

## GET Committee

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**From:** Ian Chan Hodges <ingenuity@mac.com>  
**Sent:** Tuesday, August 06, 2019 11:17 AM  
**To:** GET Committee  
**Subject:** BofA testimony on SCR45 including Federal Reserve order  
**Attachments:** SCR45 testimony attachments-sch.pdf



**Bank of America**

**CONFIDENTIAL**

**Patrick S. Antrim**  
Senior Counsel

Legal Department North 3017

May 16, 1994

Mr. Surjeet Sidhu  
Senior Financial Analyst  
Board of Governors of the  
Federal Reserve System  
20th & C Sts., NW  
Washington, DC 20515

Dear Mr. Sidhu:

This letter responds to questions presented to us during our conference call on Friday, May 13, 1994. The questions are presented below in bold type, followed by our response.

- 1(a) Provide 1993 announced Community Reinvestment Act ("CRA") goals and results for BankAmerica Corporation ("BAC"), Bank of America NT&SA ("NT&SA"), and Bank of America, FSB ("FSB").

Attachment A contains information concerning 1993 CRA goals and results.

- (b) Provide 1994 CRA goals and results year-to-date for BAC, NT&SA, and FSB.

Attachment B contains information concerning 1994 CRA goals and year-to-date results.

2. In the application to acquire Liberty Bank and responses to the subsequent protest procedures, FSB referred to specific loan products including Neighborhood Advantage, ABC, B\*A\*S\*I\*C, and consumer and small business lending programs. Provide for each program sponsored by Bank of America Hawaii the number of loans and the dollar amount (year-to-date) made in low-to-moderate income census tracts (i.e., those with

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As described previously, our Community Development Division office is providing a new source of financing for Hawaii's affordable housing market. However, it must be recognized that Hawaii's "affordable" housing problem is not a problem of credit when the basic cost of a single family home is over \$355,000 for the City and County of Honolulu (i.e., the island of Oahu), which holds 80% of the population for the state. Sixty one percent (61%) of land owned in the state is held by government or six large landed estates. Less than 5% of Hawaii's 4.1 million acres of land is zoned Urban or Rural, where most housing development can take place (See Attachment L, State of Hawaii Data Book. 1992).

Further evidence of this is provided in Attachment M, which is extracted from a study conducted by a group of public and private sector organizations--including the State of Hawaii and counties. Notice that none of the policy recommendations address lack of credit as a key component to mitigating the basic problems facing housing in Hawaii.

4. Describe any special efforts in Hawaii to lend to Native Hawaiians and Filipinos, including product development, marketing, special staffing, cooperative efforts with specialized community organizations and government agencies, etc.

Attachment N provides evidence of Bank of America Hawaii's efforts to assist the Department of Hawaiian Home Lands (DHHL) and native Hawaiians to link up with Federal Government resources. These resources, coming from the Rural Electrification Administration ("REA"), would be used to develop crucial infrastructure necessary for the DHHL to meet its trust obligations to Native Hawaiians. Bank of America Hawaii has taken a leadership role in this area utilizing the expertise of its CRA Officer who served as Administrator for the REA, as well as Deputy Under Secretary for Agriculture for Small Community and Rural Development. No other financial institution in Hawaii has assisted DHHL in this way.

Development of lots by DHHL will go hand-in-hand with Bank of America Hawaii's commitment of \$150 million to the FHA 247 loan program. See Attachment O. FHA 247 is only open to Native Hawaiian beneficiaries of the

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Hawaiian Home Lands trust. This is the largest commitment ever made to the program in Hawaii.

We are currently discussing the needs of twenty-two DHHL lessees on the "Kawaihae-Makai" site on the island of Hawaii. Discussions have taken place, the latest being in a meeting on Hawaii on May 12, 1994, with JoJo Tanimoto, president of the Kawaihae Homesteaders Association.

Bank of America Hawaii, through its CRA Officer, has also communicated with the State Department of Business Economic Development and Tourism ("DBEDT") in discussing creation of a special small business loan program for Kauai. In addition, Bank of America Hawaii is working with the DBEDT, the Office of Hawaiian Affairs, and the Hawaii Alliance for Community Based Economic Development to investigate the capitalization possibilities for a Community Development Financial Institution. (See Attachment P.)

Attachment O also highlights Bank of America Hawaii's grant program to encourage non-profit affordable housing capacity building for the Filipino community.

We also envision that our employment of "community lending specialists", as outlined in Attachment O, working specifically with the Hawaiian and Filipino communities will serve as an effective supplemental enhancement of marketing our programs and products to members of these groups.

