured each year-end and excluding time deposits and brokered deposits, towards contributions with at least 50% of such contributions focused on affordable housing, economic development, small business technical assistance, and financial literacy related causes supporting low- to- moderate income and underserved individuals, families and communities.
8. Beginning in 2020 and continuing for a period of five (5) years, Mechanics will devote an additional 0.25% of then current deposits annually, as measured each year-end and excluding time deposits and brokered deposits in the following manner (a) to new community development investments
9. Mechanics will provide retail financial services that will meet the needs of low- and moderate- income families in its assessment area.
10. Mechanics will continue to waive out of network surcharge fees to users of California Electronic Benefits Transfer cards (EBT) or its successor payment system.
11. Mechanics will continue to offer personal and unsecured consumer loans that will be available in amounts as low as \$500 payable in installments at no more than 30% APR to borrowers who demonstrate the ability to repay the loan and all related fees and costs.
12. Mechanics will strive to close no branches as a result of this acquisition in rural and/or underserved communities, including those currently existing in the Imperial and Coachella Valleys. In the event Mechanics considers future branch closure activities, we will discuss potential community impacts with our coalition partners.

For these impacts deemed beneficial to the community we serve, we are supporting the acquisition.

Sincerely,



Richard Ramos
President-CEO