Bank of America Hawaii also has bi-lingual Filipino and Chinese loan officers and branch managers on staff. And we also have numerous branch managers and loan officers of Hawaiian ancestry.

Currently, we are also working with Self-Help Corporation of Hawaii in providing home buyers education to Native Hawaiians. See Attachment P. Bank of America Hawaii took the lead in underwriting the cost of putting on the classes (\$10,000 grant), targeted to Native Hawaiians with Department of Hawaiian Home Land leases.

Bank of America Hawaii, as a committed member of the Nanakuli and Waianae communities, also has embarked on a partnership with the Nanakuli Neighborhood Housing

# Legal Developments

## *FINAL RULE—AMENDMENT TO REGULATION H*

The Board of Governors is amending 12 C.F.R. Part 208, its Regulation H (Membership of State Banking Institutions in the Federal Reserve System), to allow a state member bank that meets certain conditions to invest in its premises in an amount up to 50 percent of its Tier 1 capital without obtaining specific approval. The Board believes that a general approval for a state member bank to invest an amount not exceeding 50 percent of its Tier 1 capital is appropriate for a bank that meets those conditions. This action will significantly reduce the number of applications to invest in bank premises that are filed with the Board and will thereby reduce regulatory burden.

Effective June 30, 1994, 12 C.F.R. Part 208 is amended as follows:

### *Part 208—Membership of State Banking Institutions in the Federal Reserve System (Regulation H)*

1. The authority citation for part 208 continues to read as follows:

*Authority:* 12 U.S.C. 36, 248(a), 248(c), 321–338a, 371d, 461, 481–486, 601, 611, 1814, 1823(j), 1828(o), 1831o, 1831p-1, 3105, 3310, 3331–3351, and 3906-3909; 15 U.S.C. 1(b), 1(g), 1(i), 78b, 78o-4(c)(5), 78q, 78q-1, and 78w; 31 U.S.C. 5318.

2. Section 208.22 is added to subpart A to read as follows:

#### **Section 208.22—Investment in bank premises.**

(a) Under Section 24A of the Federal Reserve Act, state member bank investments in bank premises or in the stock, bonds, debentures, or other such obligations of any corporation holding the premises of the bank, and loans on the security of the stock of such corporation, do not require the approval of the Board if the aggregate of all such investments and loans, together with the indebtedness incurred by any such corporation that is an affiliate of the bank (as defined in section 2 of the Banking Act of 1933, as amended, 12 U.S.C. 221a):

- (1) Does not exceed the capital stock account of the bank; or
- (2) Does not exceed 50 percent of the bank's Tier 1 capital and the bank:
  - (i) Is well capitalized as defined in section 208.33(b)(1) of this part;
  - (ii) Received a composite CAMEL rating of "1" or "2" as of its most recent examination by the relevant Federal Reserve Bank or state regulatory authority; and
  - (iii) Is not subject to any written agreement, cease and desist order, capital directive, or prompt corrective action directive issued by the Board or a Federal Reserve Bank.

### *ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT*

#### *Orders Issued Under Section 3 of the Bank Holding Company Act*

**BankAmerica Corporation**  
San Francisco, California

#### *Order Approving Acquisition of a Bank*

BankAmerica Corporation, San Francisco, California ("BankAmerica"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Liberty Bank, Honolulu, Hawaii ("Liberty"), through a merger of Liberty into Bank of America, FSB, Portland, Oregon ("Bank of America FSB"), a wholly owned subsidiary of BankAmerica, with Bank of America FSB surviving the merger.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (58 *Federal Register* 67,411 (1993)). The time for filing comments has expired, and the Board has considered all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Bank of America FSB recently announced a comprehensive program to enhance service to the native Hawaiian and Filipino communities. The program includes a four-year commitment to provide \$150 million in residential mortgage loans for native Hawaiians seeking housing on Department of Hawaiian Home Lands. The bank also has appointed two community lending specialists to develop and implement outreach programs for the Hawaiian and Filipino communities, and has committed \$100,000 over three years for use by nonprofit organizations that provide affordable housing for Filipinos. In a separate program, the bank, through its community development division, has committed \$30 million over the next two years to Kauai County's efforts to build affordable housing in Kauai in the aftermath of Hurricane Iniki.<sup>29</sup>

In September 1993, Bank of America FSB launched its new business banking initiative, which focuses on lending to small businesses. In connection with this initiative, the bank established its Advantage Business Credit program which provides loans to small businesses in the amount of \$2,500 to \$100,000. In addition, the bank has committed \$650,000 to a new Hawaii Small Business Loan Program, which will provide loans guaranteed by the Small Business Administration (the "SBA").

In 1992, BankAmerica established corporate-wide CRA-related goals, committing to provide \$12 billion over a ten-year period for housing loans in low- and moderate-income census tracts and for lower-income and minority borrowers, funding for the development and long-term financing of low-income housing, consumer loans for lower-income households, and government-guaranteed and conventional small business loans.<sup>30</sup> Bank of America FSB booked loans totalling approximately \$11 million as of September 30, 1993, representing 92 percent of its \$12 million 1993 goal under this corporate-wide initiative. The bank plans to double that goal in 1994.

*Other Aspects of CRA Performance.* The OTS found that Bank of America FSB's efforts to ascertain community credit needs generally have been successful considering the limited time that the bank has been in the Hawaiian market. The bank's CRA officer communicates with a variety of community-based and non-profit organizations, business organizations, and state governmental entities. Bank of America FSB has a formal call program in place, and its employees serve on the boards of organizations involved in the development of affordable housing in Hawaii. The bank has

29. Loans under this program will be offered at below market rates to projects serving low- and very-low-income families.

30. BankAmerica has allocated \$8 billion of this commitment to California, and \$4 billion to all other states.

established an advisory board to inform its board of directors about local credit needs. This advisory board is composed of residents who are involved in local business, government and/or community activities.

Bank of America FSB has sponsored credit-education fairs with the International Credit Association, and "Better Home Shows" that include information on new affordable housing projects sponsored by the State of Hawaii. The bank also co-sponsored two events in 1993 relating to community-based and small business lending. These events were targeted to the native Hawaiian community.<sup>31</sup>

### C. Record of Performance of Bank of America - California

The Board has carefully reviewed the 1992 and preliminary 1993 data filed by Bank of America - California under HMDA in light of the California Protestant's allegations that the bank does not lend to minorities, particularly Hispanics, and low- and moderate-income individuals in five counties in California.<sup>32</sup> These data show that Bank of America - California does make loans to minorities and to residents of low- and moderate-income areas of San Joaquin, Stanislaus and Merced Counties.<sup>33</sup> In addition, the bank's originations to African-Americans and Hispanics and low- and moderate-income census tracts, as a percentage of total originations, met or exceeded the performance of its peers in 1992. Furthermore, Bank of America

31. The Hawaii Protestants have alleged that the outreach efforts of Liberty are targeted primarily to nonminorities. The FDIC's most recent CRA performance evaluation of Liberty found that diverse ethnic groups were targeted by advertisements in local media in various languages, including Chinese, Japanese, Korean, Tagalog and Vietnamese. The FDIC also found that the bank demonstrated a strong record of helping to meet the credit needs of its entire community, and that mapping of loan activity indicated a reasonable penetration of all segments of the bank's community, including low- and moderate-income neighborhoods.

32. The California Protestant specifically alleges that Bank of America - California

(1) has "redlined" Hispanic individuals and businesses in Stanislaus, Merced, Madera, Tuolumne and San Joaquin counties (the "Target Counties");

(2) has closed branches in downtown areas of the Target Counties that were accessible to minorities, particularly Hispanics;

(3) has not provided sufficient marketing to the Hispanic community; and

(4) has not provided sufficient assistance or other support to individuals and organizations working with the Hispanic community.

33. For example, the bank made 35 mortgage loans to African-Americans and 227 mortgage loans to Hispanics in these three counties in 1992, and made 45 and 236 mortgage loans to African-Americans and Hispanics, respectively in these counties in 1993. Furthermore, in 1992 and 1993, the bank made 275 and 288 HMDA-related loans to low- and moderate-income census tracts in San Joaquin, Stanislaus and Merced Counties.

Madera and Tuolumne counties are located outside metropolitan statistical areas and, therefore, loans made to individuals in these counties are not separately reported under HMDA.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-0001

OFFICE OF ADMINISTRATION

AUG 20 2018

Ms. Shay Chan Hodges  
37 Puu Koa Place  
Haiku, HI 96708

RE: Freedom of Information Act Request  
FOIA Control No: 18-FI-HQ-01920

Dear Ms. Chan Hodges:

This letter is in response to your request dated and received on July 19, 2018, pursuant to the Freedom of Information Act (FOIA). You requested a list of the total number of Federal Housing Administration-247 (FHA-247) mortgage loans originated annually from 1994 to 2018 (or the most recent year recorded). You also requested breakdowns of the number of mortgages by lender for each of the 24 years, as well as the total dollar amount of FHA-247 mortgages per year per lender.

Your request is granted in full. Enclosed is a list, from 1994 through June 30, 2018, that contains the mortgage loan information that you requested.

For your information, your FOIA request, including your identity and any information made available, is releasable to the public under subsequent FOIA requests. In responding to these requests, the Department does not release personal information, such as home address, telephone number, or Social Security number, all of which are protected from disclosure under FOIA Exemption 6.

If you have any questions regarding this request, please contact Howard Rosenberg at (202) 402-5507. Thank you for your interest in the Department's policies and programs.

Sincerely,

A handwritten signature in black ink that reads "Deborah R. Snowden".

Deborah R. Snowden  
Deputy Chief FOIA Officer  
Office of the Executive Secretariat

Enclosures

	A	B	C	D
1	<b>FY Endorsed</b>	<b>Lender</b>	<b>Loans</b>	<b>Orig Mtge Amt</b>
2				
3	1994	AMERICAN SAVINGS MORTGAGE CO INC	4	\$408,245
4	1994	FHB MORTGAGE CO INC	1	\$40,960
5	1994	GUILD MORTGAGE COMPANY	28	\$2,314,301
6	1994	HMC FINANCIAL INC	2	\$155,388
7	1994	REALTY MORTGAGE CORP	14	\$943,858
8	1994	SOUTH PACIFIC MORTGAGE CORP	14	\$1,112,211
9	1994	U S BANCORP MORTGAGE COMPANY	2	\$223,169
10	1994	WESTERN PACIFIC MORTGAGE INC	1	\$70,843
11	<b>TOTAL 1994</b>		<b>66</b>	<b>\$5,268,975</b>
12				
13	1995	AMERICAN SAVINGS MORTGAGE CO INC	2	\$137,794
14	1995	FHB MORTGAGE CO INC	1	\$109,000
15	1995	GUILD MORTGAGE COMPANY	7	\$576,201
16	1995	HAWAII INTERNATIONAL MTG INC	11	\$1,140,115
17	1995	HMC FINANCIAL INC	8	\$820,201
18	1995	HOMESTREET BANK	37	\$3,731,725
19	1995	LOANS INC	2	\$121,350
20	1995	MORTGAGE RESOURCES INC	5	\$462,086
21	1995	REALTY MORTGAGE CORP	18	\$1,549,273
22	1995	U.S. FINANCIAL MORTGAGE CORPORATION	5	\$261,928
23	1995	WASHINGTON MUTUAL BANK FA NAMC	7	\$668,937
24	1995	WESTERN PACIFIC MORTGAGE INC	2	\$119,834
25	<b>TOTAL 1995</b>		<b>105</b>	<b>\$9,698,444</b>
26				
27	1996	ADVANTAGE MORTGAGE INC	1	\$198,000
28	1996	AMERICAN SAVINGS MORTGAGE CO INC	5	\$466,144
29	1996	BANK OF AMERICA FSB	9	\$1,051,117
30	1996	FHB MORTGAGE CO INC	1	\$92,600
31	1996	FINANCE FACTORS LTD	7	\$856,341
32	1996	FIRST HAWAIIAN BANK	4	\$409,802
33	1996	GUILD MORTGAGE COMPANY	1	\$79,966
34	1996	HAWAII INTERNATIONAL MTG INC	5	\$472,671
35	1996	HMC FINANCIAL INC	204	\$25,458,041
36	1996	HOMESTREET BANK	8	\$874,373
37	1996	ISLAND COMMUNITY LENDING CORPORATION	2	\$238,549
38	1996	LOANS INC	2	\$170,464
39	1996	MORTGAGE RESOURCES INC	7	\$676,003
40	1996	SN AND ASSOCIATES INC	5	\$451,736
41	1996	SOUTH PACIFIC MORTGAGE CORP	9	\$1,101,003
42	1996	U.S. FINANCIAL MORTGAGE CORPORATION	26	\$2,067,140
43	1996	WASHINGTON MUTUAL BANK FA NAMC	10	\$906,950
44	1996	WELLS FARGO-NORWEST-DIRECTORS MTG LN	2	\$237,047
45	1996	WESTERN PACIFIC MORTGAGE INC	3	\$275,873
46	<b>TOTAL 1996</b>		<b>311</b>	<b>\$36,083,820</b>



	A	B	C	D
1	<b>FY Endorsed</b>	<b>Lender</b>	<b>Loans</b>	<b>Orig Mtge Amt</b>
47				
48	1997	AMERICAN SAVINGS MORTGAGE CO INC	14	\$1,634,407
49	1997	BANK OF AMERICA FSB	4	\$570,275
50	1997	BANK OF AMERICA NA	2	\$247,728
51	1997	BANK OF HAWAII	7	\$836,502
52	1997	FINANCE FACTORS LTD	4	\$501,010
53	1997	FIRST HAWAIIAN BANK	4	\$504,954
54	1997	GUILD MORTGAGE COMPANY	1	\$107,767
55	1997	HMC FINANCIAL INC	7	\$751,020
56	1997	HOMESTREET BANK	59	\$6,448,119
57	1997	IRWIN MORTGAGE CORPORATION	1	\$157,827
58	1997	ISLAND COMMUNITY LENDING CORPORATION	10	\$866,843
59	1997	LEGACY MORTGAGE	2	\$261,950
60	1997	MORTGAGE RESOURCES INC	1	\$67,573
61	1997	PREFERRED FINANCIAL FUNDING IN	1	\$70,931
62	1997	SN AND ASSOCIATES INC	1	\$87,814
63	1997	SOUTH PACIFIC MORTGAGE CORP	8	\$943,175
64	1997	U.S. FINANCIAL MORTGAGE CORPORATION	58	\$4,886,062
65	1997	WASHINGTON MUTUAL BANK FA NAMC	26	\$2,678,536
66	1997	WESTERN PACIFIC MORTGAGE INC	2	\$309,265
67	<b>TOTAL 1997</b>		<b>212</b>	<b>\$21,931,758</b>
68				
69	1998	AMERICAN SAVINGS MORTGAGE CO INC	3	\$346,444
70	1998	BANK OF AMERICA FSB	7	\$819,629
71	1998	BANK OF AMERICA NA	4	\$420,753
72	1998	BANK OF HAWAII	7	\$548,120
73	1998	COUNTRYWIDE HOME LOANS INC	7	\$627,555
74	1998	FINANCE FACTORS LTD	31	\$3,993,788
75	1998	FIRST HAWAIIAN BANK	10	\$1,076,943
76	1998	HOMESTREET BANK	47	\$5,424,175
77	1998	INTERNATIONAL SAVINGS ALA LTD	6	\$496,426
78	1998	IRWIN MORTGAGE CORPORATION	1	\$77,850
79	1998	ISLAND COMMUNITY LENDING CORPORATION	35	\$2,879,379
80	1998	MORTGAGE STORE INC	1	\$115,737
81	1998	PREFERRED FINANCIAL FUNDING IN	3	\$257,286
82	1998	SOUTH PACIFIC MORTGAGE CORP	1	\$111,792
83	1998	U.S. FINANCIAL MORTGAGE CORPORATION	82	\$6,696,294
84	1998	WASHINGTON MUTUAL BANK FA NAMC	12	\$1,438,261
85	1998	WESTERN PACIFIC MORTGAGE INC	2	\$135,814
86	1998	WESTERN STATES MORTGAGE CORP	1	\$126,168
87	<b>TOTAL 1998</b>		<b>260</b>	<b>\$25,592,414</b>

Bank of America FHA-247 Loans

				Total Amount	Total # Loans
	Bank of America FSB	Bank of America NA	Bank of America Charlotte		
1994	\$ -	\$ -	\$ -	\$ -	
1995	\$ -	\$ -	\$ -	\$ -	
1996	\$ 1,051,117.00			\$ 1,051,117.00	9
1997	\$ 570,275.00	\$ 247,728.00		\$ 818,003.00	6
1998	\$ 819,629.00	\$ 420,753.00		\$ 1,240,382.00	11
1999	\$ 3,631,174.00		\$ 296,460.00	\$ 3,927,634.00	38
2000	\$ 106,297.00		\$ 1,719,212.00	\$ 1,825,509.00	16
2001			\$ 244,758.00	\$ 244,758.00	2
2002				\$ -	0
2003				\$ -	0
2004				\$ -	0
2005				\$ -	0
2006				\$ -	0
2007				\$ -	0
2008				\$ -	0
2009			\$ 369,678.00	\$ 369,678.00	3
2010			\$ 1,471,423.00	\$ 1,471,423.00	10
2011			\$ 2,143,810.00	\$ 2,143,810.00	11
2012				\$ -	
2013				\$ -	
2014				\$ -	
2015				\$ -	
2016				\$ -	
2017				\$ -	
2018				\$ -	
<b>Subtotals</b>	<b>\$ 6,178,492.00</b>	<b>\$ 668,481.00</b>	<b>\$ 6,245,341.00</b>		
<b>TOTAL</b>	<b>1994-2018</b>			<b>\$ 13,092,314.00</b>	<b>106</b>
	<b>1994-1998</b>			<b>\$ 3,109,502.00</b>	